FASOM - Section 05.03: Grants and Contracts - Specialized Service Facilities

Section 05.03: Grants and Contracts -- Specialized Service Facilities

The content of this policy is current, although it has not yet been transitioned to the new Fiscal Policy format. This will be accomplished as time and resources permit.

A. General

Institutional service centers that employ highly complex or specialized equipment such as computers, wind tunnels or reactors are called "specialized service facilities." The cost of operating such facilities may be recovered as direct or indirect costs depending upon whether the cost of such services is material in amount as determined by the institution.

B. Cost Recovery

[1] Direct Costs

When material in amount, the charges for such services are direct costs and are charged directly to activities supported by federal grants or contracts. These charges are allowable only if the following are true:

- The charge is based on actual use of the services.
- The rates do not discriminate between use by federally and non-federally supported activities, including use by the institution for internal purposes.
- Charges for the use of specialized facilities do not recover more than the aggregate cost of services over a long-term period.

[2] Indirect Costs

[a] When costs incurred are not material in amount, they may be allocated as indirect costs. Such arrangements must be agreed to by the institution and HHS.

[b] Three indirect-cost pools are required for such specialized service facilities: depreciation and use allowances, operation and maintenance expenses, and general administration and general expenses. Each category has unique cost components, allocation bases, rates, amounts to determine and accounting requirements.

Note: This electronic document supersedes all previous versions and is subject to change.

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