

## **Policy 401.1 – Facilities & Administration Costs**

Date Adopted: April 22, 2003  
Date Revised: 1/28/04  
References: BOR Policy 404

Issuing Office: Administration & Finance  
Approved By:

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### **I. POLICY**

The University of Montana Western establishes a policy for the use of facilities and administration costs charged on specific grants and contracts to cover administrative overhead, provide seed money to develop new grant proposals, and support faculty research.

### **II. PURPOSE**

Facilities and administration costs, sometimes referred to as “overhead” costs, can be charged to specific grants and contracts. Facilities and administration costs are related to the cost of facility and administrative use of having a research project on campus. The costs are not reflected as direct costs in the project budget. A Facilities and Administration rate is charged to the project budget to cover these institutional costs.

### **III. PROCEDURES**

At this time, most of the funds generated by facilities and administration costs are needed for administrative overhead in grant management and cost match and for institutional priorities related to administrative overhead. As facilities and administration costs grow, the institution plans to use more of these funds for the other objectives.

In order to begin meeting those objectives, it is proposed that, for any grant collecting over \$4,000 in facilities and administration costs on a fiscal year basis, ten percent of that grant’s total facilities and administration cost will return to the sponsoring department at the end of the fiscal year.

This will be reviewed annually, to reflect the growth in facilities and administration cost collection.

### **IV. AUTHORITY**

BOR Policy 404

### **V. RESPONSIBILITY**

Dean of Outreach & Research, Director of Business Services, Vice Chancellor for Administration & Finance/Student Affairs