

VIA: EMAIL

To: Research Community

Re: New Facilities and Administrative (F&A) and Fringe Benefit Rates for Use in Proposals

Dear Research Community,

This is to inform you that negotiations with the Department of Health and Human Services (DHHS) regarding the University's F&A rates have been concluded. The purpose of this notification is to inform you that DHHS has approved a (3) three year F&A rate of 60.0% for CWRU, which is a 1.5 percentage point change from our previous rate of 58.5%. This rate will be effective through June 2020. Effective July 1, 2020, the rate will increase to 61.0%.

Period	On-Campus Research	Off-Campus Research
07/01/2016-06/30/2017	58.5%	26.0%
07/01/2017-06/30/2020	60.0%	26.0%
07/01/2020-06/30/2021	61.0%	26.0%

In addition, CWRU's federally negotiated fringe rate will increase from 27.5% to 30.0% for awards effective July 1, 2017. This is for all federally-funded research, including research conducted at the MetroHealth System, Cleveland Clinic Lerner College of Medicine and University Hospitals. Effective immediately, all new proposals being submitted should use this new fringe rate. Please note that the new non-federal fringe rate is being finalized and will be announced shortly.

Period	Full Time Faculty and Staff	Term, Temp and Early Ret.
07/01/2017-06/30/2018	30.0%	17.5%

This notification also serves as an **immediate** notice of the new F&A rates that should be used when preparing proposal budgets for awards with an anticipated start date of July 1, 2017 or after. Please refer to the following chart to further determine which rates to apply based on the type of proposal:

Type of Proposal	Applicable F&A Rate
New proposal submitted on or after 03/06/2017	New rate-60.0%
Renewal (competing continuation) proposal submitted on or after 03/06/2017	New rate-60.0%
Non-Competing Continuation proposal on existing Federal award	Use the F&A rate at which it was originally awarded throughout the life of the competitive segment. Unless it is an NIH P or U grant which is negotiated annually (Per NIH Policy Part II Section 7.4 Page IIA-58)
Non-Competing Continuation proposal on existing Non-Federal award	Use the F&A rate at which it was originally awarded throughout the life of the competitive segment.
Supplemental proposal on existing Federal award	Use the same F&A rate as the parent grant unless stipulated otherwise by the funding agency. For NIH supplements please utilize the new rate. If the awarded rate differs from the parent rate, the supplement must be set up in a separate account.
Supplemental proposal on existing Non-Federal award	New rate-60.0%

Sparta Process

Sparta will be updated shortly to reflect this change however in the interim, any new funding proposals will need to be manually updated to reflect these new rates. The fringe rate change is completed on the Personnel Budget Grids for each individual. The F&A rate is completed on the Budget Grid smart form. If you need assistance with this, please contact sparta@case.edu.

Implementation Guidance for Awards

The application of F&A rates to federal awards is governed by 2 CFR 200 (Uniform Guidance). The higher rates will apply only to new and renewal awards with a start date on or after July 1, 2017. If a Federal award is received with the old (58.5%) rate, the appropriate PreAward Office will work with the sponsor to ensure grants awarded on or after July 1, 2017 are either awarded with the new F&A rate or are subsequently revised to incorporate the new rate.

New and Renewal Proposals Submitted but not Yet Awarded:

To ensure that direct costs available to Principal Investigators are not adversely impacted by this rate change, awards received in response to previously submitted new or competing renewal proposals will, when necessary, be accepted using the F&A rate contained in the submitted proposal. PreAward Offices will, however, work with agencies to increase F&A costs to the new rates wherever possible. Whichever F&A rate is finally awarded will subsequently be used throughout the competitive segment of that award.

Existing Awards and their Non-Competitive Proposals:

All existing awards and their associated non-competitive continuation proposals will continue to use the F&A rate in effect at the time of their initial award (or most recent renewal) throughout the remainder of their competitive segment. 2 CFR 200 (Uniform Guidance) requires a fixed rate over the life of a sponsored agreement and defines "life" as each new competitive segment.

The new rate agreement can be found at the Office of Research Administration's website on our [Commonly Requested Information sheet](#) which will be updated shortly.

Questions regarding applicable F&A rates in sponsored project proposals should be directed to your appropriate PreAward Office.

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