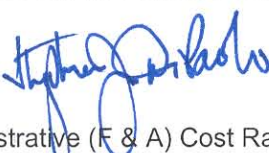


THE STATE UNIVERSITY OF NEW JERSEY  
**RUTGERS**

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January 19, 2005

**TO:** Provosts, Deans, Directors and Chairs, Project Directors, Principal Investigators and Other Faculty Members and Business Administrators Concerned with Sponsored Programs

**FROM:** Stephen J. DiPaolo   
 University Controller

**SUBJECT:** Facilities and Administrative (F & A) Cost Rates for Sponsored Research and Training Agreements

The University and the U.S. Department of Health and Human Services recently executed a new OMB Circular A-21 Negotiated Agreement which establishes facilities and administrative cost rates for fiscal years 2005, 2006, 2007 and 2008. The new rates, which become effective on July 1 of each of the respective fiscal years, are as follows:

	<u>FY05</u>	<u>FY06 &amp; FY07</u>	<u>FY08</u>
<b>SPONSORED RESEARCH PROGRAMS:</b>			
On-Campus Location	55.5%	54.0%	54.5%
Off-Campus Location	26.0	26.0	26.0
<b>SPONSORED TRAINING PROGRAMS:</b>			
On-Campus Location	52.1	51.9	51.9
Off-Campus Location	36.0	26.0	26.0

The F & A cost rates continue to be applied to Modified Total Direct Costs (MTDC). MTDC are a subset of total direct project costs. The following table identifies generally which direct expenditure categories are subject to F & A cost charges.

<u>Expenditure Category</u>	<u>MTDC</u>
Salaries, Wages and Fringe Benefits	Yes
Supplies	Yes
Small Equipment (i.e., per unit cost of \$5,000 or less)	Yes
Travel	Yes
Subgrants and Subcontracts (include only the first \$25,000 of <u>each</u> subgrant or subcontract)	Yes
Services (e.g., publication costs, consulting, equipment maintenance contracts, educational services and other outside services)	Yes
Telephone (toll charges)	Yes
Equipment (i.e., per unit cost over \$5,000)	No
Alterations and Renovations	No
Rental and Maintenance of Off-Site Activities	No
Participant Support (student aid, stipends, tuition, dependency allowances)	No
Portions of Subgrants and Subcontracts above \$25,000 <u>each</u>	No
Tuition Remission for Graduate Assistants	No
Mandatory Health Insurance for Post-Doctoral Fellows	No

If you have any questions concerning the application of these rates in proposal budgets, please contact the Office of Research and Sponsored Programs, Administrative Services Building III, at (732) 932-0150 ext. 2110. Other questions concerning these rates or MTDC items should be directed to the Division of Grant and Contract Accounting, Administrative Services Building III, at (732) 932-0165 ext. 2218.

**Distribution: A1, A2, A3, F1 and F2 – All Campuses**