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To: Principal Investigators, Deans, Directors, and Administrators

From: Christopher S. Brown, PhD 
Vice President for Research

G. Allen Bolton, Jr., MPH, MBA 
Vice President for Financial Affairs and Administration

Re: Elimination of the Facilities and Administrative (F&A) Offset Form

Date: March 28, 2018

Effective April 16, 2018, UAB is eliminating the F&A Offset Form. In its place, the [Cost Sharing Commitment Form](#) should be used. This step clarifies the sources and amounts of proposed cost-sharing/matching and reinforces the importance of the recovery of F&A costs on extramural funding.

- Consistent with University [policy](#), full recovery of F&A costs (aka indirects) is expected on all grants and contracts.
- UAB faculty and staff are directed to develop sponsored project budgets using the appropriate F&A reimbursement rate.
- For industry sponsored projects, a total cost model is recommended. Please contact your OSP officer for a budget template.

F&A reimbursements, built into the University budget, cover such expenses as libraries, physical plant operation and maintenance, utility costs, general, departmental, units/school and sponsored projects' administrative expenses, and depreciation for buildings and equipment. The F&A costs recovered on grants and contracts allow the institution to maintain and operate the campus. It is the obligation of all faculty seeking extramural support to bring in grant funding along with the attendant F&A costs.

UAB's F&A cost reimbursement rate is driven by its [negotiated rate agreement](#) with the Department of Health and Human Services (DHHS).

All sponsored projects are subject to federal and other audits. Account setup, billing and other post-award financial activities are managed by UAB's Grants and Contracts Accounting (GCA) department.

cc: Melinda Cotten, Assistant Vice President for Sponsored Programs
Stephanie Mullins, CPA, Chief Financial Officer and Associate Vice President for Financial Affairs