



December 5, 2016

Guidance on Charging Rent Cost on Sponsored Projects

As a recipient of federal awards, the University of Miami (UM) is subject to federal guidelines, including the Uniform Guidance (UG), codified in 2 CFR 200. The UG covers administrative, cost, and audit requirements, including specifics on the allowability and treatment of cost and calculating and obtaining a federally approved Facilities and Administration (F&A) cost rate agreement.

As required by the UG, facility (building and utility) cost is considered an indirect cost and included in the F&A rate calculation. Building and utility costs for all three campuses and rent for most non UM owned facilities are incorporated in the F&A rate which are reimbursed to UM through the F&A cost charged to sponsored projects.

As a budgeting methodology, the medical campus allocates the facilities and utilities cost to its department. While the campus refers to this as rent, it is an internal allocation and should not be confused with rent expense and cannot be charged to sponsored projects.

UM is required to treat all costs consistently as either a direct or indirect cost, and as stated before, these costs are already accounted for as indirect costs. At times, although rarely, the university may conduct research at an off-campus facility that requires us to enter into a lease agreement for space to carry out this project. Only under these circumstances can rent cost be charged directly to a sponsored project.