

Billing Direct Costs: Project-Specific or Cost Share

On 5 May 2025, the National Science Foundation adopted a standard [15% Indirect Cost Rate](#) for all new grants and cooperative agreements awarded to Institutions of Higher Education (IHEs). Both the National Institutes of Health and the Department of Energy are pursuing a standard 15% Indirect Cost Rate as well.

Reduced indirect cost rates make pressing the need to optimize billing as project-specific those costs typically incurred as indirect costs. These project-specific costs may be billed as direct costs or as [cost share](#) on federal proposals.¹ The Budget Justification must be clear and precise on how these costs are project-specific and thus allowable.

In the above situations, an applicant needs to use the standard, transparent, campus wide costs for the current fiscal year (2026). For example, if you want to bill for square footage of a space—

1. The average cost per square footage is \$33.67 at California State University, Fresno.
2. For specialized spaces such as research labs, apply an “intensity multiplier” from 1.2 to 1.5 to the \$33.67 square footage.
3. Be aware of all costs included in the square footage to avoid duplication of costs:
 - a. Building maintenance
 - b. Custodial services
 - c. Landscape and grounds maintenance
 - d. Physical plan administration
 - e. Utilities
 - f. Logistical services
 - g. Operation and maintenance information technology
 - h. Security and safety
 - i. Major repairs and renovations (“renewal”)
4. Charge the square footage based on the annual cost (e.g., charge for use based on weeks or months).

Finally, University Initiatives can also alert you to the necessity to include Facilities Operations or Technology Services costs in the budget. For example, purchasing major specialized equipment may include renting equipment to install the equipment or a project may present unique cybersecurity needs.

For guidance on billing these costs, please contact Gil Harootunian, PhD, Executive Director, University Initiatives, gharootunian@csufresno.edu

¹ [Cost share](#) is California State University, Fresno’s contribution to a project beyond grant funds.