

FAQs for Costing of NIH-Funded Core Facilities

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Related Announcements

[NOT-OD-10-138](#)

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Purpose

The National Center for Research Resources and the NIH Office of Extramural Research co-sponsored a meeting in July 2009 on the Efficient Management and Utilization of Core Facilities. One of the items discussed during that meeting was costing issues for these facilities. Representatives of universities, academic health centers and non-profit institutions cited difficulty in interpreting the requirements in Federal cost principles and implementing these requirements in a manner consistent with the objectives of NIH projects which support these resources.

A draft set of Frequently Asked Questions was developed to provide NIH staff and awardees with a set of common questions and answers to aid in assuring core facilities operate in compliance with the terms of award including applicable Federal cost principles. This was published for comment in [NOT-OD-10-138](#). Based on this input and further consideration by NIH staff revised FAQs are provided in this Notice.

The purpose of these FAQs is to provide answers to common questions raised regarding NIH-funded core facilities and other applicable research related facilities that support NIH grants. These FAQs are not intended to establish new policies or interpretations of applicable Federal cost principles, nor are they meant to represent broad guidance on the costing treatment of all institutional service and recharge centers.

The range and approaches employed by institutions in the implementation and management of cores is very broad and often complex. Accordingly, while these FAQs are provided to serve as a helpful resource they are not intended to provide definitive or final interpretations for all circumstances that may be applicable to core facilities beyond that provided in applicable Federal cost principles and the terms of a NIH grant award. Specific questions regarding appropriate costing of such facilities and the application of these FAQs to individual awards should be addressed to the NIH Grants Management contacts on grant awards.

When Federal cost principles are revised or as other matters may require, these FAQs may be revised and updated in the future.

Administrative Requirements and Federal Cost Principles Applicable to NIH Grants

An overview of the terms and conditions of NIH Grant Awards is provided in the NIH Grants Policy Statement (10/12)

http://grants.nih.gov/grants/policy/nihgps_2012/nihgps_ch3.htm#terms_conditions_overview

The administrative and costing requirements for all NIH grants, including projects supporting core facilities, are referenced in the terms of award. These terms incorporate Title 45 CFR Part 74 or 45 CFR 92 as applicable, which apply the applicable Federal cost principles by reference.

For NIH grants which support core facilities one of the following cost principles are most commonly applicable:

- Cost Principles for Educational Institutions OMB Circular A-21 (2 CFR Part 220), http://www.whitehouse.gov/omb/circulars_a021_2004/
- Cost Principles for Non-Profit Institutions OMB Circular A-122 (2 CFR Part 230), http://www.whitehouse.gov/omb/circulars_a122_2004
- Cost Principles for Hospitals Title 45 CFR Part 74, Appendix E (http://www.access.gpo.gov/nara/cfr/waisidx_09/45cfr74_09.html).

Frequently Asked Questions

1) General Information about Core Facilities

a. What is a core facility?

For the purpose of these FAQs core facilities are centralized shared research resources that provide access to instruments, technologies, services, as well as expert consultation and other services to scientific and clinical investigators. The typical core facility is a discrete unit within an institution and may have dedicated personnel, equipment, and space for operations. In general, core facilities recover their cost, or a portion of their cost, of providing service in the form of user fees that are charged to an investigator's funds, often to NIH or other federal grants.

A core facility can share similar operating principles with other service (or recharge) centers, which also may provide resources necessary to support the research objectives of an institution. Institutions establish core facilities, including the corresponding costing structure of the facility, to provide required services to users generally with all or a portion of the cost of these services charged to users' accounts.

It should also be noted that institutions may determine, consistent with applicable Federal cost principles that it is appropriate to include the cost (or a portion of the cost) of a centralized resource in the facilities and administrative (F&A) costs. Consequently, the cost would be charged to NIH grants as an F&A cost by application of the appropriate F&A rate to the allowable direct costs of a NIH grant. When this is the case, an institution should take steps to ensure that there is no duplication of cost recovery as a direct and indirect (F&A) cost (see FAQ 2g).

Institutions may determine that establishing a core facility is appropriate to address required services based on a variety of expected advantages which may include, but are not limited to assuring access to resources/services required to address institutional needs; providing for required compliance with applicable regulations and institutional policy and achieving economies of scale. Accordingly, these facilities can take many forms to address institution needs and objectives.

