

FLORIDA INSTITUTE OF TECHNOLOGY
Policy on Indirect Costs for Sponsored Projects

POC: Asst. Vice Provost for Research
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Approved by:
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Provost and Executive Vice President

Indirect costs (IDC) are costs that are paid by sponsors to assist the university in supporting research. They are real costs - for utilities, maintenance, libraries, staff support, and other "research infrastructure". IDCs are reimbursements to the university for costs incurred. They are not prospective payments. The base for these rates is Modified Total Direct Costs (MTDC) for a grant or contract. MTDC includes salaries, wages and benefits, materials and supplies, services, travel and all other items. MTDC specifically excludes salaries of graduate and undergraduate student employees, graduate tuition remission, the amount of any subcontract that exceeds \$25,000, and capital equipment (over \$1500).

The Federal government has imposed arbitrary limitations on reimbursement for some elements that make up the basis for the IDC rate itself. Thus, the real IDC rate that would adequately support research activities is higher than that which the Federal government permits for Federal awards. This is not the case for other sponsors. The calculated indirect cost rate for the university is 50% on campus and 32% off-campus. The calculated fringe benefit rate on eligible salaries is 26.6% for all sponsors at all times. However, in the case of grants or contracts directly from a Federal agency or for State of Florida grants or contracts where the ultimate source of funds is the Federal government, the rate will be limited to 48% on campus and 21.8% off-campus. The difference in the Federal and non-Federal rates is due entirely to the limitations imposed by the Federal government.

The off-campus rate applies only to activities performed in facilities that are not owned by Florida Tech and to which rent is charged directly to the project. There may also be instances where sponsors place additional limitations on reimbursement of indirect costs. In these cases, a copy of the sponsor's policy must be provided to the Office of Research and Sponsored Programs. Deviations from the university's IDC policy must be approved by the President. The table below shows the rates that should be applied.

Sponsor (source)	On-campus Rate	Off-campus Rate
Federal Government (all agencies)	48%	21.8%
Non-federal sponsor (non-federal funds)	50%	32%
Non-federal sponsor (federal funds)	48%	21.8%