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UNIVERSITY of ALASKA
Many Traditions One Alaska

To: Kim Cox, Fiscal Officer, UAF IARC

Through: Tanya Hollis, Director, SW Office of Cost Analysis

From: Briana Walters, Assistant Director, SW Office of Cost Analysis

Date: July 22, 2013

Re: FY2014-FY2016 Facilities and Administrative (F&A) Rate for Japanese sponsored research programs in IARC

As in prior years we are providing you with Facilities and Administrative (F&A) rates for Japanese and non-Japanese funded activities occurring in space leased to the Japanese as it relates to the Earth Science and Technology Organization (ESTO). The methodology for the F&A rate development is the same. These rates are based on the current FY14-FY16 negotiated provisional rate agreement with ONR. It is recommended that the University of Alaska Fairbanks use the following rates to recover F&A costs from Japanese and other sponsored projects:

Scenario	Research FY14-FY16	DoD Research Contracts FY14-FY16	OSA FY14-FY16	Training FY14-FY16
1. Non-Japanese funded activities occurring in space leased to the Japanese (ESTO)	28.6%	37.9%	27.5%	44.4%
2. Japanese funded activities occurring in space leased to the Japanese (ESTO)	37.9%	37.9%	33.6%	50.0%
3. All sponsored activities occurring in UAF space	50.0%	59.3%	37.2%	50.0%

The rate developed for Scenario 1 is equivalent to the federal negotiated provisional rate less the facilities components associated with buildings including depreciation, interest, and operations and maintenance for buildings, infrastructure, and other capitalizable assets. Depreciation and interest costs associated with non-building type assets have been included since they are related to people on campus, and it is therefore appropriate to include these costs in this modified rate.

The rate used under Scenario 2 for activities taking place in campus space that is leased to the Japanese includes uncapped administrative components, but does not include the facilities components associated with buildings including depreciation, interest, and operations and maintenance for buildings, infrastructure, and other capitalizable assets since these facilities costs are already being recovered through the lease arrangement. The increased F&A rate associated with the Japanese sponsored activity is appropriate due to a high level of administrative burden associated with their projects.

Under Scenario 3, the rate charged for activities utilizing UAF space that is not leased to the Japanese (ESTO) is equivalent to the federal negotiated provisional rate. It combines all facilities components with capped administrative components.

Once we receive a final negotiated predetermined rate agreement from ONR we will provide you with new rates.

Cc: Andrew Parkerson-Gray, UAF Office of Sponsored Programs
Wanda Bowen, UAF Office of Grant and Contract Administration
Pat Pitney, UAF Vice Chancellor for Administration
Ashok Roy, SW Chief Financial Officer
Myron Dosch, SW Controller