



Date: March 10, 2010
To: Campus Distribution
Subject: New Facilities and Administrative ("Indirect") Cost Rate

Finance has completed negotiations with the U.S. Department of Health and Human Services (DHHS) for the University's Facilities and Administration ("Indirect") Cost Rate.

For on-campus organized research and instruction the new rate is 50.5% of Modified Total Direct Costs (MTDC), and for off-campus projects, the rate remains 24% of MTDC.

DHHS finalized the new rate agreement on February 18, 2010. The new rate is effective from July, 1, 2010 through June 30, 2014.

The University will apply the new rate to external proposals submitted to ORSP for approval and endorsement immediately. The change will be implemented on awards as follows:

- Existing awards are NOT affected by the rate change: an existing award will use the originally awarded rate throughout the end of the award period.
- Non-competing continuations are NOT affected by the rate change; a non-competing continuation will continue to use the rate in effect at the time of the initial application as submitted.
- Pending proposals are NOT affected by the rate change: where a sponsor makes an award based on a registered proposals submitted with the old rate, the university will sue the old rate through the end of the sponsor's award period.
- New, revised, and competing continuation applications submitted from this point forward with a project period beginning after 7/1/10 will use the new rate.

An explanation of the Facilities and Administrative Cost Rate and a copy of the new rate agreement can be found on the ORSP website at:
<http://www.marquette.edu/orsp/FARate.shtml>

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