



Office of the University Controller
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TO: Provosts, Deans, Directors and Chairs, Project Directors, Principal Investigators and Other Faculty Members and Business Administrators Concerned with Sponsored Programs

FROM: Bruce C. Fehn
 University Controller

SUBJECT: Facilities and Administrative (F & A) Cost Rates for Sponsored Research and Training Agreements

The University and the U.S. Department of Health and Human Services recently executed a new OMB Circular A-21 Negotiated Agreement which establishes facilities and administrative cost rates (formerly referred to as indirect cost rates) for fiscal years 2001, 2002, and 2003. The new rates, which become effective on July 1 of each of the respective fiscal years, are as follows:

| | <u>2000/01</u> | <u>2001/02</u> | <u>2002/03</u> |
|-------------------------------------|----------------|----------------|----------------|
| SPONSORED RESEARCH PROGRAMS: | | | |
| On-Campus Location | 55.5% | 55.5% | 55.5% |
| Off-Campus Location | 26.0 | 26.0 | 26.0 |
| SPONSORED TRAINING PROGRAMS: | | | |
| On-Campus Location | 52.1 | 52.1 | 52.1 |
| Off-Campus Location | 36.0 | 36.0 | 36.0 |

The F & A cost rates continue to be applied to Modified Total Direct Costs (MTDC). MTDC are a subset of total direct project costs. The following table identifies generally which direct expenditure categories are subject to F & A cost charges.

| <u>Expenditure Category</u> | <u>MTDC</u> |
|---|-------------|
| Salaries, Wages and Fringe Benefits | Yes |
| Supplies | Yes |
| Small Equipment (i.e., per unit cost of \$1,000 or less) | Yes |
| Travel | Yes |
| Subgrants and Subcontracts (include only the first \$25,000 of <u>each</u> subgrant or subcontract) | Yes |
| Services (e.g., publication costs, consulting, equipment maintenance contracts, educational services and other outside services) | Yes |
| Telephone (toll charges) | Yes |
| Equipment (i.e., per unit cost over \$1,000) | No |
| Alterations and Renovations | No |
| Rental and Maintenance of Off-Site Activities | No |
| Participant Support (student aid, stipends, tuition, dependency allowances) | No |
| Portions of Subgrants and Subcontracts above \$25,000 <u>each</u> | No |
| Tuition Remission for Graduate Assistants | No |
| Mandatory Health Insurance for Post-Doctoral Fellows | No |

(please continue on next page)

If you have any questions concerning the application of these rates in proposal budgets, please contact the Office of Research and Sponsored Programs, Administrative Services Building, Annex II, Busch Campus (Extension 5-2880). Other questions concerning these rates or MTDC items should be directed to the Division of Grant and Contract Accounting, Administrative Services Building, Busch Campus, Room 309 (Extension 5-2124).

Distribution: A1, A2, A3, F1 and F2 ALL CAMPUSES