

GUIDANCE MEMO NO. 07-23



Research, Grants and Contracts

DATE: December 20, 2022

TO: Research Faculty & Staff

SUBJECT: Inclusion of Indirect Cost Rate *CH*

Purpose: This guidance provides information to research faculty and staff regarding the inclusion of indirect costs (sometimes referred to as, Facilities & Administrative [F&A] costs) in budgets of proposals submitted to external funding sponsors and the utilization of the approved negotiated F&A (indirect) rate.

Background: NKU has an established federally-negotiated F&A (indirect) rate to be applied to all external funding requests, unless there is an exception – as stated in the ‘Action Requested’ section below. This rate is to be applied to the Modified Direct Costs of the grant budget. Modified total direct costs excludes equipment, tuition remission, scholarships and fellowships, participant support costs, and a portion of each subaward in excess of \$25,000. Indirect cost rates to be applied for NKU are as follows:

- On-campus indirect cost rate is 37% (projects with start date before July 1, 2023)
- On-campus indirect cost rate is 40% (projects with start date on or after July 1, 2023)
- Off-campus rate is 14.90% (confer with your Grant Administrator before using this rate)

Action Requested: To fulfill NKU’s policy requirements, principal investigators must include full, allowable F&A (indirect) costs within the proposal budget unless the funding sponsor does not allow F&A (indirect) costs or the funding sponsor limits the F&A (indirect) costs. Any prohibitions or limitations placed by the sponsor must be published within the RFP and/or the sponsor’s guidelines. Please work closely with your assigned Grant Administrator to ensure the proper use of the indirect cost rate is included on each budget.

Related Documents:

- [Current NKU Cost Rate Agreement](#)
- [NKU F&A Expenses for Grants & Contracts Policy](#)
- [Federal Code of Regulations 200.414 Indirect Costs](#)