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July 15, 2021

COUNCIL OF DEANS AND VICE CHANCELLORS

RE: Federally Negotiated Facilities and Administrative (F&A) Cost Rates

Dear Colleagues,

We are writing to provide an important update about our federally negotiated facilities and administrative (F&A) cost rates. As you may know, UC Davis’ prior rate agreement expired on June 30, 2018 and we have been using provisional rates since that time while awaiting federal review and approval. We recently finalized a new rate agreement with the Department of Health and Human Services effective June 28, 2021. Due to the unprecedented length of the provisional period, the new rates do not go into effect until July 1, 2022.

The University requires full F&A cost recovery. For all categories of sponsor awards, the University should apply its negotiated F&A rate to all extramural awards for research, instruction and other sponsored activities. The F&A cost reimbursements are critical to the university’s ability to provide the infrastructure that supports our expanding research mission. The F&A rates reimburse UC Davis for the costs already incurred to support research projects on our campus in accordance with federal costing policy and a formal negotiation process with DHHS.

The newly approved rates bring UC Davis more in line with rate agreements recently negotiated by UC Berkeley and UC San Francisco. Effective immediately, the following rates are to be used for funding purposes on new, renewal or competing continuation and supplemental proposals and awards unless there is a sponsor policy limitation. Additional information is available [here](#).

On-Campus Rates are provided below. These rates are for university-owned space or for leased space where the rent is paid by the campus and not charged directly to individual research projects. There are separate rates for research conducted in leased space when rent and space costs are directly charged to each research project conducted in that space (called off-campus in the negotiated rate agreement).

On Campus F&A Rates

	Organized Research	Instruction	Other Sponsored Activities	Primate Center Research
7/1/21-6/30/22	57.0%	50.0%	39.0%	54.4%
7/1/22-6/30/23	59.5%	50.0%	42.5%	57.8%
7/1/23-6/30/24	60.0%	50.0%	42.5%	57.8%
7/1/14-6/30/25	61.0%	50.0%	42.5%	57.8%
7/1/25-Indefinite	61.0%	50.0%	42.5%	57.8%

Federally Negotiated Facilities and Administrative (F&A) Cost Rates

July 15, 2021

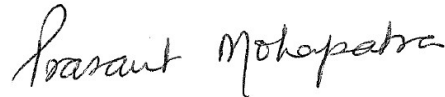
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If you have questions about F&A Rates, please refer to the [Office of Research F&A page](#) or the FOA [Costing Policy and Analysis page](#). You may also contact Mike Legrand, Associate Controller/Finance Director (mrlegrand@ucdavis.edu, 530-752-4621), Ahmad Hakim-Elahi, Executive Director of Sponsored Programs (ahakimelahi@ucdavis.edu, 530-747-3825) or James Ringo, Director of Contracts and Grants Accounting (jaringo@ucdavis.edu, 530-752- 8140.)

Best regards,



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Prasant Mohapatra
Vice Chancellor, Office of Research

Cc: Kelly Ratliff
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FOA Council