

**Iowa State University**  
**Revised Application of F&A Cost Rate Agreement**  
**RM 9/7/17**

ISU has graduated F&A rates for Organized Research that change over the life of the F&A Cost Rate Agreement. ISU will no longer process proposal budgets using the simplified application of F&A rates. This change is effective with proposals received in OSPA on 10/1/17 or later.

**Revised F&A Budgeting Approach for Organized Research Proposals:**

ISU will use an F&A rate of 52% for the portion of each period (e.g. Year 1, Year 2, Year 3) before 7/1/18, and use an F&A rate of 53% for the portion of each period on or after 7/1/18.

**Examples with Organized Research F&A rates:**

FY17 – 52%

FY18 – 52%

FY19 – 53%

A proposed period of performance of 7/1/17 to 6/30/19 would use an F&A rate of 52% in Year 1 (7/1/17 to 6/30/18) and an F&A rate of 53% in Year Two (7/1/18 to 6/30/19).

A proposed period of performance of 1/1/18 to 12/31/19 would use F&A rates of 52% and 53% in Year 1 (52% - 1/1/18 to 6/30/18 and 53% - 7/1/18 to 12/31/18) and an F&A rate of 53% in Year Two (1/1/19 to 12/31/19).

A proposed period of performance of 4/1/18 to 3/31/20 would use F&A rates of 52% and 53% in Year 1 (52% - 4/1/18 to 6/30/18 and 53% - 7/1/18 to 3/31/19) and an F&A rate of 53% in Year Two (4/1/19 to 3/31/20).

The ISU Budget Templates (BOB) have been revised to reflect this change in budgeting F&A for organized research proposals.

**ISU Charging of F&A to Project Accounts:**

For awards from organized research proposals that budgeted F&A using 52% or 53% F&A rates, the F&A rate charged by the ISU financial system will be based on the date of the expense transaction.

**F&A rate charged based on the expenses' Transaction Date:**

Transaction dates - 7/1/16 to 6/30/18: 52%

Transaction dates – 7/1/18 to 6/30/19\*: 53%

\*Will use until the next F&A Cost Rate Agreement is negotiated

These changes were requested by the Division of Finance. Questions on the budgeting of F&A costs in proposals should be directed to [ospa-proposals@iastate.edu](mailto:ospa-proposals@iastate.edu). Questions on the charging of F&A costs to project accounts should be directed to your assigned sponsored programs accountant.