Date: July 10, 2013

To: F. King Alexander, President and Chancellor
    William Richardson, Chancellor
    Jack Weiss, Chancellor
    Dr. William Ceplecha, Executive Director

From: Bob Kuhn, Interim Vice Chancellor for Finance and Administrative Services and CFO

Subject: Facilities and Administrative Rates Applied to Sponsored Projects

Facilities 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, 2013 through June 30, 2017.

**F&A Rates \(^{(1)}\) to be applied to Modified Total Direct Costs (MTDC) \(^{(2)}\)**

**LSU, Pennington Biomedical Research Center, and Hebert Law Center**

<table>
<thead>
<tr>
<th>Function</th>
<th>Location</th>
<th>Non-State Agency Rate</th>
<th>State or Local Government Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>On campus</td>
<td>49.0%</td>
<td>24.5%</td>
</tr>
<tr>
<td></td>
<td>Off campus</td>
<td>26.0%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Research</td>
<td>On campus</td>
<td>48.0%</td>
<td>24.0%</td>
</tr>
<tr>
<td></td>
<td>Off campus</td>
<td>26.0%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Public Service</td>
<td>On campus</td>
<td>35.0%</td>
<td>17.5%</td>
</tr>
<tr>
<td></td>
<td>Off campus</td>
<td>26.0%</td>
<td>13.0%</td>
</tr>
</tbody>
</table>

**LSU Agricultural Center**

<table>
<thead>
<tr>
<th>Function</th>
<th>Location</th>
<th>Non-State Agency Rate</th>
<th>State or Local Government Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>All programs</td>
<td>On campus</td>
<td>40.0%</td>
<td>20.0%</td>
</tr>
<tr>
<td></td>
<td>Off campus</td>
<td>26.0%</td>
<td>13.0%</td>
</tr>
</tbody>
</table>

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

\(^{(2)}\) F&A costs are calculated by multiplying the MTDC by the appropriate F&A rate. MTDC is defined as total direct costs less:

- Each subgrant/subcontract recipient in excess of $25,000 (i.e., the first $25,000 is included in the calculation)
- Capital equipment expenditures (i.e., items costing $5,000 or more with a useful life of at least one year)
- Alterations and renovations
- Rental costs of off-site facilities
- Scholarships, fellowships, prizes and awards
Effective July 1, 2013, 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 sponsored agreement award/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.

Bob Kuhn
Interim Vice Chancellor for Finance
and Administrative Services and CFO

Enclosure

cc:  Vice Chancellor K.T. Valsaraj
     Associate Vice Chancellor Donna Torres, CPA
     Ms. Winona Ward
     Ms. Patricia Territo, CPA
     Ms. Ann Coulon
     Mr. Guy Lavergne
     Mr. Albin Murtagh, CPA
     Deans, Directors, Department Heads
     ASP Members