

Iowa State University
Simplified Application of Next F&A Cost Rate Agreement
RM 2/13/17

ISU will have graduated F&A rates for Organized Research that change over the life of the next F&A Cost Rate Agreement. ISU plans to simplify the application of multiple F&A rates on proposal budgets after the new rates are rolled out to campus.

Simplified Approach:

ISU will budget for proposals using one rate for an entire period (e.g. Year 1, Year 2, Year 3) based on the start date of the period. This simplified approach will be much easier for campus to implement, and the lost F&A revenue will be minimal.

Example with Organized Research F&A rates:

FY17 – 52%
FY18 – 52%
FY19 – 53%

Any proposal period starting in FY17 (7/1/16 to 6/30/17) would budget for the entire period (up to one year) using the FY17 negotiated rate of 52%.

Any proposal period starting in FY18 (7/1/17 to 6/30/18) would budget for the entire period (up to one year) using the FY18 negotiated rate of 52%.

Any proposal period starting in FY19 (7/1/18 to 6/30/19) would budget for the entire period (up to one year) using the FY19 negotiated rate of 53%.

If a three-year proposal had a proposed start date of 1/1/17, then the following F&A rates would be applied to the proposal budget for the following periods:

52% - Year 1 – 1/1/17 to 12/31/17 (start date of this period is in FY17)

52% - Year 2 – 1/1/18 to 12/31/18 (start date of this period is in FY18)

53% - Year 3 – 1/1/19 to 12/31/19 (start date of this period is in FY19)

Once an award came in, as with similar past practice, we would use the F&A rates for the periods as proposed, and not adjust F&A rates based on actual start dates of each period.

With KFS, an award with multiple F&A rates will have separate account numbers set up for each different F&A rate.