

# Putting the Federal Research Dollar to Work

## for Advancing Research, Economic Development & Competitiveness



75¢

Research project costs

25¢

Research support costs (facilities & administrative)

Workforce development

Student support 27¢

Research staff support 20¢

Economic development

Subcontracts 16¢

Materials, services & travel 10¢

Dedicated equipment 2¢

Compliance costs

7¢ Human & animal safety, radiation & chemical safety, lab management

4¢ Data security & telecommunications, information resources

1¢ Contract compliance

Research facilities costs

7¢ Security, Occupational Health & Safety, HVAC

2¢ Shared equipment

2¢ Utilities

2¢ Research space

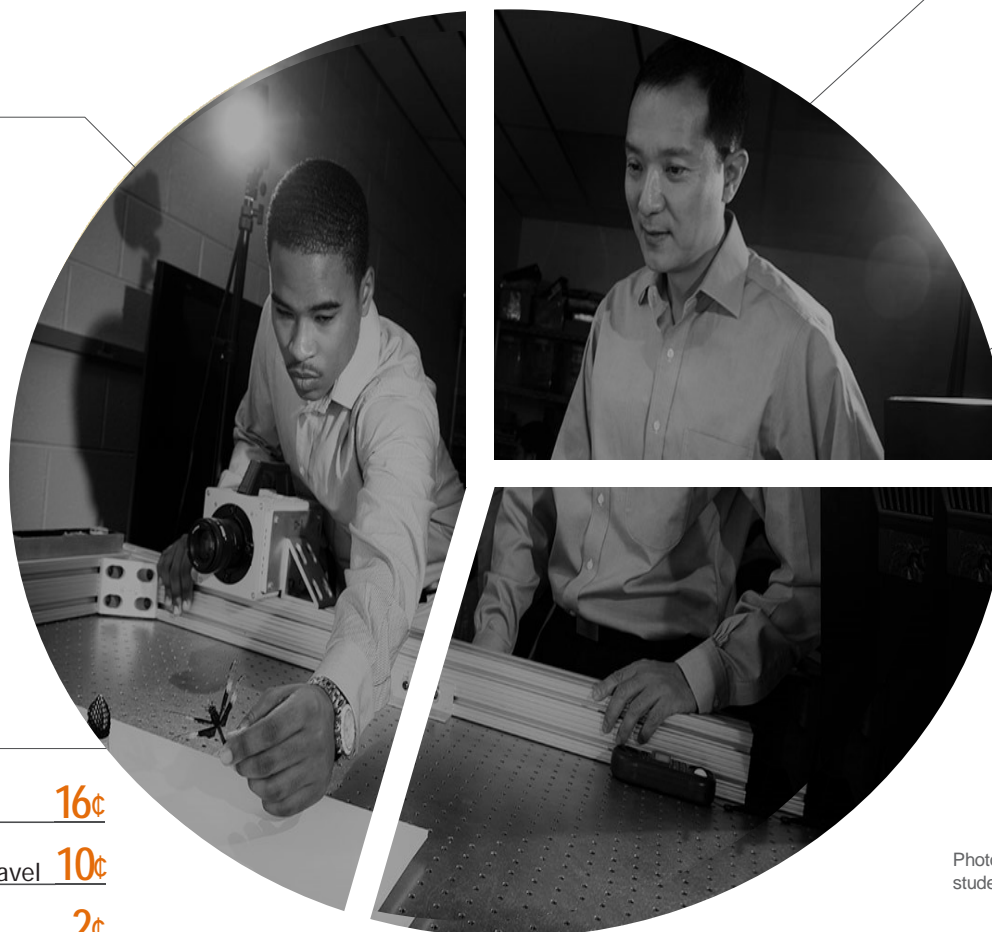


Photo: Student working in research lab at UVA. Research opportunities for students enrich their education and provide hands-on training.

F&A reimbursement is **not** used to operate and maintain building space that isn't used directly for research, such as classrooms or lobbies.

# Facilities and Administrative (F&A) Costs: Frequently Asked Questions

**What are F&A costs?**

F&A costs are essential costs of doing research. They are expenses that cannot be assigned to a single project, such as research infrastructure, human and animal safety, and regulatory compliance.

**Do universities with F&A rates over 50 percent spend more than half of their federal grants on F&A?**

No. A university's F&A cost rate is not a percent of the total grant, but a percentage of the research project's direct costs. Currently, the average amount paid to universities for F&A costs is approximately **25-33 percent** of the total amount of a grant.

## **F&A costs as percent of total research funding**

*Universities: 31 percent*

*Federal labs: 33 percent*

*Industrial labs: 36 percent*

*(RAND Corporation, 2000)*

**Do universities contribute any of their own funds to research?**

Yes. Colleges and universities pay for more than 24 percent of total academic R&D funding from their own funds. In FY15, universities contributed approximately \$4.9 billion in facilities and administrative expenditures not reimbursed by the government, many of which were not covered because of federal limits on the amount the government can provide, even for federal mandates.

**Why do foundations pay less for F&A costs than the federal government?**

First, foundations have more flexibility in how they define costs, and often categorize some F&A expenses as direct expenses. Second, foundation-funded research typically does not require the kinds of infrastructure investments that some federally funded research requires.

**What would be the impact of reducing the F&A rate for NIH grants?**

- Universities would conduct less research on behalf of the federal government, eroding our nation's preeminence in medical science and eliminating about 90,000 jobs.
- An inability to sustain the staff and infrastructure required to comply with government regulations would threaten the health and safety of researchers, students and research subjects.
- Fewer research opportunities for students would translate into fewer trained scientists in the workforce.

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*A 10 percent F&A rate across all federally sponsored projects at UVA would reduce F&A funding from \$66.8 million to \$22.1 million—a 67 percent decline.*

*(based on FY17 data)*