

UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN

USDA NIFA Budget Preparation

Greg Anderson, Grants and
Contracts Post Award
Penny Weaver, OSPRA



Objective

- Provide clarification of the USDA policy on recovery of facilities and administrative (F&A) costs.
- Provide guidance for developing a USDA National Institute of Food and Agriculture (NIFA) budget that is in compliance with USDA and University policies and procedures.



USDA Policy on F&A (Indirect) Cost Recovery

Section 7132 of the Food, Conservation, and Energy Act amended section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310), increasing the limit on recovery of indirect costs from 22 percent to 30 percent of total Federal funds provided under the award.



USDA Policy on F&A (Indirect) Cost Recovery

- Therefore, the recovery of indirect costs on awards made by NIFA under this program area may not exceed the lesser of the institution's official negotiated F&A rate or the equivalent of 30 percent of total Federal funds awarded.
- Recent guidance has elaborated to further indicate that this limitation is equivalent to 42.857% of total direct costs (TDC).
- UIUC has been under-recovering F&A when tuition remission is included in the request because F&A is not assessed on it.



Preparing a USDA budget



Budget/Justification Presentation

- Section H, Indirect Costs
 - Indirect cost type: The indirect cost type is MTDC followed by a statement that F&A recovery is capped at 30% of award.
 - Indirect cost rate (%): Enter the applicable Federally negotiated rate based upon the type of activity
 - Indirect cost base: Enter the base from the Proposal Budget worksheet
 - Funds requested: Enter the amount from the Proposal Budget worksheet



Budget/Justification Presentation

- Section K, Budget Justification
- A statement that explains the use of the Federal rate should be included, for example,
 - F&A costs have been assessed at 58.5% (or whatever applicable rate is) of modified total direct costs. The rate has been negotiated with and approved by the Federal government. In accordance with USDA/NIFA policy, the F&A cost recovery does not exceed 30% of total award.



Award

- If the amount awarded differs from the amount requested, a new budget will be prepared that is in compliance with the F&A cap.



Post Award Administration

- Post Award will run a monthly report to evaluate F&A recovery.
- Periodic adjustments may be necessary to adjust F&A to comply with the cap.



- A USDA budget template is available on the OSPRA website at:

http://www.ospra.uiuc.edu/forms/FY12_USDA_Budget_Analysis_rev%20120711.xls



