MEMORANDUM

From: Ramanan Krishnamoorti, Interim VC/VP for Research and Technology Transfer
To: Deans, and Associate Deans for Research
CC: Paula Short, Senior VC/VP for Academic Affairs and Provost
    Jim McShan, Interim VC/VP for Administration and Finance
    Cris Milligan, Assistant VP for Research Administration

Date: May 3, 2016
Re: Implementation of new IDC rate plan

The University has new federally-negotiated Facilities & Administrative (F&A) Costs rates approved by the Department of Health and Human Services (DHHS). Below are indirect cost rates to be used in proposals submitted by the University, effective immediately:

On-Campus Organized Research: The rate applies to all proposals, including those being submitted to for-profit entities. The new rates are the following:

- FY 2016 = 50.5%
- FY 2017 = 50.5%
- FY 2018 = 53.0%
- FY 2019 = 53.0%

Other Sponsored Activities Rate: This new rate should be used for projects that do not fall under the Organized Research category. The rate is 31% and should be calculated on modified total direct costs (MTDC). This new rate is effective immediately.

Off-Campus Research (All Programs): The off-campus research rate remains 26% and should be applied to projects for which the majority of activities are performed in facilities not owned by the institution and to which rent is directly allocated to the project. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project. This rate should be applied to the MTDC for the project.
DHHS has also approved the treatment of fringe benefits to include the following:

- FICA
- Retirement
- Worker's Compensation
- Life Insurance
- Health Insurance
- Unemployment Insurance
- Severance Pay
- Tuition Remission (new)

If you should have any questions about these changes, please contact the Office of Contracts and Grants at 713-743-9222.