

Examples – How to Apply new F&A Rates for proposals
October 1, 2007 (from memo from Hamilton Brown)

If we have a new award with a budget period that begins in FY08 and ends in FY09 should I use 46.0% for the months in FY08 and 47.5% for the remaining months in FY09? What about the following years?

Answer: Use 46.0% for all budget periods over the entire performance period of the new competitive award as Example A illustrates.

Example A

June 1, 2008 – May 31, 2009 at 46.0% F&A
June 1, 2009 – May 31, 2010 at 46.0% F&A (not 47.5%)
June 1, 2010 – May 31, 201X at 46.0% F&A (not 48.0%)

If the anticipated award begins anytime between July 1, 2008 and June 30, 2009, use 47.5% F&A as Example B illustrates.

Example B

July 1, 2008 – June 30, 2009 at 47.5% F&A
July 1, 2009 – June 30, 2010 at 47.5% F&A (not 48.0%)
July 1, 2010 – June 30, 201X at 47.5% F&A (not 48.0%)

Any awards with a start date of July 1, 2009 and beyond should be budgeted at the 48.0% F&A rate as Example C illustrates

July 1, 2009 – June 30, 2010 at 48.0% F&A
July 1, 2010 – June 30, 2011 at 48.0% F&A
July 1, 2011 – June 30, 201X at 48.0% F&A

This approach will significantly simplify the budget preparation processes for departments and streamline the reviews, approvals and account management services provided by OSR. It also complies with the requirements of OMB Circular A-21.

If you have any additional questions please don't hesitate to contact Kevin Maynor (962-4453), Jim Peterson (966-2542), or Hamilton Brown(843-0874).