

MEMORANDUM



From: Amr Elnashai, 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, VC/VP for Administration and Finance
Cris Milligan, Assistant VP for Research Administration

Date: January 31, 2020

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:

On-Campus Organized Research: The new rate is **55.0%** and is effective 09/01/2020 (FY 2021). This rate applies to all proposals, including those being submitted to for-profit entities. Prior rates, by comparison, are the following:

- FY 2016 = 50.5%
- FY 2017 = 50.5%
- FY 2018 = 53.0%
- FY 2019 = 53.0%
- FY 2020 = 55.0%
- FY 2021 = 55.0%

Other Sponsored Activities Rate: The new rate is **33.0%** and is effective immediately (9/1/2019 – 8/31/2023). This new rate should be used for projects that do not fall under the Organized Research category, and should be calculated on modified total direct costs (MTDC).

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.