



## Sponsored Projects Accounting

**TO:** Business Managers, Departmental Administrators and Assistants  
**FROM:** Joseph M. Gindhart, Assistant Vice Chancellor for Finance & Director  
**DATE:** May 2010  
**SUBJECT:** Federal Facilities and Administrative Rates – Policies and Procedures

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The University has received an extension to the current facilities and administrative (F&A) rates from our Federal cognizant agency, the Department of Health and Human Services (actual document available at <http://www.spa.wustl.edu/adminpol/f&arateagreement022410.pdf>). The new rate agreement is dated February 24, 2010 and it extends the rates until 6/30/2013 (see updates in blue text). This document supersedes the rate agreement dated June 7, 2006. The Policies and Procedures noted below supersede the previous version of this document, dated August 2006.

Our F&A rates are calculated under the guidelines provided in OMB Circular A-21, Cost Principles for Institutions of Higher Education. These rates should be applied to all grants, contracts and cooperative agreements issued by Federal agencies, including Federal pass-through funding. Per our most recent negotiated F&A rate agreement, the following rates are effective, under the modified total direct cost (MTDC) basis:

<u>Rate Type</u>	<u>Effective Period</u>	<u>Rate</u>	<u>Location</u>	<u>Applicable To</u>
Predetermined	7/1/09 – 6/30/13	52.0	On-Campus	Organized Research
Predetermined	7/1/09 – 6/30/13	44.0	On-Campus	Instruction
Predetermined	7/1/09 – 6/30/13	35.0	On-Campus	Other Spon. Activities
Predetermined	7/1/09 – 6/30/13	26.0	Off-Campus	All Programs
Predetermined	7/1/09 – 6/30/13	25.8	On-Campus	Genome Seq. Center
Provisional	7/1/13 Until Amended	Use same rates and conditions as those cited for fiscal year ending June 30, 2013.		

### Definitions:

**Predetermined:** The rate(s) applicable to all competitive agreements issued or applied for, on or after July 1, 2009 through June 30, 2013.

Similar predetermined rates were applied to all competitive agreements issued during the period 7/1/05 – 6/30/09, per our previous rate agreement dated 6/7/2006 (for more detail refer to [http://www.spa.wustl.edu/adminpol/FA060706\\_2.pdf](http://www.spa.wustl.edu/adminpol/FA060706_2.pdf)).

**Provisional:** Competitive awards issued or applied for on or after 7/01/13 will utilize these rates until the subsequent predetermined rates are negotiated with the Department of Health and Human Services.

**Modified Total Direct Costs (MTDC):** Includes, *but not limited to*, the following expenditure categories; salaries and wages, fringe benefits, material, supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of the subgrant or subcontract (regardless of the period covered by the subgrant or subcontract (i.e., the competitive period of the agreement)). MTDC shall exclude equipment, capital expenditures, charges for patient care, tuition remission, rental costs of off-site facilities, scholarships and

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fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000.

**Off-Campus:** For activities performed in facilities not owned by the University and not on the Medical Center campus, the off-campus rate will apply. Actual costs will be apportioned between on-campus and off-campus components. Each portion will bear the appropriate rate. For additional information, see the Off-Campus Policies and Procedures at <http://www.spa.wustl.edu/adminpol/offcampus.pdf>.

**Organized Research (*Sponsored*):** Research and development activities established by a grant, contract, or cooperative agreement that are separately budgeted and accounted for on a project by project basis.

**Instruction (*Sponsored*):** Specific instructional or training activity established by a grant, contract, or cooperative agreement.

**Other Sponsored Activities:** Programs and projects established by a grant, contract, or cooperative agreement which involve the performance of work other than instruction and organized research (e.g., health service projects, community service programs...).

**Genome Sequencing Center:** Programs and projects established by a grant, contract or cooperative agreement which involve the performance of genome sequencing work within the University's Genome Sequencing Center.

### **Procedures:**

#### **Proposals and Applications:**

Principal Investigators and/or their staff must utilize the predetermined and provisional F&A rates noted above in all competitive and non-competitive proposals submitted directly to a Federal agency and/or submitted via another institution/entity (i.e., subcontract, subagreement) as part of their proposal to a Federal agency. These rates should be used in responses to federally sponsored Requests for Proposals (RFP) and Requests for Applications (RFA). The rates should also be utilized when developing/calculating rates, modules or milestones included in fixed priced agreements with Federal agencies.

There are certain Federal agencies/programs which may require the University to utilize a lower rate or a stipulated rate in the proposal (i.e., NIH training grants and fellowships). The non-standard rate should be applied to the direct costs as instructed in the RFP/RFA documents. The net loss of funding incurred by utilizing the stipulated rate should be claimed, when allowable under the sponsoring agencies' guidelines, in the proposal as the University's contribution (cost sharing) to the project.

The [Office of Sponsored Research Services](#) (OSRS) will review the application of F&A rates in the proposal budgets prior to submission. They will direct questions or concerns about the rates or the MTDC base exclusions to the Principal Investigator, as necessary.

#### **Post-Award:**

During the account set up process for each new award OSRS – Danforth or OSRS – Medical School will input the appropriate F&A rate into the Account Profile. Due to the time delay between the submission of the proposal and the issuance of the award, the Federal agency and/or G&C/RO may have to

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adjust the rate so it concurs with our most recent rate agreement.

Per OMB Circular A-21, the Federal granting agency should utilize the negotiated rates in effect at the time of the initial award throughout the “life” of the sponsored agreement (grant, contract or cooperative agreement). The term “life” is further defined as the competitive segment of the project.

Competitive segments awarded on or before 6/30/09 should utilize the applicable rates per our prior rate agreements dated 6/7/06 (for more detail refer to [http://www.spa.wustl.edu/adminpol/FA060706\\_2.pdf](http://www.spa.wustl.edu/adminpol/FA060706_2.pdf)).

This information, as well as other policies and procedures related to sponsored projects, will be posted on SPA’s web page (<http://www.spa.wustl.edu/policies.htm>).

If you have any questions regarding the information presented in this memo, please contact me at 314-935-7089 or [jgindhart@wustl.edu](mailto:jgindhart@wustl.edu).