LOUISIANA STATE UNIVERSITY

CAMPUS CORRESPONDENCE

To: Chancellor Michael Martin
Chancellor William Richardson
Chancellor Jack Weiss
Dr. Steve Heymsfield

Date: June 30, 2010

From: Eric N. Monday
Interim Vice Chancellor
Finance and Administrative Services

Subject: Facilities and Administrative Rates Applied to Sponsored Projects

A two year extension has been granted to the Facilities and Administrative (F&A) rate agreement by our cognizant audit agency, the Department of Health and Human Services. The following rates are effective from July 1, 2009 through June 30, 2013.

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

These F&A rates will be applicable to all proposals for new sponsored projects. 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.

These rates will be in effect until June 30, 2013. The University will negotiate a new F&A rate based on fiscal year 2011-2012 financial information.

Eric N. Monday
Interim Vice Chancellor for
Finance and Administrative Services

Enclosure: Rate Agreement

cc: Interim Vice Chancellor Doris Carver
Associate Vice Chancellor Donna K. Torres, CPA
Mr. James L. Bates
Ms. Patricia Territo, CPA
Deans, Directors and Department Heads
Mr. Mark Legendre, CPA
Dr. Mark Alise
Mr. Stephen Parker
ASP Members