

November 11, 2005.

MCG HAS NEW F&A RATE

Thanks to Laura Slizewski, Manager of Cost Reimbursement and Analysis in the Division of Sponsored Program Administration, Betty Aldridge, Associate VP for Research, and Dr. Barry Goldstein, Provost (with a lot of valuable assistance from our external consultants), the Medical College of Georgia has recently renegotiated its federal Facilities and Administrative Cost Rate Agreement, effective for the period 7/1/04 – 6/30/09, as follows:

Federal Research Rate On Campus (predetermined)

FY05 43%

FY06 45.5%

FY07 46.5%

FY08 47%

FY09 47%

The new rate agreement includes a rate for instruction (41% on campus) and other sponsored activities (29% on campus); the off-campus rate remains at 26% for all program types. The rates are applicable to modified total direct costs (MTDC). Additionally, the equipment threshold has been increased from \$1,000 to \$5,000. **(Note: these rates are applicable only to federal and federal pass-through awards. As of July 1, 2007, the rate for industry-sponsored clinical trials is 25%.)**

Although the institution is allowed to apply the new rates to awards made from 7/1/04 forward (when MCG's rate became "provisional"), federal sponsors do not make adjustments to awarded budgets. Because application of the higher rates would have to be done at the expense of reduced direct cost budgets, MCG will not retroactively apply the increased rates. The 43% rate will continue to be applied to non-competing renewal applications that already have been established with multi-year budgets at the 43% F&A rate. The new rates will be applied to new and competing renewal awards. The Division of Sponsored Program Administration will be working closely with federal sponsors and PIs to oversee the award process. For additional information or assistance, please contact Linda Ashe, Brandi Shultz, or Sheree Wright at 721-2592.