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Facilities and Administrative (F&A) Rates Policy

I. Purpose:

The purpose of this policy is to establish guidelines for the determination and application of Facilities and Administrative (F&A) rates for sponsored projects and contractual agreements with external entities at Association of Latinos/as/xs Motivating Action, ALMA Chicago (hereinto referred to as “the organization”) ensuring consistency, transparency, and compliance with applicable regulations.

II. Policy Statement:

The Organization is dedicated to maintaining a cap on F&A rates to maximize the direct allocation of funds to program services and activities. To this end, the Organization will not approve F&A rates in excess of 10% of the total direct costs for sponsored projects and contractual agreement.

III. Definition of F&A Costs

F&A costs are those that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. These costs are also known as indirect costs and typically include expenses for administration, facilities maintenance and utilities, depreciation or use allowances on buildings and equipment, and the like.

IV. F&A Rate Determination:

- a. The F&A rate for contractual agreements is determined by the Executive Director and Board of Directors or their designated committee.
- b. The F&A rate will be applied to the total direct costs (TDC) of contractual agreements, unless specifically exempted by the contracting party.

V. Maximum F&A Rate:

- a. The maximum allowable F&A rate for sponsored projects and contractual agreements at the organization shall not exceed 10% of TDC.
- b. Exceptions to this maximum rate may be considered on a case-by-case basis, subject to approval by the Board of Directors or their designated committee.

VI. Rate Application:

- a. The F&A rate applicable to each sponsored project and contractual agreement will be clearly stated in the contract or agreement documents.



- b. The F&A rate will be applied consistently across all contractual agreements, in accordance with federal regulations and contractual requirements.

VII. Negotiation and Approval:

- a. Negotiation and approval of F&A rates for contractual agreements will be the responsibility of the Executive Director and Board of Directors in collaboration with the contracting entity.
- b. Any deviations from the maximum allowable F&A rate must be justified and documented in accordance with the organization's policies and procedures.

VIII. Review and Revision:

- a. This F&A Rates Policy will be reviewed annually to ensure compliance with applicable regulations, contractual requirements, and the needs of the organization.
- b. Revisions to this policy will be made as necessary and approved by the Board of Directors.

IX. Training and Communication:

- a. Relevant personnel involved in contractual agreements administration will be provided with appropriate training on the application of F&A rates and compliance with this policy.
- b. This policy will be communicated to all relevant stakeholders, including contract administrators, finance personnel, and other staff involved in contractual agreements.

X. Monitoring and Reporting

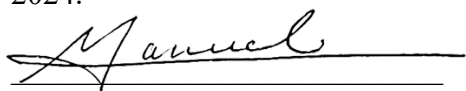
The Executive Director shall monitor all contractual agreements for compliance with this policy and shall report annually to the Board of Directors on the F&A rates agreed upon in contracts during the fiscal year.

XI. Effective Date

This Facilities and Administrative (F&A) Rates Policy is effective as of January 1, 2024 and supersedes any previous policies or guidelines related to F&A rates for sponsored projects and contractual agreements at the organization.

XII. Approval

This policy has been approved by the Board of Directors of ALMA Chicago on February 20, 2024.



Manuel Hernández-Nuñez, Executive Director
Association of Latinos/as/xs Motivating Action (ALMA Chicago)

