

MEMORANDUM

To: University of Idaho Research Community

From: John K. McIver, Vice President of Research and Economic Development
Polly Knutson, Director of the Office of Sponsored Programs

Date: March 9, 2011

Subject: Facilities and Administrative (F&A) Rate Clarification

December 22, 2010 the Office of the Vice President of Research and Economic Development and the Office of Sponsored Programs notified the University community that new Facilities and Administrative (F&A) rates had been negotiated between the University of Idaho and the Department of Health and Human Services (DHHS) for Fiscal Year 2011 through Fiscal Year 2013. This memo seeks to further clarify how these rates will be used.

Use **new** rates when the following conditions apply:

- 1) Effective immediately (we are using 1/1/2011, even though memo was issued 12/22/2010), the new rates apply to all proposals for new awards and proposals for additional time and money on existing awards.
 - Ex. 1: PI was working on a new proposal with a submission date on or after 1/1/2011. In this case the budget should reflect the new F&A rates*.
 - Ex. 2: PI has current funding on a project, but is *requesting* additional funding from the agency. In this case the proposal budget should also reflect the new F&A rates*.
- 2) Awards with project start dates on or after 7/1/2011 will be adjusted to reflect the new rates.
 - Example: The proposal was submitted *any time* prior to 7/1/2011, but the award start date is on or after 7/1/2011. In this case the award budget will need to be negotiated to reflect the new F&A rates.
- 3) Supplements to existing grants and competing renewals will be treated as new awards if the award or issue date is on or after 7/1/2011, and the new rates will apply.
 - Example: The proposal for supplemental funds or competitive renewal was submitted *any time* prior to 7/1/2011, but the award start date is on or after 7/1/2011. In this case the award budget will need to be negotiated to reflect the new F&A rates.

Use **old** rates when the following conditions apply:

- 1) Use the old rate for all proposals for continuation or annual renewal of an existing award with the same project period (as long as they do not fall into the categories above).
 - Ex. 1: A three-year award was made to the University in FY10, but each budget year is obligated separately by the funding agency. In this case the original F&A rate would apply for the full three years of the project and not change when new budget years are obligated.
 - Ex 2: A two-year award was made to the University in FY10, but the agency chooses to fund an additional year of work without a competitive application. The original F&A rate would apply for all non-competitive segments.
- 2) Awards with project period start dates prior to 7/1/2011 will remain at the old rates throughout the life of all non-competitive segments.
 - This category is used for all awards that *were fully executed prior to the completion of rate negotiations, and with start dates prior to 1/1/2011*. If an award is for three years, beginning 7/1/2010 and through 6/30/2013 the F&A rate will not change for the life of the award. The University is legally allowed to begin charging at the new rates as soon as they are effective (e.g. 7/1/2011), but has chosen to accept the rate in effect at the time the award was executed.

FACILITY AND ADMINISTRATIVE (INDIRECT) COST RATES

	FY10 rate (OLD)	FY11 rate (NEW)	FY12 rate (NEW)	FY13 rate (NEW)
Research On-Campus	43.4%	43.4%	45.2%	45.3%
Research Off-Campus	25.0%	25.0%	26.0%	26.0%
Instruction On-Campus	55.7%	55.7%	56.0%	56.0%
Instruction Off-Campus	26.0%	26.0%	26.0%	26.0%
Ag & Forestry Exp Station	30.3%	30.3%	34.0%	34.0%
Public Service On-Campus	30.1%	30.1%	34.0%	34.0%
Public Service Off-Campus	21.0%	21.0%	26.0%	26.0%

*Note that in each of these cases, if the budget spans across fiscal years multiple rates will be used based on the number of project months in each fiscal year. Your OSP Sponsored Programs Administrator (SPA) can help you calculate this information for your budget, as well as providing you with appropriate language explaining the multiple rates in your budget narrative.