Core facilities may be fiscally supported by institutional funds, Federal funds, external revenue, other funding, or any combination of these. No matter the source of funding for a core facility, the costing issues discussed in this document should be observed if NIH grants are charged for the use of a core facility or if an NIH grant provides general support to establish or operate a core facility.

b. How are NIH funds used to support core research facilities?

NIH project support for core facilities takes many forms. Some examples are provided below. However, these examples are not all-inclusive and specific circumstances of the core facility should be considered when applying these FAQs. Institutional policies and other Federal requirements and guidance also should be considered.

- Example 1: NIH grant provides direct support for the operation of a core facility

In this example the NIH grant (generally a Center, Program Project Grant or Resource award) provides direct support for the operation of a core. This support may provide full support of the core or partial support per the example below:

Total Allowable Direct Cost of Core	\$110,000
NIH Direct Cost Support	\$60,000
Net Direct Cost	\$50,000
Number of Units of Service	1,000
Net cost per Unit = \$50 (user fee)	

If the institution allocates \$10,000 of its funds to support the service the net direct cost would be reduced to \$40,000 and the user fee to \$40

- Example 2: NIH grant (generally a Center, Program Project Grant or Resource award) provides funds to reduce user charges on other NIH supported projects or a subset of NIH supported investigators (potentially: targeted support for a specific Institute or Center or to support Early Stage Investigators or for Pilot and Exploratory Projects) Note: This example assumes that usage supported by NIH is relatively stable or reliably predicted. If this is not the case, institutions may determine that this methodology is not practical or appropriate.

Total Allowable Direct Cost of Core \$110,000

Number of Units of Service 1,000

Net Direct Cost per Unit = \$110

NIH projects are estimated to use 800 units in the budget period.

NIH grant provides \$40,000 in direct costs to reduce net charges to NIH supported projects.

NIH project support is estimated to offset \$50 of the cost per unit (\$40,000/800).

The net direct cost charged to the NIH project using the service would be \$60 (\$110-\$50)

Or the NIH support could be directed to fully fund the service until funds are exhausted. In this case NIH support could cover 363 units (\$40,000/\$110) (F&A cost to NIH grants would be charged at the negotiated F&A rate)

- Example 3: Any type of NIH grant uses a core facility and is charged all or a portion of the allowable direct cost of the service.

Note: In each of the above examples, it is expected that the NIH grants would reimburse the F&A costs associated with the direct costs charged to the projects for these core facilities in accord with the provisions of the applicable indirect cost rate agreement that is negotiated by the Federal cognizant agency.

c. Are cores limited in the types of costs they may recover on an NIH grant?

A core facility's cost may be limited by the terms of award, and in general, may only recover the allocable, allowable and reasonable direct cost (consistent with applicable Federal cost principles) of providing a service to an NIH grant. This is the case when the core's infrastructure costs, commonly referred to as Facilities and Administration (F&A) or also known as indirect costs, will be recovered by the application of the institution's negotiated F&A rate to the allowable direct charges to the grant. However, there may be instances when a portion of the core's costs include items often associated with facilities and administrative costs, but are not included in the costs recovered by application of the negotiated F&A rate. In these situations, it may be appropriate to include the core's costs associated with those F&A costs in the unit cost charged to NIH grants. One example of such treatment is when a core facilities costs include allowable depreciation costs for non-federal equipment utilized by the core and additional operations and maintenance expenses associated with this equipment such as service and repair contracts and others expenses for such equipment. (If these costs were not included in the depreciation or O&M costs recovered by the application of the F&A rate, then including them in the core facility would not represent an unallowable duplication in cost recovery.)

d. How should specialized service facilities (SSF) be considered in the context of these FAQs?

Some core facilities may have unique requirements which could generate a disproportionate share of F&A burden or present other extraordinary circumstances where it may be in the best interest of the Federal government and the institution to establish an alternate costing arrangement) (see A-21 J.47.d and A-122 (Attachment B 46.)), which may be termed a specialized service facility and recover both direct and allocable indirect costs in the fees charged to users. The applicable cost circulars do not specify an annual amount or other threshold for determining this or another alternative treatment.

Accordingly, these FAQs are not generally applicable to SSF and institutions should consult with their cognizant Federal agency when considering such matters. Animal research facilities should utilize the Cost Analysis and Rate Setting Manual for Animal Research Facilities (5/2000) (http://grants.nih.gov/grants/policy/air/rate_setting_manual_2000.pdf) when determining rates for their services.

e. How should costs be allocated when a core facility offers multiple services?

