

# Indirect Costs

Funding sources usually indicate whether or not indirect costs are allowable. The indirect cost rate for each institution is determined by prior negotiation with an agency of the Federal Government. Our rate has been negotiated with the Department of Health and Human Services. The Department of Health Services has officially approved our Facilities and Administrative Cost Agreement from September 1, 2012 - August 31, 2016.

Note: Texas A&M International University is approved at 39% Modified Total Direct Cost (MTDC) on campus and 13% MTDC off-campus. This agreement does not affect the indirect costs being charged on existing grants as these will continue to be charged at the rate reflected in the approved budget. However, for any new grant proposals are being submitted, the new F&A rate will be used when allowed by the agency. The indirect costs rate covers all expenses incurred by the institution which can not be directly attributed to the contract/grant (such overhead expenses, supporting services and/or use of facilities).

Distribution of indirect cost monies will be made according to University Policy as follows:

Principal Investigator - 10%

Respective College - 15%

Office of the President - 10%

Provost & Academic Affairs - 7.5%

Finance & Administration - 7.5%

Overhead from Grants & Contracts - 50%

In the case that the Principal Investigator is not part of a respective College, the indirect cost funds will be allocated based on the following distribution:

Principal Investigator - 10%

Office of the President - 10%

Provost & Academic Affairs - 7.5%

Finance & Administration - 7.5%

Overhead from Grants & Contracts - 65%

For research grants, TAMIU's [Standard Administrative Procedure](#) will be utilized with the following distribution:

Principal Investigator - 10%

Respective College - 15%

Overhead from Grants & Contracts- 75%