

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

SUBJECT: RESEARCH AND PUBLIC SERVICE

Policy: 404 – ~~Facilities and Administrative Rate~~Indirect Cost Recovery Rate

~~Effective: Adopted: May 30, 1979; January 31, 1986; Issued: February 24, 1986 Revised: September 22, 2011~~

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**Board Policy:**

A. The ~~indirect cost recovery~~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;~~  
The annually determined, federally audited rate for each unit shall 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. For grants or contracts for research, the indirect cost recovery rate shall be 20 percent of total direct costs or 30 percent of salaries, wages and benefits, whichever is less.~~
  - (b) For training programs, the ~~indirect cost recovery 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. For all grants or contracts where the original source of funds is a federal program, the federally audited rate for the unit receiving the grant or contract shall be applied.~~
3. Private, individual or corporation project grants or contracts:
  - (a) ~~The indirect cost F&A rate negotiated by each for the~~ unit shall be used.
4. In special circumstances, the units are authorized to use ~~indirect F&A~~ costs to meet required cost sharing in grants and contracts.
5. ~~When two or more units of the MUS are seeking the same grant or contract, they will use the rate established by this policy or will use the same rate.~~

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.