

**MONTANA BOARD OF REGENTS OF HIGHER EDUCATION**  
**Policy and Procedures Manual**

SUBJECT: RESEARCH AND PUBLIC SERVICE

Policy: 404 – Facilities and Administrative Rate

***Adopted: May 30, 1979; Revised: November 18, 2011***

---

**Board Policy:**

A. The Facilities and Administrative (F&A) rate for the units of the Montana University System (MUS) shall be as follows:

1. Federal project grants or contracts:
  - (a) The federally negotiated rate or the maximum rate allowed under statute for the program/agency will be used;
2. State project grants or contracts:
  - (a) For grants or contracts for research, the F&A rate shall be 25% of the total direct costs.
  - (b) For training programs, the F&A rate shall be 8 percent of total direct costs.
  - (c) For federal pass-through grants or contracts, the federally negotiated rate for the unit will be applied.
  - (d) In instances when the sponsor (funding source) for an agency does not allow F & A or will pay only at a reduced rate, the decision to accept the award will remain with the unit. These exceptions should be reported annually, at the January regents' meeting.
3. Private, individual or corporation project grants or contracts:
  - (a) The F&A rate for the unit shall be used.
4. In special circumstances, the units are authorized to use F&A costs to meet required cost sharing in grants and contracts.
5. UM-Missoula and MSU-Bozeman, as representatives of the affiliated campuses, shall submit to the commissioner of higher education a report summarizing total F & A revenue and expenditure activity, including the F & A value foregone by the state agency exception process.

History:

Item 23-001-RO379, Indirect Cost Recovery Rate (Revised), Montana University System, May 30, 1979 and January 31, 1986.  
Item 152-131-R0911, Revised September 22, 2011. Item 153-104-R111, Revised November 18, 2011.