



September 5, 2013

MEMORANDUM

TO: Mānoa Deans and Directors

FROM: Brian Taylor *Brian Taylor*
Interim Vice Chancellor for Research
Dean, School of Ocean and Earth Science and Technology

**SUBJECT: F&A RATE FOR STATE, CITY AND COUNTY FUNDED PROJECTS
WITH NON-FEDERAL FUNDS**

To simplify proposal preparation and submission for State, City and County funded projects with non-Federal funds by UH Mānoa departments and research units, the Office of the Vice Chancellor for Research endorses the continued use of 10% of modified total direct costs (MTDC – see below) to budget for F&A costs. The use of 10% of the MTDC rate will be renewed effective immediately for any proposal submissions and will continue until further notice.

The 10% of MTDC rate shall apply to projects funded entirely with State funds. A waiver request to the UH Manoa Vice Chancellor for Research is not required to use the 10% of MTDC rate. However, a waiver request is required if a rate lower than 10% of MTDC is proposed to be used.

Although this rate does not cover the University's full F&A costs, having consulted with the heads of various constituencies (UHARI, CORGE, and ORS) I am endorsing it as an interim accommodation to all concerned (UH P.I.s, A.O.s, and State agencies).

For proposals made by the State to external agencies, such as the federal government, where UH Manoa is a named sub-awardee, the appropriate University federally negotiated rate applies or, where by agreement by the University and State agency, the State agency's appropriate federally negotiated rate applies.

Exceptions to the rates specified in this memo may be made to comply with federal or other external agency requirements that limit F&A rates for funding

passed through the State to the University. A waiver is not required if the F&A limitation is documented by statute, regulation, policy statements (e.g. NIH Grants Policy Statement), or the request for proposal. Letters from sponsors that cannot be verified from the aforementioned sources will require waiver approval.

MTDC: OMB A-21 defines the modifications to TDC to exclude the following:

1. Equipment Costs
2. Alterations and Renovations
3. Patient Care
4. Tuition Remission
5. Off-campus Rental Costs
6. Scholarships and Fellowships
7. Sub-awards in excess of \$25,000

c: Vassilis Syrmos, Vice President for Research and Innovation
Yaa-Yin Fong, Director, ORS