

# Proposal Preparation

## Preparing the Budget: F&A Costs

- The use of the appropriate F&A cost rate is determined by the type of sponsored activity (e.g., research vs. instruction proposals), start date, and location of the proposed project.
- For Non-Federal applications, Yale will follow the sponsors published Indirect Cost Rate
  - Reviewed in conjunction with [Policy 6002. Application of Facilities and Administrative Rates and Costs Recovery](#)
  - This does not apply to 'For Profit' sponsors

*Note: OSP's [Institutional Information](#) includes Facilities & Administrative (F&A) Cost Rates.*

# Proposal Preparation: F&A Cost Rates

LOCATION	7/1/2015 – 6/30/2016 (PREDETERMINED)	7/1/2016 – 6/30/2018 (PREDETERMINED)	7/1/2018 – 6/30/2022 (PREDETERMINED)
<b>Organized Research</b> On-Campus	66.5%	67.5%	67.5%
<b>Research DOD Contract</b> On Campus	69.9%	69.9%	69.9%
<b>Organized Research</b> Modified On Campus			
<b>Organized Research</b> Off Campus	26.0%	26.0%	26.0%
<b>Organized Research</b> CMHC	47.0%	47.0%	47.0%
<b>Other Sponsored Activities</b> On Campus	43.0%	43.0%	43.0%
<b>Other Sponsored Activities</b> Off Campus	26.0%	26.0%	26.0%
<b>Organized Research</b> VA in West Haven	30.9%	30.9%	30.9%
<b>Instruction</b> On Campus	69.0%	69.0%	69.0%
<b>Instruction</b> Off Campus	26.0%	26.0%	26.0%

*Note: Effective 7/1/2022 until amended provisional rates apply (use same rates as those cited for fiscal year ending 6/30/2022).*

# Proposal Preparation

## Preparing the Budget: F&A Costs *(continued)*

- **The F&A cost rate is usually expressed as a % of the direct cost (DC) budget. Yale's F&A Rate Agreement does not permit the charging of F&A on certain budget items. This is referred to as a Modified Total Direct Cost (MTDC) base**
  - The MTDC base excludes:
    - Equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000.
    - $\text{MTDC (DC less above exclusions)} \times \text{F\&A rate} = \text{the amount budgeted for F\&A costs}$

# Proposal Preparation

## Preparing the Budget: Applying the F&A Rate

\$250,000	Total direct costs
- 7,500	Equipment
- 40,000	Subaward total for year one
<u>+ 25,000</u>	Allowable subaward costs
<b>\$227,500</b>	<b>MTDC base for calculating F&amp;A</b>
<u>x .675</u>	Yale's F&A rate is 67.5%
\$153,563	F&A
<u>+250,000</u>	Direct costs
<b>\$403,563</b>	<b>Total funds requested</b>

# Test Your Knowledge: Answer 8



The use of the appropriate F&A rate is determined by:

- A. Type of work being performed
- B. Start date
- C. Location of proposed project
- D. All of the above

The correct answers is: **D. All of the above**

# Test Your Knowledge: Answer 9



**Which of the following individuals are required to approve proposals in PD for submission to OSP?**

- A. Principal Investigator
- B. Department Business Office (DBO)
- C. Department Chair
- D. Principal Investigator and Department Business Office (DBO)**
- E. All of the above

The correct answer is: **D: The Principal Investigator and DBO**