



LOUISIANA STATE UNIVERSITY

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## CAMPUS CORRESPONDENCE

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**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)

		<u>Non-State Agency</u>	<u>State or Local Government</u>
<u>LSU, Pennington Biomedical Research Center, and Hebert Law Center</u>			
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%
<u>LSU Agricultural Center</u>			
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