

MEMO

PURDUE
UNIVERSITY

NORTH CENTRAL

Phillip E. Jankowski
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BUSINESS SERVICES

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KAREN, 3/1/10
YOUR ORIGINAL COPY.
SRT

To: James B. Dworkin and Stephen Turner

From: Phil Jankowski

Date: February 9, 2010

Re: F & A (Facilities and Administrative Rates) Incentive Distributions

This memorandum is intended to document the approval of the policy for the distribution of F & A (Facilities and Administrative Rates) revenue.

The negotiated F & A cost rates established for sponsored programs conducted at the North Central Campus for the two year period beginning July 1, 2008 and ending June 30, 2010 are 45.0% on-campus and 26.0% off-campus. The F & A rates are established to reimburse the University for the expenses it incurs. These expenses include but are not limited to utilities, West Lafayette support, academic supervision and support, administrative support (processing invoices, payroll, etc.), salary and fringe benefit expenses not chargeable to the programs.

“The above rates apply to Federal projects and to projects funded by non-Federal Sponsors such as State, local, and foreign governments. These rates also apply to non-governmental Contract Support as defined by University Policy IX.6.2 and as implemented by Business Office Memorandum No. 195. The rates set forth herein are not applicable to those awards classified as Voluntary Support in accordance with the policies set forth in University Policy IX.6.2.”

The rates are expressed as a percentage of modified total direct costs (MTDC). The MTDC base includes all salaries and wages, fringe benefits, materials, supplies, services, travel, and subcontracts up to the first \$25,000 of each subcontract. Costs that are excluded from the MTDC base include equipment, graduate fee remissions, scholarships, fellowships, and the portion of each subcontract in excess of \$25,000.

Payments to faculty and staff are subject to Purdue and sponsor limitations. In general total compensation while participating in sponsored programs is limited to 100% of budgeted salary. Therefore, payments to an academic year employee during the academic year and to

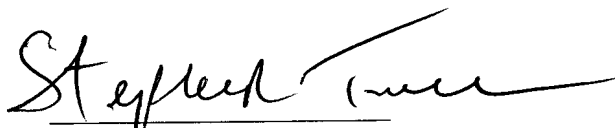
a fiscal year employee during the fiscal year will require release time to participate in sponsored programs. The release time will generate salary savings to the college or unit that may be reallocated within the college or unit, net of any cost incurred for the replacement of those faculty or staff. Academic year faculty or staff participating in sponsored programs during the summer would not generate any salary savings.

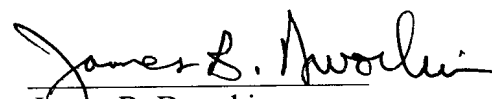
It is the intent to distribute the funds received within ten days after the close of the month. However, if notification of the award providing the F & A was not received by the time the University's budget was submitted, there may on occasion be an unavoidable delay in the distribution. Due to the variation in rates, a final reconciliation of F & A revenue distributions will be made after the close of the fiscal year.

The distribution of F & A revenue shall be as follows:

	Stage One First \$100,000	Stage Two Greater Than \$100,000
Distributions to:		
PI & Co-PI's	20%	30%
Department	0%	20%
College	10%	25%
University	70%	25%
Total	100%	100%

Approved:


Stephen R. Turner
Interim Vice Chancellor for Administration


James B. Dworkin
Chancellor

c: Alan Krabbenhoft
Larry Matthews
Rex Morrow
Karen Schmid
Keith Schwingendorf