Within the provisions of applicable cost principles institutions have flexibility in defining core facilities. It is possible for an institution to group multiple types of instruments/services under a centralized core infrastructure. Such an organizational structure may spread costs among subcomponents of the central core (such as a mass spectrometry component and a microscopy component). For example, if a core facility provides a range of integrated services for a generally overlapping set of investigators (e.g., RNA-sequence sample preparation and next generation sequencing data generation), then one service in a core can support the services of another (i.e., the

cost recovery from one service can recover the cost of another service integral to the service of the core; provided the institution has in place controls necessary to assure expenses are allocated on a reasonable and consistent basis in accord with Federal cost principles, are not double billed, and rates are reviewed and adjusted to address over/under recoveries).

f. Can one core support another?

Generally, no. The charges for one core can't directly subsidize the implementation or operations of another core. However, if a core benefits or utilizes the services of another core; then appropriately determined and documented charges can be incorporated into the charges of the core utilizing the services. The rates for a service should include only the costs of that service, and investigators should be charged only the cost of the service that they are using.

g. How should institutional fiscal contributions to the operation of the core be managed and described in an application to NIH?

As noted in these FAQs, amounts charged to NIH grants for core facilities need to be managed to ensure that over a reasonable period of time the amounts charged do not exceed the actual costs of the core facility.

In general, most institutions will manage these charges to ensure that the institution is not required to cover under recoveries of a core facility. However, the cost circulars do not require that the core as a whole break even, only that the cost allocations are consistent with the Federal cost principles and the charges for services are reviewed and adjusted as needed to assure that there is no over-recovery/overcharge to federal projects.

Accordingly, the institution may decide to utilize institutional funds to support the operation of a core facility.

If the institution decides to formally commit its funds to the operation of the core facility, this support should be included in the requested budget for support of the core by describing the support (for example, salaries for staff who will work on the core but will not be charged against NIH funding) with either no costs requested, or less commonly, as the "non-federal share". These commitments are considered "voluntary committed cost sharing" when the project is awarded.

If the institution decides not to formally commit its funds to an NIH project it should not include these items in the requested budget submitted for NIH grant support, and further, should not identify them as a non-federal share. Absent such formal commitments, these costs would not be considered "voluntary committed cost sharing" when the project is awarded.

2) Charges to NIH Supported Users

a. How should core facilities set charges for users – particularly for use on federally funded projects?

Core facilities should set user fees based on actual costs and actual usage.

b. What are the considerations for determining appropriate charges?

Summarizing the requirements of applicable cost principles (see A-21 J.47. and A-122 (Attachment B 46.)):

The costs of core facility services must be charged directly to the applicable awards in the form of user fees, charges or rates.

- Rates must be based on actual usage of the services.
- The schedule of rates should be established using a documented method.
- Rates may not discriminate against federally supported activities of the institution, including usage by the institution for internal purposes.
- Rates must be designed to recover only the aggregate costs of the services. The costs charged for providing each service from a core facility generally consist of its direct costs only (with exceptions, for example, as those noted in FAQ 1.c).
- Rates shall be reviewed and if required adjusted at least every other year, and shall take into consideration any operating deficit or surplus of the previous period(s).
- Records must be retained and made available to federal officials as required by 45 CFR 74 .53.

c. What are typical allowable costs for determining rates?

Typical allowable costs may include:

Labor (salary and fringe for staff)

- Operating supplies and materials
- Service contracts for core equipment
- Depreciation on non-federally purchased equipment (not included in the F&A cost pool)

This list is not comprehensive. Other costs that support the day-to-day operations of the core facility, excluding unallowable costs (see d. below), are allowable for determining rates. Refer to OMB Circular A-21 Section J or the other cost principles as applicable for more details.

d. What are types of costs that are unallowable or excluded for determining rates?

Some examples include:

- Advertising (exclusive of exemptions deemed allowable in applicable cost principles, e.g., personnel recruiting)
- Alcoholic beverages
- Bad debts
- Contributions and donations
- Entertainment expenses

- Fund raising
- Public relations

This list is not comprehensive. Refer to OMB Circular A-21 Section J or the other cost principles as applicable for more details.

e. What is an aggregated cost?

