

June 6, 2005

**ASSISTANT DEANS AND FINANCIAL OFFICERS**

**RE: Campus Non-University Differential (NUD) Revision**

Dear Colleagues:

As announced in the 2005-06 Campus Rate Review and Approval Process Letter ([http://www.ormp.ucdavis.edu/budget/proc/rate/ratecall/ratecall\\_pdf\\_link.html](http://www.ormp.ucdavis.edu/budget/proc/rate/ratecall/ratecall_pdf_link.html)), the campus Non-University Differential (NUD) will be updated on July 1, 2005 to reflect the campus' change in methodology<sup>1</sup>. The Office of Resource Management and Planning (ORMP) has identified self-supporting activities, reporting to your organization, that will be assessed the new NUD rates as of July 1, 2005. Please review the attached list and work with the ORMP analyst assigned to your organization to resolve any concerns or issues.

***Summary of Changes:***

- The basis for the NUD has changed to the Other Sponsored Activities Rate, as this F&A rate better aligns with the nature of goods and services sold to the Non-University customers.
- There will be two NUD rates, the Full NUD and a Minimum NUD. There will no longer be a "reduced NUD" rate.

***Implementation:***

Effective July 1, 2005, the ORMP will implement the following changes.

- Minimum NUD - the rate will be increased to 8%. Campus policy requires that all rates be reviewed a minimum of every three years and that all minimum NUD requests/continuations be reviewed by the ORMP and Campus Rate Group.
- Reduced NUD – this rate will be deleted. DaFIS accounts coded with the reduced NUD rate will be charged the full NUD rate of 29.5%.
- Full NUD - the rate will be decreased to 29.5%.

No action is needed from the campus units. There will be no changes to the NUD assessment process, ORMP will continue to assess the NUD quarterly.

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<sup>1</sup> The draft policy describing the campus rate process, including the NUD, is attached to this letter.

ASSISTANT DEANS AND FINANCIAL OFFICERS  
RE: Campus Non-University Differential (NUD) Revision  
June 6, 2005  
Page 2

The following table compares the July 1, 2005 revised policy to the previous policy.

Rate	Historical policy	Revised Policy Effective July 1, 2005
Minimum NUD	6.0%	8.0%
Reduced NUD	30.1%	N/A – Full NUD
Full NUD	47.6%	29.5%

For additional information, please see the updated Non-University Differential table and Application of the NUD flowchart attached and also available on our website located at <http://www.ormp.ucdavis.edu/budget/proc/rate/index.html>.

Sincerely,



Diane Davies-Conley, Associate Director  
Administrative Budget and Budget Operations

/dfu

Attachments

c: Campus Rate Group  
Budget Resource Management Analysts