

**Costello College of Business Guidelines for Distributing Funded  
Research Facilities & Administrative (F&A) Funds  
Effective 7/1/2019**

***Mason's New Policy on F&A Funds Distribution***

With George Mason's R1 Research status, the Provost's Office has adopted a new policy to provide additional financial incentives to researchers and Mason academic units to further increase Mason's funded research.

As background, Mason has negotiated standard F&A (also known as indirect funds) rates with the U.S. government. In grant applications, Mason applies the applicable rate to the total of proposed direct costs to arrive at the full grant budget. For example, for a grant proposal with \$100,000 in direct costs, assume Mason will apply the F&A rate of 57% resulting in indirect costs of \$57,000 and a total proposed budget of \$157,000. In cases where Mason subcontracts part of the work to a third party, the F&A only applies to the first \$25,000 of the subcontract. And in some cases, a sponsor will negotiate a lower F&A rate with Mason.

If Mason is awarded the grant, the \$57,000 in F&A is then allocated between the Chief Financial Officer's (CFO) office, the Provost's office, and the academic unit in the following manner:

- 30% of the F&A expenses recovered will be allocated to the CFO's office;
- 35% of the F&A expenses recovered will be allocated to the Provost's office; and
- 35% of the F&A expenses recovered will be allocated to the academic unit in the distribution formula identified by the unit.

***College of Business Guidelines for Distribution of F&A Funds***

The Business College has established standard distributions of F&A in the ratios outlined below according to the size of the award.

For grants of \$50,000 and under:

- 19% of the F&A expenses recovered is allocated to the Dean's Office;
- 8% of the F&A expenses recovered is allocated to the Area or Center; and
- 8% of the F&A expenses recovered is allocated to the Principal Investigator (PI).

For grants between \$50,001 and \$100,000:

- 17% of the F&A expenses recovered is allocated to the Dean's Office;
- 9% of the F&A expenses recovered is allocated to the Area or Center; and
- 9% of the F&A expenses recovered is allocated to the Principal Investigator (PI).

For grants of \$100,001 and above:

- 11% of the F&A expenses recovered is allocated to the Dean's Office;
- 12% of the F&A expenses recovered is allocated to the Area or Center; and
- 12% of the F&A expenses recovered is allocated to the Principal Investigator (PI)

Example:

Faculty A (the PI) in the Management Area is awarded a grant with the total budget of \$157,000 including \$57,000 of F&A. The Business College will receive a total of \$19,950 from the Office of Sponsored Programs (OSP) as its allocation from the F&A funds. Using the updated ratios outlined above for a grant of \$157,000, OSP will distribute the funds owed to the Business College in the following manner:

- \$6,270.00 of the F&A expenses recovered is allocated to the Dean's Office;
- \$6,840.00 of the F&A expenses recovered is allocated to the Management Area;
- \$6,840.00 of the F&A expenses recovered is allocated to the Faculty A

### ***Multi-Unit Proposal Preparation & F&A Distribution***

OSP has stated that for multi-unit proposals, the exact split (%) of allocated Academic Distribution among participating units will be determined by the project leadership team consisting of the PI and Co-PIs. The PIs and co-PIs are required to consider the following factors when deciding how F&A will be distributed among their academic units:

- Percent of effort among the project leadership team (PI and co-PIs).
- Past expertise in the field of study and contributions to the research proposal.
- Number of personnel (postdocs, technicians, etc.) included on the project beyond the project leadership team.
- Number of GRAs and other student workers included on the project.
- Space and facilities where the project will take place and if one unit will contribute significantly more resources to house the project.

The distribution formula will be finalized as part of the proposal preparation process and will be used for the duration of the project barring major personnel changes or a change in scope.

***Building Research Excellence-Guidelines for use of Dean's Office Allocation of F&A***

The Dean's office allocation of F&A will continue to be used to support excellence in faculty research in the in many ways including but not exclusively:

- offering multi-year research grants to high-performing research active faculty;
- offering cost-share in ratios that enhance the research proposals;
- paying for equipment and/or transcription services;
- sponsoring conference support/travel to aid in the dissemination of faculty research through various mechanisms such as SSRN;
- covering the cost of GRAs and student workers who support the grants; and
- covering the cost of physical infrastructure that helps support research.