

FROM: John Poate**DATE:** 14 September 2009**TO:** Ralph Brown, Jim Blanchard**COPY:** Lisa Kinzel, John Speer, Tom Boyd, Phil Romig**SUBJ:** New F&A rates for research proposals and awards

CSM recently received notification from the Office of Naval Research of our new F&A Cost Rates (F&A = Facilities and Administration - previously called overhead or IDC) for fiscal year 2009-10. Our return to centers and individual PIs is based on the "Department Administration" portion of the ONR calculation, so the return rate also is affected.

Following is a brief summary of the changes and implementation dates:

- I.* Awards based on proposals that were granted special exceptions for reduced F&A Cost rates will not be affected.
- II.* For federal awards, the new F&A Cost rate is 45.84% of modified total direct costs, and the return rate is 20.7% of the total F&A Costs paid.
 - A.* For awards received prior to 1 July 2009, the F&A Cost rates and return rates will not change.
 - B.* The new F&A Cost and return rates will apply retroactively to awards received after 30 June 2009.
- III.* For awards from all other sponsors, the new F&A rate is 53.68% of modified total direct costs, and the F&A return rate is 23.01% of the total F&A paid.
 - A.* For awards received in response to proposals submitted before 1 October 2009, there will be no change in F&A Cost rates or return rates.
 - B.* Proposals submitted after 30 September 2009 will use the new F&A Cost rates.
 - C.* Awards received after 31 October in response to proposals submitted after 30 September 2009 will use the new F&A Cost and return rates.

Consortia of non-federal sponsors that normally negotiate research agendas and costs for the next project year prior to October may use their previous F&A Cost and return rates for FY2009-10. Negotiations that take place after the date of this memo will use the new rates.