

Western Kentucky University
College of Health and Human Services

External Grants Indirects from F&A Procedure

Funded external grants at Western Kentucky University (WKU) incur Facilities and Administrative costs (F&A). F&A are actual costs that the institution incurs in support of extramural activities that cannot be directly charged to a specific grant or contract. The costs result from shared services such as libraries; physical plant operation and maintenance; utility costs; departmental and sponsored project administrative expenses; and depreciation or use allowance for buildings and equipment. These costs support WKU's infrastructure, physical resources, and needs. F&A costs are sometimes called indirect costs or institutional overhead. These monies are [calculated](#) by WKU's [Grants and Contracts Accounting](#) (GCA) office—the distributed percentages are called [Indirects](#). The amount of Indirects received by the university is based on the actual grant expenditures each month multiplied by the agreed F&A percentage from the sponsor. WKU's current [F&A rate agreement](#) is for use on grants, contracts, and other agreements with the Federal Government, subject to conditions specified.

Indirects associated with CHHS grants are reported to the CHHS Dean's Office monthly by GCA. These funds are available in a dedicated CHHS Indirects index. A percentage of the generated F&A are allocated for the PI and the PI's department/unit (see breakdown in the examples that follow). The allocation for CHHS Indirects supports research, innovation, and creative activities in the College. For example, indirects are used to fund QTAGs, C-QTAGs, startup funds for early career faculty, grant cost share matching, equipment purchases, faculty research needs, graduate research assistantships, and funding the Staff Incentive Program.

Grants and contracts that have total F&A costs of more than \$2,400.00 per year, based on actual expenditures, will be tracked for each individual Principal Investigator (PI) or Project Director (**Example 1**). The PI is responsible for further dividing F&A and tracking among co-investigators of the grant project. A request to further break down F&A can be made to the CHHS Faculty Fellow for Research at chhs.research@wku.edu. All requests will be reviewed on a case-by-case basis.

Grants and contracts that have total F&A costs of \$2,400.00 or less per year, based on actual expenditures, will be tracked to the departmental level (**Example 2**). Allocations to the individual PI will not be tracked on these grants and contracts. The PI should work with the Department Chair/School Director to access individual allocations.

F&A indirects from grants that the PI is associated with a CHHS Applied Research Center (ARC) will provide more funding for the associated center (**Example 3**). This is an incentive to support research, collaboration, innovation, and creative activities in CHHS ARCs. F&A Distribution for individual PIs associated with centers will be determined via an agreement between the PI and the Center Director. All expenses associated with Center indirects must be approved by the Center Director.

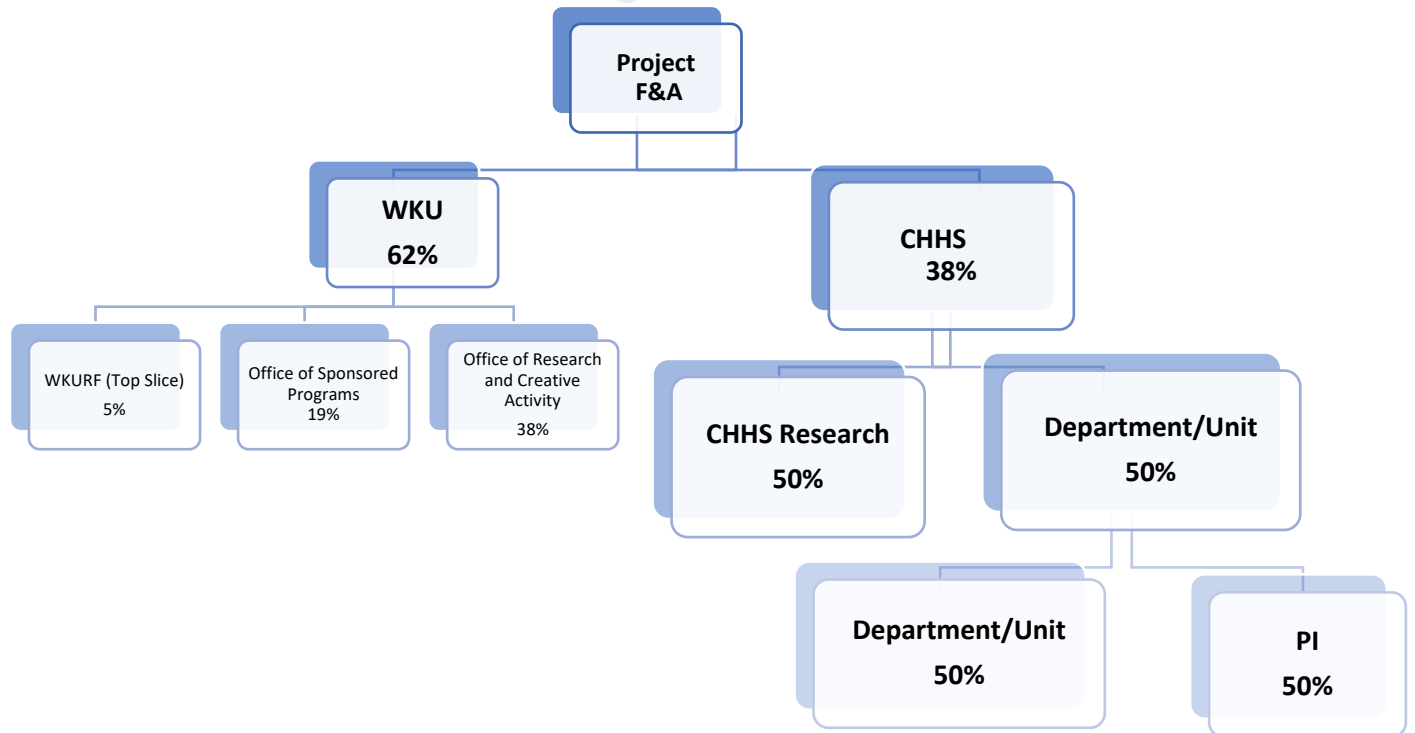
Each April the CHHS Dean's Office will send each PI a balance of their unspent funds within the F&A Index. If an individual has no activity for a period of 1 year or more, funds coming in or going out,

