# Determination of F&A Rate

The Facilities & Administrative (F&A) rate — also known as the indirect cost (IDC) rate — is determined according to the University of Maine System’s federally negotiated rate agreement with the U.S. Department of Health & Human Services (DHHS). This rate structure defines the percentages that may be applied to sponsored project budgets to recover the university’s costs for facilities and administrative support.

**How the F&A Rate is Determined:**

- The applicable F&A rate depends on both the type of project (e.g., organized research, instruction, other sponsored activity) and the project location (on-campus or off-campus).

- The rate applied should follow the current negotiated rate agreement in effect at the time of proposal submission and typically remains fixed for the life of the award.

- If a sponsor or funding solicitation explicitly limits allowable F&A/IDC (an IDC cap), the university will apply the capped rate — provided the restriction is clearly documented in the solicitation and accepted by the Office of Research Administration (ORA).

- Voluntary reductions or waivers of F&A require institutional review and approval and are generally discouraged.

- It is the responsibility of the Principal Investigator (PI), in coordination with ORA, to ensure that the correct F&A rate is applied to each sponsored project budget, consistent with both university policy and sponsor guidelines.

**For More Information**:

- [Explore the full F&A Guidance](https://umaine.edu/ora/f-and-a-guidance/)
- For questions regarding F&A rates or solicitation-imposed IDC caps, please contact the Office of Research Administration.