



Cleveland State University

Office of Sponsored Programs and Research

Richard Steiner, Vice President for Research, recently announced that the University has received a new Federal Facilities and Administrative (F&A) rate agreement dated September 5, 2008. This communication will provide more information about this change and demonstrate how it may impact your current sponsored projects.

In addition to the rate itself changing, the base to which it is applied has also changed. Due to our increasing research volume, the University has been switched from a Salary & Wage base to a Modified Total Direct Cost (MTDC) base. The base (the direct dollar amount to which the F&A rate is applied) will now include all costs with the exception of:

1. Any amount over the first \$25,000 of each subcontract (subrecipient agreement) issued by Cleveland State University;
2. Nonexpendable equipment with an acquisition cost of \$2,500 or greater and a useful life of more than one year;
3. Capital expenditures (buildings, alterations and renovations);
4. Patient care;
5. Tuition remission;
6. Rental/maintenance of off-site facilities;
7. Scholarships; and
8. Fellowships.

Our new federal rates are:

- On Campus: 42% MTDC, 7/1/08 – 6/30/12
- Off Campus: 24% MTDC, 7/1/08 – 6/30/12

For the period after 6/30/12, continue to use the same rates until amended.

The new rates and base are effective immediately. Please note that although the rates are lower or the same as the prior period, the F&A recovery may be more or less than previously calculated because of the base change. As we move forward, please consider the following three scenarios when dealing with a Federal Agency:

New or Competing Renewal Proposals:

For any proposal type being submitted after receipt of the new rate agreement, use the new rates and base.

Existing Awards:

For ongoing projects, the University will continue to charge the F&A at the rate and base at which the award was accepted. The F&A recovery will not change. However, for multi-year projects the new rate and base should be applied to any proposal for incremental funding within the originally-approved project period.

Proposals Submitted Prior to Receiving the New Rate Agreement:

These projects will be set up using the rate and base as indicated in the original proposal. However, for multi-year projects, proposals for latter years should be handled as indicated above under "Existing Awards."

For guidance on the Facilities and Administrative rate change and proposal submission, please contact:

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