

MEMORANDUM

To: University Community

From: Andrés G. Gil, Vice President for Research 

Date: February 14, 2014

Re: Facilities and Administrative (F&A) Effective Rate

The Division of Research (DOR) has received inquiries that are based on the misconception that the University is not interested or does not allow grant applications to funding agencies that do not allow F&A (indirects or overhead) or only permit low F&A rates. The purpose of this message is to clarify this misconception, and to make it clear that **all research grants and contracts, regardless of F&A rate, are important to the support of research and creative activities at FIU. It is important for all to be cognizant that FIU receives grants and contracts that range from 0% F&A to the full 45% rate.** For example, most training grants are at the 8% or 10% rate. Such grants are as important as any other grants, and include funding elements of great value to FIU's mission, such as funding for student training. Moreover, as a research university, all scholarly creative activities are important, and all should be aware that there are fields and disciplines for which potential funding agencies may restrict F&A levels.

The figure below illustrates the F&A rates of grants awarded to FIU during the past three years. Note that the overall rate (often referred as the effective F&A rate) has hovered around 21% for the past three years. Seven years ago, FIU's Effective Rate ranged between 9% and 11%. We are satisfied with the current effective rate, which is close to 50% of the full rate. This is the norm for universities across the U.S. **Therefore, there should be no hesitation by any FIU faculty member to pursue a grant or contract that supports his/her research and creative activities regardless of the F&A rate allowed by the funding entity.**

F&A Rates of Grants and Contracts Awarded

