



Charging Direct and Indirect (F&A) Costs Procedure

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On December 26, 2014, the federal government implemented new guidelines for the management of grants, referred to as the Uniform Guidance (2 CFR §200), that replaced OMB Circulars A-21, A-110 and A-133. Awards issued prior to this date will continue to be managed under OMB Circulars. This document is applicable to grants awarded after December 26, 2014 and references the Uniform Guidance.

BACKGROUND

As a recipient of federal awards, San Francisco State University (SF State) is required to meet compliance standards as outlined by external regulations, including the federal guidelines in the Uniform Guidance (2 CFR §200). All charges to sponsored research must be consistent with criteria established in the Charging Direct and Indirect (F&A) Costs Procedures, other applicable SF State procedures, and sponsor regulations.

ORSP PRE-AWARD

A. ORSP Grant Administrator:

1. Reviews terms and conditions of particular program announcement
2. Ensures that appropriate costs are included in the proposal budget and that SF State's Federally-negotiated Facilities & Administrative (F&A) rate is requested.
Exceptions to the F&A rate requirement occur when a sponsor places a cap on the F&A rate and this rate is published in a publicly-viewable place.
3. Informs Principal Investigator (PI) of any special requirements or terms under the program announcement

ORSP POST-AWARD

A. Fund Logic in Common Financial System (CFS)

The Grant Administrator (GA) follows this logic to create a fund code and associated project number, to be entered in CFS.

B. Grant Administrator Review

1. GA reviews terms and conditions of the award/contract prior to project setup.
2. Using the fund logic, GA assigns a unique fund and project number for the award/contract.

3. GA creates a Budget Request form, Agreement form, and Delegation of Signature Authority form(s) for the project, indicating the IDC rate agreed to by the sponsor, budgeted spending categories, and budgeted spending categories that will be exempt from that IDC.
4. GA meets with the PI to collect required signatures, review the terms and conditions of the award, discuss the project's budget, including an explanation of the relationship between IDC and budgeted spending categories. GA provides a brief orientation to the types of spending mechanisms the PI will likely employ in the course of the project's lifecycle and the associated policies and practices.
5. GA submits signed Budget Request form package to Fiscal Affairs, where the project is setup in CFS. GA enters project information into grants module in CFS and FAA puts in the IDC rate as it reflects on the Budget Request form and award/contract documents.

C. Project Monitoring

1. PIs are responsible for reviewing and approving all expenditures charged to their project(s).
2. Grant Support Coordinator provides initial review in ORSP for availability of funds.
3. GA reviews the expenditure to make sure it is allowable, allocable and reasonable given the scope of work, terms and conditions of the grant and Uniform Guidance (2 CFR §200).

FISCAL AFFAIRS

- A. The Fiscal Affairs Accountant (FAA) is responsible for setting up award attributes and running indirect cost allocation in CFS.
- B. Once a month, the Fiscal Affairs Accountant will process the allocation for the indirect cost. This process will automatically allocate the indirect costs by creating journal entries debiting the indirect cost accounts.

RELATED DOCUMENTS

- [Code of Federal Regulations Title 2 Subtitle A Chapter II Part 200](#)
- [NIH Grants Policy Statement](#)
- [Indirect Cost Negotiation Agreement](#)
- [Facilities and Administrative Costs Policy and Procedure](#)
- [Charging Direct & Indirect \(F&A\) Costs Policy](#)