Aggregated cost is a term used in OMB Circulars A-21 (J.47.b. (2)) and A-122 (Attachment B 46.) for specialized services facilities with a requirement that charges only recover the aggregated cost of each service normally of both its direct costs and its allocable share of all F&A costs.

f. Is it acceptable to estimate costs in determining initial rates that will be charged for new services?

Initial rates may be developed based upon estimates of how actual costing will accrue and apply. These rates subsequently should be adjusted to reflect actual costing as required by the applicable cost principles.

Some key principles include:

- Institutions may group homogeneous costs in order to cover those cases where it is not practical to itemize costs. For example: instead of itemizing each pipette tip and test tube used in providing each service every time it is performed, it is acceptable to determine an average or estimated consumable supply cost that will apply across all users of a given service.
- The method for estimating costs should be applied consistently within the core and without discriminating against any one user.
- The method and details involved in any cost estimate must be documented and available for review by the institution or the funding agency as appropriate.

g. How should core facilities recover F&A costs from users?

F&A costs associated with a core facility should be recovered in a manner that is determined by the policies of the institution, consistent with applicable federal requirements and guidelines including the applicable indirect cost negotiation agreement. This includes necessary steps to ensure that there is no duplication of F&A cost recovery – i.e., F&A costs included in a service rate cannot be included in the F&A rate, and conversely, those F&A costs not included in a service rate may be included in the F&A rate.

3) General core operating principles

Effective practices for a core facility ensure that:

- The costs of providing service are allowable, allocable, consistently applied and reasonable.
- The rates established to recover these costs are documented and systematically evaluated against actual costs and revised on a regular basis to reflect actual costs (see A-21 J. 47 and

A-122 (Attachment B 46.)).

- Rates are charged to internal institutional users on a consistent basis, regardless of funding source(s) consistent with the concept of "one service, one rate"

a. Can a core facility purposefully accumulate profit from its charges to internal users?

Generally, no. Any operating surplus for charges to internal institutional users must be applied to reduce the rates charged. It is not appropriate to purposefully "bank" funds for expenses that may be incurred in future years. In general, core facilities are expected to operate in a manner that allows them to recover only the cost of providing service.

See FAQ 5.a. for a discussion of program income for charges to external users.

b. Can a core use an operating surplus to purchase equipment?

The acquisition cost of new equipment cannot be funded with an internal operating surplus of a core or other recharge center.

Acceptable methods of acquiring equipment for a core facility include:

- Recovery of existing equipment depreciation expense in user fees. The accumulated credits from this portion of the service rates can be used to fund the purchase of new equipment.
- Institutional or other non-federal funding
- Shared instrumentation grants or other grant programs designed to establish or support shared resources. Note: the cost of equipment supported from these programs, or other federally funded programs, cannot be recovered as depreciation in the rates applied by the core facility.
- Program income which may accrue on NIH grants.
- Lease or rental of equipment.

See the Depreciation (FAQ 6) for more information.

c. My core provides a project level service that may take months to complete, and may be subject to change in scope or cost as the project moves forward. How can I develop an acceptable system of custom charges?

It is understandable that at a project level, there may be services for which it is difficult to determine a standard rate to charge per project or if the time required to complete a service would unreasonably delay cost recovery if charges were delayed until final completion. In these circumstances institutions may establish (1) definable billable units of service, or (2) set up accounts to accumulate costs that can be charged as a specific project cost as they are incurred. These charges whether a billable unit or from an institutionally defined subaccount should be established according to institutional policy and are subject to applicable federal cost principles. These approaches provide two options to ensure timely recovery of costs incurred. Other methods also may be acceptable provided they are in accord with the terms of award, including compliance with applicable cost principles.

d. How often should my core bill for usage?

Billing cycles are established by institutions and in general can be expected to occur at regular intervals to provide for timely and accurate accounting and cost recovery. While institutions may opt to bill on a monthly basis, other cycles and approaches can be adopted as appropriate. Accordingly, billing cycles of the core facilities at an institution need not be synchronized or occur with the same frequency.

e. Can my core bill now for work that will be performed later?

All billing and cost recovery must be based on services provided (i.e., after service has been provided and expense has been incurred). Billing in advance of the work or receipt of pre-payment is not allowable. However, institutions may choose to divide the work into smaller billable units in order to appropriately recover incremental costs for long-term project work on a timely basis. For example, if a core needs to purchase specialized reagents or supplies to perform work for a specific project, these expenses may be charged to the user once the purchase has been made, with separate charges for completion of later work.

f. If a core director or other staff scientist is awarded a shared instrumentation grant, may the PI of that grant and other co-PIs be charged discounted user fees as a benefit of the award?

