



# UNIVERSITY OF MARYLAND

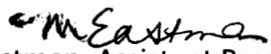
OFFICE OF THE PRESIDENT

Main Administration Building  
College Park, Maryland 20742  
301.405.5803 TEL 301.314.9560 FAX

August 6, 2012

## MEMORANDUM

**TO:** Vice Presidents, Deans, Directors, Department Chairs,  
College and Department Business Officers

**FROM:**   
Michele A. Eastman, Assistant President and Chief of Staff

**SUBJECT:** Amended Facilities and Administrative (F&A) Rate

The University has requested and has received an amended rate agreement. The new agreement clarifies the applicability of the off-campus "adjacent" rate, as follows:

1. The off-campus "adjacent" rate of 27.5% MTDC is now applicable to all functions: research, instruction and other sponsored activity. This rate is for activities performed within the commuting area (50 miles) of College Park.

All other rates and terms contained in the F&A agreement dated June 7, 2011 remain the same.

Guidelines for implementation of the terms of the new agreement remain the same as previously issued, and are attached to this memorandum. This memorandum and copy of the new DHHS Rate Agreement, officially dated June 28, 2012, can be found at [http://www.umresearch.umd.edu/ORAA/um\\_references/basic\\_references/FA/fa.html](http://www.umresearch.umd.edu/ORAA/um_references/basic_references/FA/fa.html).

If you have questions, please contact Toni Lawson, Director, Office of Research Administration at (301) 405-6275, or at [tlawson@umd.edu](mailto:tlawson@umd.edu).

**Cc:** John Farley, Acting Comptroller  
Denise Clark, Associate Vice President for Research  
Frank Carpenter, Director, Office of Contract and Grant Accounting  
Toni Lawson, Director, Office of Research Administration

## **IMPLEMENTATION OF FACILITIES AND ADMINISTRATIVE COST RATE AGREEMENT**

June 2011 (Revised June 2012 for Off-Campus Adjacent)

### Existing Awards

Grants, contracts and other agreements currently in effect will continue with the existing facilities and administrative cost rate and MTDC base for the duration of the award.

### New Awards

New awards will be charged the facilities and administrative cost rate and MTDC base stipulated in the award agreement from the initial budget period through the project period awarded. For example, NSF awards often project a three-year grant based on a three-year proposal; all three years will carry the rate in the approved proposal. Subsequent renewal or continuation periods will be assessed the new rate and MTDC base in effect at that time.

### Proposals

All proposals received by ORAA must budget the new facilities and administrative cost rate for budget periods beginning July 1, 2011.

### Sub-agreements

The first \$25,000 of each sub-grant and subcontract will be assessed the same facilities and administrative cost rate applied to the project as a whole.

### Off-Campus, Remote

An off-campus project is defined as one which, for three or more continuous months, does not make use of facilities or space supported by UM.

Projects are designated as on-campus unless 25% or more of the direct costs of the project meet the off campus definition. In cases where a single project has a mix of on and off campus costs, separate accounts will be created for the on- and off-campus portions. Justification for use of other than the on-campus rate should be included in the proposal's budget explanation. The off-campus site is to be provided on the UMCP internal Routing Form for Proposals, item 17.b.

### Off-Campus, Adjacent

An adjacent project is one that meets the criteria for an off-campus project and is within commuting distance (50 miles) from College Park.

### Equipment

Equipment is defined as an article of non-expendable, tangible property having a useful life of more than one year and an acquisition cost of \$5,000 or more.