MEMORANDUM

TO: The Research Community

FROM: Dr. Susan Wyatt Sedwick, Associate Vice President for Research and Director, OSP

DATE: January 25, 2012

RE: Facilities and Administrative (F&A) Cost Rates

This memo provides the University's federally negotiated Facilities & Administrative (F&A) Costs rate effective September 1, 2010 and clarifies the University's policies and practices regarding indirect costs. The following indirect costs rate information is provided as a guideline for proposals submitted by The University and is effective immediately:

- On-Campus Rate: The current on-campus federally negotiated indirect costs rate applies to all proposals including those submitted to for-profit and federal entities. The rate increase is escalated over four years. Proposal budgets must use the effective rate that corresponds with the proposed start date for the project and should be calculated on modified total direct costs (MTDC). The rate in effect at the start of the project shall apply to the entire proposed period of performance. The F&A rate utilized in continuation proposal requests should be escalated accordingly. A copy of the negotiated rate can be found here: http://www.utexas.edu/research/osp/documents/rate_agreement_eff_sept2010_aug2014.pdf
  o Research proposals with a proposed start date of September 1, 2010 through August 31, 2011, use 53.5%.
  o Research proposals with a proposed start date of September 1, 2011 through August 31, 2013, use 54%.
  o Research proposals with a proposed start date of September 1, 2013 through August 31, 2014, use 54.5%.

- Off-Campus Rate: The current off-campus federally negotiated indirect cost rate applies on proposals submitted to for-profit and Federal entities if approved by the Office of Sponsored Projects. The rate is currently 26%, calculated on modified total direct costs (MTDC) and should be used when research is being conducted off campus for longer than one long semester or all three summer months. Please note that rates on an individual project may no longer be split between on- and off-campus rates. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project. Otherwise, the on-campus rate applies.

- Other Sponsored Programs Rate: this rate should be used for conferences and other projects that do not fall under the research category. The rate is currently 36% and should be calculated on modified total direct costs (MTDC).

- State Rate: Use for proposals submitted to State, City and County agencies. Proposals to not-for-profit agencies without published rates should also use this rate. The rate is 15% and should be calculated on the total direct cost (TDC).

- Clinical Trial Rate: Use for proposals that are for clinical trials and pre-clinical trials. The rate is 25% and should be calculated on the total direct costs (TDC).

- Special Facilities Fee: For those colleges that have adopted this approved practice, the additional fee may be applied on proposals directly to industry sponsors (not on those with Federal pass thru).

- Training Rate: The University's current federally approved instruction rate is 50% of modified total direct costs. Certain federal agencies such as the National Institutes of Health and the Department of Education have required 8% indirect cost rate for training grants. If a sponsor has a published indirect cost rate for use on training grants, that rate should be used on such proposals.

A gift to support research is not subject to indirect cost. It includes only those unrestricted funds provided to The University without any terms, conditions or other obligations. All gifts should be processed through the Development office.

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1 Modified total direct costs, consisting of all salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first $25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Modified direct costs shall exclude equipment, capital expenditures, charges for patient care, tuition remission, rental costs of off-site facilities, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of $25,000.