User fees that have been appropriately developed will not include any costs associated with federal support provided for acquisition of the new shared instrument supported by a NIH grant or other Federal project. So, there is no basis for a discount or credit to be applied.

g. Can fee schedules cap the amount charged to a user in a particular time period?

Generally, no. Fee schedules that cap charges at a certain dollar amount per month if more than a certain number of hours or units are used are not consistent with applicable cost principles unless the institution or some other non-Federal funding supports the difference between the allocable cost and the amount charged to a heavy user. If appropriate for a particular facility, it may be possible to create fee schedules that have different charges depending on timing and level of usage as long as the charges are determined and consistently applied in accord with applicable Federal cost principles.

4) Accommodating Different Types of Rate Payers

a. Where do funds to pay core facility rates come from?

Funds to pay user charges can come from a variety of sources: internal users (e.g., federal and non-federal grants and contracts, institutional funds, other sources); and external users (e.g., third parties, etc. – see FAQ 5). . In general, the fees collected on behalf of each internal user of a specified service should be the same. However, the amount charged to the user may vary according to the type of user, as long as the difference is made up from some other source or the institution will be required to absorb the difference. See FAQs 3) and 5) for additional references.

For example, a senior PI in a tenure track position with external support may be required to pay the full charge for a service provided by the facility. However, net charges to junior faculty might be lower or waived if some other source of funding (e.g., an institutional or other fund) will make up the difference. Net charges to members who participate in a particular sponsored project may also be lower than the established price schedule, as long as the difference is charged to the sponsored project (if allowable) or other appropriate source of funds. In all examples, the same cost for each unit of

usage must be allocated for that usage. It is not allowable to offset lower rates to some users by applying higher rates to other users.

Proper documentation and accounting for the rates paid by all users will mitigate concerns related to apparent differential treatment. Any appropriate accounting methodology that ensures that federally funded users are not charged more than cost or discriminated against is acceptable if consistent with applicable Federal cost principles.

b. How can my core acceptably bill usage to users with multiple federal awards and funding agencies?

Institutions may have investigators funded by multiple awards and federal agencies. Individual awards and federal funding agencies, while all applying Federal cost principles, may result in different service needs or incorporate slightly different administrative and fiscal allowances as terms of a grant award. While rates for federal users should be consistent when the same service is applicable to multiple federal awards and funding agencies, in order to accommodate situations where there are different service needs, a core may develop separate documented service lines to meet specific program requirements or opt to account for these activities in separate institutional defined subaccounts as costs are incurred for each project. Each of these service lines or subaccounts must be managed in accord with the applicable cost principles and be adjusted to reflect actual cost as described above. Other approaches which are in accord with applicable federal cost principles and the terms of award will also be acceptable.

c. Is it allowable for core facilities to be subsidized for particular sets of users or grants?

The costs associated with use of the core facility must be allocated on a consistent basis for all users. However, some grant programs may provide resources to stimulate research for a particular disease or for the purpose of assuring the stability of critical shared resources for particular constituent groups of investigators at an institution (e.g., members of a Center for AIDS Research, a Cancer Center Support Grant, or a Clinical Translational Science Award etc.). In these cases, individual usage may be subsidized by the project likely following one of the models described in FAQ 1.b. For example, NCI funds provided under a Cancer Center Support Grant specifically support cancer research by Cancer Center members. Thus, resource usage by Cancer Center members may be supported in whole or in part through appropriate charges to the Cancer Center Support Grant award. While the rate charged for the cost of a service cannot be different for different users, Cancer Center members will be charged only the remaining (non-subsidized) portion of the standard rate.

d. Are there any circumstances when one federally-supported project may be charged a reduced or discounted rate compared to another?

Except for the example provided above (FAQ 4.c.), rates used to charge the cost of the service must be charged to internal institutional users, on a consistent basis, regardless of funding source(s). Billing rates should not discriminate between federal and non-federal users, including internal institutional activities. The schedule of rates will apply to all users of the core facility on the basis of actual utilization and cannot discriminate against any one segment of the population. However, institutions may consider differential pricing for large quantity purchases, high-volume usage, off-peak usage or other factors. A core may have multiple rates for the same service when those rates are properly established, consistent with applicable Federal cost principles, and the favorable rates are available to all users that meet established criteria.

e. If an investigator acquires an instrument on a project and this instrument is assigned to a core facility, can the investigator's usage be given preferential treatment?

