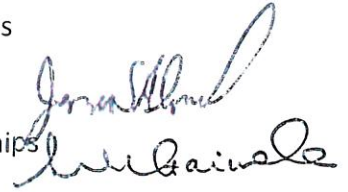


To: Dean, Directors and Heads of Schools, Divisions, Departments and Offices

From: James S. Almond, Senior Vice President and Assistant Treasurer
Suresh V. Garimella, Executive Vice President for Research and Partnerships



Date: May 22, 2017

Re: Facilities and Administrative (F&A) Cost Rates

In accordance with Uniform Guidance 2 CFR 200.414.(g), "any non-Federal entity that has a federally negotiated indirect cost rate may apply for a one-time extension of a current negotiated indirect cost rates for a period of up to four years. This extension will be subject to the review and approval of the cognizant agency for indirect costs."

Purdue requested this extension and the Department of Health and Human Services has approved maintaining our current F&A cost rates for Purdue University sponsored programs conducted at the West Lafayette Campus through June 30, 2021. These rates are provided in the attached document along with implementation guidance.

Please feel free to share this information with your faculty and staff.

Attachment

cc: Associate Deans for Research
Comptroller's Office
Directors of Financial Affairs
Business Managers
Sponsored Program Services Staff



**PURDUE UNIVERSITY
SPONSORED PROGRAM SERVICES**

(Supersedes F&A Instruction dated March 18, 2014)

West Lafayette Campus Facilities and Administrative (F&A) Cost Rate

FACILITIES AND ADMINISTRATIVE COST RATES

The Federal Government has approved the new F&A rates for Purdue University sponsored programs conducted at the West Lafayette Campus for the four (4) year period beginning July 1, 2017, and ending June 30, 2021. The rates for this period are extended in accordance with 2CFR200.414 (g), whereby the University requested and received a one-time 4-year extension. It is important to note that the final approved rates are less than the actual costs calculated due to regulatory cap on administrative expenses and negotiations between the University and Federal negotiators regarding the facilities costs. The rates are:

	<u>On-Campus F&A Cost Rates</u>	<u>Off-Campus F&A Cost Rates</u>
<u>Research</u>		
07/01/14 - 06/30/2017	55.0%	26.0%
07/01/17 - 06/30/2021	55.0%	26.0%
<u>Instruction</u>		
07/01/14 - 06/30/2017	54.0%	26.0%
07/01/17 - 06/30/2021	54.0%	26.0%
<u>Other Sponsored Programs</u>		
07/01/14 - 06/30/2017	38.0%	26.0%
07/01/17 - 06/30/2021	38.0%	26.0%

The above rates are expressed as a percentage of modified total direct costs (MTDC) and will remain in effect for the four (4) year period specified.

A. ADMINISTRATIVE OF CURRENT AWARDS

All awards will remain at their current rate until those projects are competitively renewed.

B. BUDGET PREPARATION

For budget proposal preparation purposes, project budgets should be prepared using the rates cited above.