Duke University
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27708-0027

EXECUTIVE VICE PRESIDENT
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September 6, 2017

To Deans:

Duke has finalized negotiations with the Department of Health and Human Services (DHHS) on our Facilities and Administrative (F&A) rates for research grants and contracts effective August 22, 2017. The new rate agreement for Organized Research and for Instruction will be implemented in a manner that does not adversely impact direct funding for current awards, and is as follows:

- Fiscal Year 2018: 59% (current year; current rate)
- Fiscal Year 2019: 60%
- Fiscal Year 2020: 61%
- Fiscal Year 2021: 61%

DHHS established these rates in acknowledgement of recent and upcoming facilities and technology investments by Duke in support of the research enterprise. Increased reimbursement of F&A costs will support capital projects to address our need for new research spaces, as well as a public data archiving initiative in the libraries mandated by the federal government.

The agreement also includes a new rate for projects defined as Other Sponsored Activities (OSA), such as travel awards, conference grants, public service, or community development projects. This rate will be 33% until 2021. The off-campus rate, which includes only administrative costs, will remain at 26%.

Federal agencies are to use the negotiated rate in effect at the time of the initial award throughout the “life” (each competitive segment of a project) of the sponsored agreement (grant, contract or cooperative agreement). The implementation of the new rates will, as much as possible, avoid impacting the direct cost budget for all existing federal awards.

- **Current awards with an issue date prior to August 22, 2017:** These awards will continue to use the 59% rate for their remaining non-competitive grant periods unless the sponsor provides additional funding specifically designated for the increased F&A rate.
- **Awards with issue date on or after August 22, 2017:** These awards are covered by our new rate agreement. The University will apply the on-campus organized research rate of 59% of MTDC for FY18. The F&A rate on these awards will increase in future years only if it can be done without impacting the program or if the sponsor adjusts the award to cover the amount of the rate increase.
• Proposals submitted on or after August 22, 2017 must follow the new rate agreement which provides for an increase in F&A costs later in the project.


If you have any questions about the new rates, please contact Nate Martinez-Wayman at nate.martinez-wayman@duke.edu or 668-5850 or your applicable pre-award office.

Tallman Trask III
Executive Vice President

cc: Sally Kornbluth
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    Research Faculty, Business Managers, and Grant Administrators