



February 22, 2011

Dear Colleagues,

Every four years, the University of South Florida negotiates the Facilities and Administrative (F&A) rates for grants, contracts and other agreements sponsored by the Federal Government with our cognizant agency, the Department of Health and Human Services (DHHS).

The negotiation begins with a University derived calculation of the actual cost of doing research based on expenditures for administration, the libraries, operations and maintenance, interest, and depreciation/use of equipment buildings and building improvements.

After this cycle's deliberation, DHHS increased two of USF's F&A rates to more closely meet the University's actual expenditures. All of our other rates remain the same. As of July 1, 2011 our rates for Organized Research (on-campus) and Other Sponsored Activities should be increased as follows:

Award Type	Current Rate (%) through 6/30/2011	Rates (%) effective 7/1/2011	Rates (%) effective 7/1/2012
On-Campus Organized Research	47.0	49.0	49.5
On Campus Other Sponsored Activities	32.0	34.0	34.5

These rates **only** apply to **new awards** and **competitive renewal** proposals with an expected award date on or after July 1, 2011 and will not impact proposals already submitted or continuation awards. Continuation awards will hold at the F&A rate that was assessed at the time of the award.

In these difficult economic times, it is important that the University follow good business practices and try to recover the actual cost of providing the necessary infrastructure for research and scholarly activities. We realize that these increases will impact budgets on future proposals to certain agencies and hope that the aforementioned explanation will give you a better understanding of their purpose. Our goal is to provide you with the best possible support for your research projects and to allow you the ability to be innovative and cutting-edge.

Please do not hesitate to contact us with any questions.

Best regards,

Nick J. Trivunovich
Vice President for Business and Finance

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