

Northwestern

Application of Facilities and Administrative Rates Starting October 23, 2019

Federal Projects (including Federal pass-through)

Negotiations with DHHS for fiscal year FY18 to FY23 have been finalized. When asked to cite Northwestern's Federally-negotiated F&A rate agreement, list Northwestern's Rate Agreement dated 09/20/2019 from DHHS.

Effective October 23, 2019, the following F&A rates and base should be used in preparing Federal proposal budgets. Please note the finalized F&A rates for FY18 and 19 remain the same as the provisional rates previously negotiated. No additional actions are required for the FY18 and 19 F&A rates. Starting FY24, F&A rates will be provisional until amended.

Table 1 - Federal F&A Rates/Base for new and competitive renewal proposals:

	Program Type	Fiscal 2020-2021 (9/1/19-8/31/21)	Fiscal 2022 and Beyond (Starting 9/1/21)
		A.	C.
D.	Sponsored Research – on campus	58.00% MTDC*	60.00% MTDC*
E.	DoD Contracts – on campus	59.00% MTDC*	61.00% MTDC*
F.	Other Sponsored Activity – on campus	36.00% MTDC*	36.00% MTDC*
G.	Sponsored Instruction – on campus	51.00% MTDC*	51.00% MTDC*
H.	All Programs – off campus	26.00% MTDC*	26.00% MTDC*

*Federal MTDC (Modified Total Direct Costs) = total direct costs excluding the following expenditure account codes:

Account codes and Description

77535: Fabricated Equipment

75490: Space Rental

75720: Hospital Medical Expenses

76910-76960: Telecommunication/Network Expenses

77510-77599: Capital Equipment (acquisition cost of \$5,000 or more and useful life of at least one year)

78010-78080: Tuition and Stipends

78510: Amortization

78650, 78652: Subcontracts in Excess of the First \$25,000

For Federally sponsored clinical trials, the on-campus, Sponsored Research Rate with MTDC (see Table 1, D.) should be used.

For periods beyond 8/31/21, the FY 2022 rates should be used.

Non-Federal Projects

Effective immediately, the following F&A rates should be used in preparing Non-Federal proposal budgets.

Table 2 - Non-Federal F&A Rates/Bases:

	FY20 & Future Years On-Campus Rate/Base	FY20 & Future Years Off-Campus Rate/Base
Sponsored Research	69.64% MTDC*	34.62% MTDC*
Other Sponsored Activity	43.85% MTDC*	32.84% MTDC*
Sponsored Instruction/Training	83.81% MTDC*	58.03% MTDC*
Industry Clinical Trials	32.0% TDC**	

*Non-Federal MTDC (Modified Total Direct Costs) = total direct costs excluding the following expenditure account codes:

Account Codes and Description

77535: Fabricated Equipment

75490: Space Rental

75720: Hospital Medical Expenses

76910-76960: Telecommunication/Network Expenses

77510-77599: Capital Equipment (acquisition cost of \$5,000 or more and useful life of at least one year)

78010-78080: Tuition and Stipends

78510: Amortization

78650, 78652: Subcontracts in Excess of the First \$25,000

**Industry Sponsored Clinical Trials TDC (Total Direct Costs) = total direct costs, except for charges on Account Code 78661 IRB Fee and 78663 NCCR Regulatory Prep Fee. Because clinical trial activity typically takes place off-campus, as of 11/1/2019 there is only one F&A rate.

The Non-Federal F&A rates reflect the calculated rates submitted to DHHS.

Please refer to the following table to determine which rates to apply based on the type of award.

Table 3 – Applying F&A Rates:

Type of Award	Applicable F&A Rate
New award on or after 10/23/19	New rates
Competitive Renewal award on or after 10/23/19	New rates
Non-Competing Continuation proposal on existing Federal award	Use the F&A rate at which it was originally awarded throughout the life of the competitive segment.
Non-Competing Continuation proposal on existing Non-Federal award	Use the F&A rate at which it was originally awarded throughout the life of the competitive segment.
Supplemental proposal on existing Federal award	Use the new F&A rate unless otherwise stipulated by the funding agency. If the awarded rate differs from the parent rate, the supplement must be set up in a separate account.

Supplemental proposal on existing Non-Federal award	In the majority of cases, apply the same rate as the parent grant unless otherwise stipulated by the funding agency. If the awarded rate differs from the parent rate, the supplement must be set up in a separate account.
New Industry Clinical Trial Submitted on or after 11/1/2019	New rates

When preparing budgets for Federal New or Competitive Renewal proposals, apply the multiyear rates based on fiscal year (see Table 1) for FY20 and beyond. An example is shown in Table 4.

Table 4 – Example of Applying Federal F&A Rates Starting October 23, 2019:

Federal Sponsored Research	Award Start Date	Award End Date	Applying F&A Rates
New or Competitive Renewal - on campus, with budget year October to September	10/1/2019	9/30/2022	Budget Year 1 (10/1/19 – 9/30/20): 58% Budget Year 2 (10/1/20 – 9/30/21): 11 months at 58% and 1 month at 60% Budget Year 3 (10/1/21 – 9/30/22): 60%

Questions regarding applicable F&A rates in sponsored project proposals should be directed to:

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Questions regarding the F&A rates agreement and negotiation should be directed to:

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