



TO: Department Administrators

FROM: Jeff Sullivan,
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DATE: July 1, 2015

SUBJECT: Facilities & Administrative (F&A) Cost Rates – Fiscal Years 2015 - 2019

The University has completed negotiations for “predetermined” F&A cost rates for FY’s 15 – 19.

The predetermined rates for **Organized Research (ORG)** and **Other Sponsored Activities (OSP)**, further differentiated by **on-campus** and **off-campus** rates, are to be used **effective immediately** (see rate tables below). The appropriate Dean’s Office must approve any exceptions to this rate schedule.

Organized Research (ORG) rates for sponsored projects awarded, by period:

Type	Effective Period	On-Campus ORG Rate %	Off-Campus ORG Rate %
PREDETERMINED	July 1, 2014 to June 30, 2015 (*)	53.5	26.6
PREDETERMINED	July 1, 2015 to June 30, 2017	53.5	27
PREDETERMINED	July 1, 2017 to June 30, 2019	54	27
PROVISIONAL	July 1, 2019 until amended	54	27

Other Sponsored Programs (OSP) rates for sponsored projects awarded:

Type	Effective Period	On-Campus OSP Rate %	Off-Campus OSP Rate %
PREDETERMINED	July 1, 2014 to June 30, 2015 (*)	33.5	24.8
PREDETERMINED	July 1, 2015 to June 30, 2019	35	25
PROVISIONAL	July 1, 2019 until amended	35	25

(*) The periods are complete at the time of this notice.

- Beyond June 30, 2019, use the FY19 rate as provisional for both ORG and OSP, until amended.

Please see the definitions below should you need clarification between ORG and OSP.

Implementation of the new rates is complicated by multiple-year grants and the provisions of OMB Circular A-21 and 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The following items are included to provide clarification as to how these changes effect how to treat both existing and new awards:

- **For BOTH On and Off-Campus** awards issued **prior to July 1, 2014**, the F&A cost rate remains at the awarded rate for the competitive segment. These older awards should be reaching the end of their project periods, and competing continuation awards will be subject to the new predetermined rates stated above.



- **On-Campus** projects awarded since **July 1, 2014:**
 - **ORG** awards will maintain the 53.5% rate (exclusive of training grants, fellowships or other awards not entitled to full research rate reimbursement) for the period from the start of the award through June 30, 2017 and change to 54% for fiscal 2018 through the life of the project period.
 - **OSP** awards will maintain the 33.5% rate (exclusive of other awards not entitled to full other sponsored activity rate reimbursement) for the period from the start of the award through June 30, 2015 and change to 35% for fiscal 2016 through the life of the project period.

- **Off-Campus** projects awarded since **July 1, 2014:**
 - **ORG** awards will maintain the 26.6% rate (exclusive of other awards not entitled to full research rate reimbursement) for the period from the start of the award through June 30, 2015 and change to 27% for fiscal 2016 through the life of the project period.
 - **OSP** awards will maintain the 33.5% rate (exclusive of other awards not entitled to full other sponsored activity rate reimbursement) for the period from the start of the award through June 30, 2015 and change to 35% for fiscal 2016 through the life of the project period.

- All federal and nonfederal **new** and competing research awards will be subject to the new predetermined rates listed above. These rates will apply unless full reimbursement is restricted by the awarding agency or the appropriate Dean's Office has approved a waiver of F&A costs.

The predetermined rates should be used in preparing proposal budgets for future years. For example, a new or competing research award that starts July 1, 2015 will be subject to a 53.5% rate for two budget years through (through FY2017) and 54% rate for the remaining subsequent years. ORACS will apply the applicable rates to the Award lines (Grants) within UR Financials as those rates change. Calculation of benefit rates should continue to be based upon approved FY 2016 rates that are found on ORAC's website on the "Rate Agreements and Audit Reports" page, [Facilities and Administrative \(F&A\) and Fringe Benefit Rate Agreement – June 2015.pdf](#). Award budget dates do not always coincide with the University's fiscal year and therefore will need careful consideration during preparation.

Definitions per Appendix III to Part 200 of OMB 2 CFR 200:

Organized research (ORG) - all research and development activities of an institution that are separately budgeted and accounted for. It includes:

(1) Sponsored research means all research and development activities that are sponsored by Federal and non-Federal agencies and organizations. This term includes activities involving the training of individuals in research techniques (commonly called research training) where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function, or

(2) University research means all research and development activities that are separately budgeted and accounted for by the institution under an internal application of institutional funds. University research, for purposes of this document, must be combined with sponsored research under the function of organized research.

Other sponsored activities (OSP) - programs and projects financed by Federal and non-Federal agencies and organizations which involve the performance of work other than instruction and organized research. Examples of such programs and projects are health service projects and community service programs. However, when any of these activities are undertaken by the institution without outside support, they may be classified as other institutional activities.