LOUISIANA STATE UNIVERSITY

CAMPUS CORRESPONDENCE

To: Chancellor Michael Martin
Chancellor William Richardson
Chancellor Jack Weiss
Dr. Claude Bouchard

Date: December 5, 2008

From: Jerry J. Baudin
Vice Chancellor
Finance & Administrative Services
and Comptroller

Subject: Facility and Administrative Rates Applied to Sponsored Projects

New Facility and Administrative (F&A) Rates have been negotiated with our cognizant audit agency, the Department of Health and Human Services. The following rates are effective from July 1, 2008 through June 30, 2011.

F&A Rates (1) to be applied to MTDC (2)

		Non-State Agency	State or Local Government
LSU, Pennington Biomedical Research Center, and Hebert Law Center			
Instruction	On campus	49%	24%
	Off campus	26%	13%
Research	On campus	48%	24%
	Off campus	26%	13%
Public Service	On campus	36%	18%
	Off campus	26%	13%
LSU Agricultural Center			
All programs	On campus	42%	21%
	Off campus	26%	13%

(1) Statutory requirements specific to certain federal programs may limit F&A recovery on some awards.

(2) F&A costs are calculated by multiplying the Modified Total Direct Cost (MTDC) by the appropriate F&A rate. MTDC is defined as total direct cost less:

a. Each subgrant/subcontract in excess of $25,000 (i.e., the first $25,000 is included in the calculation)
b. Capital equipment expenditures (i.e., items costing $5,000 or more with a useful life of at least one year)
c. Alterations and renovations
d. Rental costs of off-site facilities
e. Scholarships and fellowships, prizes and awards

Effective January 1, 2009, these F&A rates will be applicable to all proposals for new sponsored projects. However, proposals for continuation of incrementally funded awards which maintain the same sponsor grant/contract number shall use the rates approved in the award. Ongoing projects with funds already awarded will also continue at the rates approved in the award.

Please contact Mr. James L. Bates at 578-2760 if you have questions or need assistance.

Jerry J. Baudin
Vice Chancellor for Finance and Administrative Services
and Comptroller

Enclosure: Rate Agreement

c: Vice Chancellor Keel
Associate Vice Chancellor Donna Torres, CPA
Mr. James L. Bates
Ms. Patricia Territo, CPA
Deans, Directors, and Department Heads
Mr. Mark Legendre, CPA
Mr. Ralph Underwood, CPA
Mr. Stephen Parker
ASP Members