UNIVERSITY OF ALASKA
UNIFORM GUIDANCE WORKING GROUP

Section Number & Name: Appendix III – C4 Predetermined Rates for Indirect (F&A) Costs
A21 Reference: G4

BACKGROUND INFORMATION:

A. Does the revised guidance contain new language? ☐ Y ☒ N

Specifically describe the new language and how it differs: See attached.

B. Is the new guidance more or less restrictive than university processes? ☐ More ☐ Less

Specifically describe how it is more or less restrictive:

C. Cite any relevant system-wide policies/regulations/procedures:

D. Cite any MAU-level relevant processes or manuals:

E. Is there an impact to electronic systems (Banner HR/Finance, Web Timesheets, Effort Reporting, etc.)? ☐ Y ☒ N

List specific system(s) impacted and method of impact:

ACTION PLAN: Is specific action needed? ☐ Y – see below ☒ N – no action needed

Recommended Action(s):

1.

UA Responsible area requiring documentation of compliance: Tanya Hollis, Christi Eickholt – Cost Analysis

4. Predetermined Rates for Indirect (F&A) Costs

Public Law 87-638 (76 Stat. 437) as amended (41 U.S.C. 4708) authorizes the use of predetermined rates in determining the "indirect costs" (indirect (F&A) costs) applicable under research agreements with educational institutions. The stated objectives of the law are to simplify the administration of cost-type research and development contracts (including grants) with educational institutions, to facilitate the preparation of their budgets, and to permit more expeditious closeout of such contracts when the work is completed. In view of the potential advantages offered by this procedure, negotiation of predetermined rates for indirect (F&A) costs for a period of two to four years should be the norm in those situations where the cost experience and other pertinent facts available are deemed sufficient to enable the parties involved to reach an informed judgment as to the probable level of indirect (F&A) costs during the ensuing accounting periods.

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