

FACILITIES AND ADMINISTRATIVE (F&A) COSTS RATES
(Indirect Costs Rates FY2006 - FY2008)

Guidelines for Implementing New F&A Rates
USC & USC Research Foundation

With the negotiation and acceptance of a new F&A agreement with the US Department of Health and Human Services dated 6/29/05, several of the rates have changed for both the USC-Columbia and School of Medicine campuses. In order to understand the effects of those new rates for both new and existing awards, the following guidelines are provided:

1. In accord with OMB Circular A-21, the F&A rate for an existing project will be the rate in effect at the time of the initial award and will remain the same throughout the life of the project. "Life" in this case means each competitive segment of a project. The "competitive segment" is the period of years approved by the federal funding agency at the time of the award.

EXAMPLE: A NIH grant award was issued for a USC-Columbia Principal Investigator for a period of 3 years beginning on 10/1/04 with a F&A rate of 45.5% MTDC. The awards for Year 02 and Year 03 will also be charged F&A at a rate of 45.5% MTDC, rather than the new rate of 44.5% MTDC for Year 02 and 44% MTDC for Year 03.

2. All new proposals for competitive funding will use the new F&A rates contained in the new agreement dated 6/29/05.

EXAMPLE: Dr. X from the School of Medicine submits a competing continuation proposal to NIH for funding to begin on 1/1/06. His proposal should reflect a F&A rate of 42% MTDC which is the new rate for a project located at the SOM campus.

EXAMPLE: Dr. Y from the College of Arts and Sciences on the Columbia Campus submits a competing continuation proposal to NIH for funding to begin on 1/1/06. Her proposal should reflect a F&A rate of 44.5% MTDC for Year 01, and a F&A rate of 44% MTDC for all other years.