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these funds will be transferred to the CHHS Indirects to be used for college research initiatives. Also, if there is a balance of less than \$100.00 for an individual these funds will be transferred to the CHHS Indirects to be used for college research initiatives.

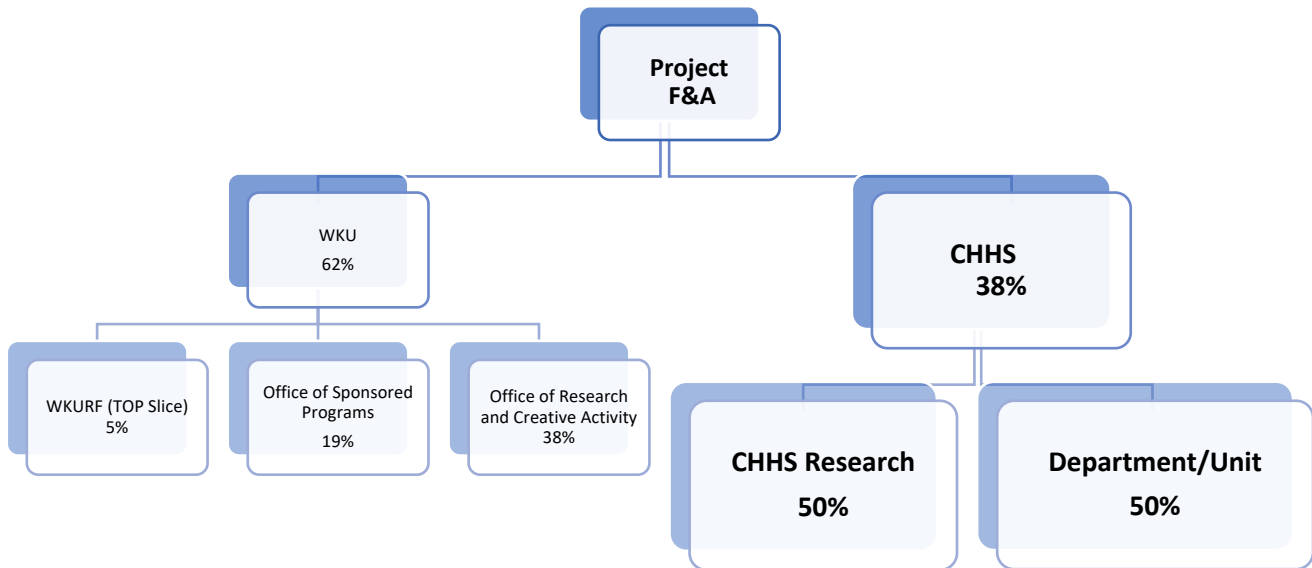
Example 1: Allocation for grants earning more than \$2,400 in total F&A per year outside of CHHS Applied Research Centers



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Example 2: Allocation for grants earning less than \$2,400 in total F&A per year outside of CHHS Applied Research Centers



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**Example 3: Distribution of F&A from grants associated with CHHS Applied
Research Centers**

