



THE UNIVERSITY OF CHICAGO

University of Chicago

Facilities and Administrative (F&A) Cost Rate Implementation

September 2016

The federal Government has approved new F&A rates for The University of Chicago federally sponsored programs for the four year period beginning July 1, 2015, and ending June 30, 2019. The rates for this period are the result of a detailed analysis of research costs eligible to be recovered through the application of the F&A rate and subsequent review by federal officials. It is important to note that the final approved rates are less than the actual costs calculated due to a regulatory cap on administrative expenses and negotiations between the University and federal officials regarding the facilities costs.

The rates are:

| | On Campus | Off Campus |
|---------------------------------|---------------------------|---------------------------|
| | <u>F&A Cost Rates</u> | <u>F&A Cost Rates</u> |
| <u>Research</u> | | |
| 07/01/15 – 06/30/16 | 58.0% | 26.0% |
| 07/01/16 – 06/30/17 | 60.5% | 26.0% |
| 07/01/17 – Until amended | 62.0% | 26.0% |
| <u>Instruction</u> | | |
| 07/01/15 – 06/30/16 | 46.0% | 26.0% |
| 07/01/16 – Until amended | 49.5% | 26.0% |
| <u>Other Sponsored Programs</u> | | |
| 07/01/15 – 06/30/16 | 33.0% | 26.0% |
| 07/01/16 – Until amended | 39.5% | 26.0% |

The rates above are expressed as a percentage of modified total direct costs (MTDC) and will remain in effect for the periods specified.

A. ADMINISTRATION OF CURRENT AWARDS

All awards made prior to September 12, 2016, will remain at their current rate until those projects are competitively renewed.



B. BUDGET PREPARATION

The rates as cited above should be used effective immediately for proposal budget preparation. Detailed instructions follow:

1. Research Projects

- a. Research funding requests for new and competing renewals will be budgeted using the effective rate at the beginning of each project year. For example, a three year project beginning 11/1/16 would be budgeted as follows:

11/1/16 – 10/31/17 60.5%

11/1/17 – 10/31/18 62.0%

11/1/18 – 10/31/19 62.0%

- b. Sponsors may request revised budgets for new and competing renewal proposals submitted prior to the issuance of these instructions. F&A costs for these revised budgets will be calculated using the same budgeting principles as described above in B.1.a.
- c. Research funding requests for (1) non-competing continuations, (2) supplemental funding within a funded period and (3) incremental funded contracts will include in the budget an amount for F&A costs computed at the F&A cost rates used by the sponsor and University when establishing the recommended funding level for the period.

2. Other Sponsored Projects

Other sponsored projects apply to those programs that are not research but provide support for activities such as hosting conferences and managing large facilities.

- a. Proposals requesting funds for the support of Other Sponsored Projects should request funding for F&A costs utilizing the new Other Sponsored Projects rate of 39.5%.

3. Instruction Projects

Proposals requesting funds for academic year training programs, summer institutes or the development and introduction of new or expanded courses and similar instruction oriented projects should request funding for F&A costs using the new instructional rate of 49.5%

4. Off Campus Projects

The off-campus rate of 26% should be used when the project is to be conducted at an off-campus site in facilities not owned by the University and to which rent is directly allocated to the project. The off-campus rate is applicable to projects or parts of projects conducted at an off-campus site for one month or longer. Projects that have both on-campus and off-campus activities lasting one month or longer shall apportion the costs between on-campus and off-campus components. Each portion will bear the appropriate rate.



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The above rates apply to all federal funded projects and federal flow through subcontracted to the University of Chicago. If sponsor regulations limit F&A cost reimbursement, the limitation should be discussed with University Research Administration (URA) before the budget is prepared and submitted.

C. STATUS OF PENDING PROPOSALS PREVIOUSLY SUBMITTED TO A GRANTING AGENCY

The Department of Health and Human Services' Division of Cost Allocation will notify the appropriate federal, fiscal, and administrative offices of the new approved F&A rates for the University of Chicago. Awards should be made based on the new approved rates. In the event an award is made using the prior rate, URA will contact the sponsor and make every effort to secure funding for the approved rate. If however, the sponsor is unwilling to increase the award amount to support the new F&A rates, the University will accept and charge based on the rate included in the award so as to not negatively impact the funds awarded for direct cost expenditures due to the new F&A rates.

If you have questions concerning these instructions, please contact URA.