



G&CAAlert!

Yale University
Grant and Contract Administration
Grant and Contract Financial Administration
Volume 3, Issue 5
Week of August 23 - 27, 2010

Alert(s):

- New Facilities and Administrative Rates

New Facilities and Administrative Rates

The new University [F&A rate agreement](#) negotiated with Division of Cost Allocation (DCA) on behalf of the Department of Health and Human Services (DHHS) is dated July 28, 2010. This agreement establishes [F&A rates](#) which are in effect July 1, 2010 through June 30, 2014. The table below outlines the approved change in rates.

Type of Award	Current Rates	Rates Effective 7/1/2010 - 6/30/2012	Rates Effective 7/1/2012 - 6/30/2013	Rates Effective 7/1/2013 - 6/30/2014
Research - On Campus	65.5	65.5	66.0	66.5
Research DOD Contracts – On Campus	68.5	69.2	69.7	69.7
Modified On-Campus	30.4	30.9	30.9	30.9
Connecticut Mental Health Center	41.5	41.9	41.9	41.9
Other Sponsored Activity - On Campus	40.0	41.8	41.8	41.8
Other Sponsored Activity - Off Campus	23.9	24.7	24.7	24.7
Veterans Administration @ West Haven	29.8	30.9	30.9	30.9
On-Campus Instruction	N/A	69.0	69.0	69.0

The application of rates to federal awards is governed by Circular A-21, Section G.7 as well as a June 9, 2001 clarifying memorandum agreed to by OMB, NIH and other federal sponsors.

I. Awards with Project Start dates prior to July 1, 2010

Any federal award whose new or competitive segment began prior to July 1, 2010 and continues to be awarded by the sponsoring agency will retain its current rate until the completion of the current project segment, which includes each noncompetitive renewal and incremental budget period. These awards will not be impacted by the change in rates.

II. Awards with Project Start Dates of July 1, 2010 and Later

All federal on-campus research awards at the current negotiated rate of 65.5% will be impacted by the new rate if the award project period is greater than two years. The 65.5% rate will be used for charging F&A costs through June 30, 2012. The 66.0% rate will be applied beginning July 1, 2012 and, if the award continues for a 4th year, the 66.5% rate will be applied beginning July 1, 2013 and thereafter. The federal government classifies sponsored training and development as an instructional activity and limits the reimbursement of F&A costs. The University will accept these awards at the published rates, as well as other federal programs with specific mandated rates (e.g. SAMSHA programs at a 15% rate).

All other types of awards with project start dates of July 1, 2010 or later will be at the new rate for that award type (e.g. CMHC will be 41.9; Research DOD Contracts – On Campus will be 69.2 and VA will be 30.9) for the life of the award, with the exception of DOD Research Contract – On-Campus which will be applied at the rate 69.7 beginning July 1, 2012.

The University also negotiated an uncapped research rate of 69.2%. This rate more closely approximates the true facilities and administrative costs of carrying out research and should be used whenever possible for non-federally sponsored projects.

IV. Inconsistent Treatment of Award Notices by Federal Sponsors

Should any federal award be made that is not consistent with these procedures, GCA is responsible for negotiating with the sponsor. Schools and Departments should consult with GCA in the event that any award is received and the inappropriate rate is applied.

V. Adjustment of F&A Rates

Departments continue to be responsible for ensuring that the charges which post to their awards are appropriate. It is important that the departments review their awards regularly to ensure that all charges incurred, including F&A, are appropriate. If at any time the F&A charged to an account appears to be incorrect, GCFA should be contacted immediately to avoid problems such as overdrafts.

Referenced links:

F&A Rates: http://www.yale.edu/grants/proposal_dev/facts.html#FY11%20rates

F&A Agreement: http://www.yale.edu/grants/proposal_dev/pdf/ratesFY11.pdf

“This G&CA Alert serves to notify all departments with federally sponsored awards that the facilities and administrative (F&A) rates charged to these awards changed effective July 1, 2010.”

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