

# Instructions for Indirect Cost Restrictions on Subawards

Many non-federal or foundation sponsors limit the allowable Indirect Costs to a percentage of the total budget. When a subaward is involved, this may prevent Purdue from charging F&A on our portion of the budget. In such cases, budgets with a subaward should include subaward costs with 0% F&A. Always refer to the sponsor guidelines to confirm this policy.

## Budgeting guidance for PERA

### Budgets with Subawards

To budget subaward costs with 0% F&A, **two** (or more if needed) sponsor budgets will be needed in the Funding Proposal.

1. Create the Purdue Budget using the allowable F&A rate. Only Purdue costs will be included. The subaward will be budget on the additional budget.
2. Create an Additional Budget from the Funding Proposal Workspace Activity List.



3. Complete the General Budget Information page for the New Budget, select **No** to calculate F&A with standard F&A cost base and rates.
4. From the F&A Cost Base drop down, select **TDC**.

5. In the rate fields, enter 0%.

**3. \* Does this budget use the standard F&A cost base and rates?** [?](#)

Yes  No [Clear](#)

**Standard F&A cost base and rates**

	Period	1	2	3
F&A Cost Base	Start:	3/1/2025	3/1/2026	3/1/2027
	End:	2/28/2026	2/28/2027	2/29/2028
MTDC	Rate:	57%	57%	57%

**Non-standard F&A cost base and rates**

	Period	1	2	3	
F&A Cost Base	Start:	3/1/2025	3/1/2026	3/1/2027	
	End:	2/28/2026	2/28/2027	2/29/2028	
TDC	Rate:	<input type="text" value="0%"/>	<input type="text" value="0%"/>	<input type="text" value="0%"/>	<input type="button" value="Clear"/>

6. Select Yes to include the subaward costs in the total budget.

**4. Include in consolidated budgets?** [?](#)

Yes  No [Clear](#)

7. Continue through the pages of the Budget Form entering \$0.00 for all personnel and general costs. This will result in a \$0 budget.

8. Select Finish to return to the Budget Workspace.

9. Select Create Subaward from the Budget Workspace Actions list.



7. Continue to create the budget as outlined in the User Guide.

8. Select Finish to return to the Budget Workspace.

9. Repeat this process for each additional Subaward.

10. Return to the Funding Proposal Workspace and Select the Financials Tab.



11. Check the Total F&A Cost for the budget.