Yes, provided that it can be clearly shown: (1) the preferential treatment does not constitute the equivalent of a reduced rate; (2) preferential treatment for any investigator does not increase the rates for any other investigators, particularly instrument users with federally supported activities; (3) the preferential treatment is clearly defined in operating policies and procedures of the core; and (4) similar terms are available to any investigator willing to donate equipment. Some examples include: **providing priority to samples from the donating investigator in the instrument's sample processing queue; allowing only the donating investigator or members of the donating investigator's group hands-on access to the instrument; and/or allocating a defined percentage of capacity of the instrument exclusively for the benefit of the donating investigator.**

Note: When equipment purchased in whole or part with Federal research grant funds, the title to the equipment generally passes to the grantee (generally with limited authority retained by the Federal funding entity). The grantee has the authority to direct the usage of the equipment. It is expected that the equipment would be available for the research that was supported in the grant that supported the cost of acquiring the equipment.

5) Non-institutional usage

a. Can a third-party, for example another biomedical research institution, educational institution, or commercial (for-profit) organization be charged at a different rate from the institutional rate?

Yes. NIH encourages the sharing of available research resources including core facilities at reasonable rates. So, charges to external users will need to be appropriately established including application of any applicable Facilities and Administrative (F&A) costs and may include an additional fee in excess of the cost of the service. However, net fees should remain reasonable for the service provided to facilitate the provision of access to the core facility to external users.

b. How should an additional fee in excess of the cost of service generated by a third-party be treated?

Such recoveries in excess of full costs may need to be treated as program income if the costs of the core facility charged to external users are supported on any NIH grant and if other conditions pertinent to recognizing program income are applicable. If NIH funding support does not cover costs of the core service facility, institutional and federal policy will determine handling of any identified income.

Program income is addressed in the NIH Grants Policy Statement (10/12)

http://grants.nih.gov/grants/policy/nihgps_2012/nihgps_ch8.htm#_Toc271264957 "Program income is gross income—earned by a grantee, a consortium participant, or a contractor under a grant—that was directly generated by the grant-supported activity or earned as a result of the award. Program income includes, but is not limited to, income from fees for services performed; charges for the use or rental of real property, equipment or supplies acquired under the grant; the sale of commodities or items fabricated under an award; charges for research resources; registration fees for grant-supported conferences, and license fees and royalties on patents and copyrights. (Note: Program income from license fees and royalties from copyrighted material, patents, and inventions is exempt from reporting requirements unless otherwise specified in the terms and conditions of award.) Specific questions

about program income should be directed to the assigned grants management specialist for an NIH award."

6) Depreciation

a. What is depreciation?

Depreciation is an accounting tool that is used to recognize and apply the cost of acquiring an instrument or piece of equipment across its useful life. Purchases below an institutionally defined threshold are generally treated as supplies, which are expensed when purchased, and are not depreciated.

b. How is depreciation used by core facilities in setting rates?

Appropriately applied depreciation would be considered an allowable cost of providing service, with some limitations discussed below.

c. Can depreciation charges be applied to the cost of instruments and equipment purchased with Federal funds, for example the ORIP S10 Shared Instrumentation Grant program?

No. If the acquisition cost of the equipment was fully supported by federal funds, the core cannot recover depreciation expenses in its user fees, because inclusion would result in duplicate charges when used on a Federal project (first in the support for acquisition and again if depreciation costs are included in usage charges). However, if some of the funds for an equipment purchase were from non-federal sources, depreciation charges for that portion of the equipment purchase can be incorporated in the determination of charges for the core facility.

d. Must depreciation charges be applied to the cost of instruments and equipment purchased with non-Federal funds?

For instruments and equipment purchased with non-Federal funds, institutions can allocate or not allocate depreciation charges in its usage fees on a discretionary basis, based on sources of funding and institutional policy. Another option might be to include the depreciation in the F&A cost pool of the institution. In all cases, if the equipment qualified for capitalization, and therefore depreciation was recognized, it would not be appropriate for the institution to treat the equipment purchase expense as a 'current expense' of the core facility when determining charges.

Inquiries

Please direct inquiries to:

Inquiries regarding individual grant awards may be directed to the Grants Management Specialist identified on the Notice of Award.

General inquiries in regard to this Notice:

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