



To: Emory University Research Community

From: Robert Nobles, DrPH, MPH, CIP; Vice President for Research Administration
Belva White; Vice President for Finance and Treasury
Holly Sommers; Asst VP for Research Administration/Director, OSP
James Goff; Asst Controller

Date: September 2, 2020

Re: New Negotiated Indirect Cost Rate Agreements for Emory University and Yerkes National Primate Research Center

To the Emory Research Community,

Emory has recently finalized negotiations with DHHS for new Indirect Cost Rate Agreements for both Emory University and the Yerkes Primate Center for federally-funded research at Emory. The negotiation process normally takes place every four years and requires a campus-wide space survey, a period of financial modeling, and a thorough analysis and review of data. In order to calculate the rates, indirect costs are sorted into multiple cost pools representing either facilities or administrative costs. Sponsor funding is broken into direct cost pools or “bases.” Indirect costs are then allocated to the direct cost bases in order to calculate the rates which we then take forward for negotiation. The administrative portion of the rate (A rate) is capped at 26%, so we never fully recover those total calculated costs. A negotiation process with our federal cognizant agency then typically results in rates that are slightly lower than our proposed rates. These most recent rate agreements were based on Emory’s actual financial data from fiscal year 2018. Our next rate proposal will be submitted using a base fiscal year of 2023.

New rates have been established and are effective as of the dates below.

Emory University

FY	Effective Dates	Organized Research			Other Sponsored Activities			Instruction		
		On	Adj	Off	On	Adj	Off	On	Adj	Off
FY20	9/1/19 – 8/31/20	56.0%	28.2%	26.0%	39.0%	27.8%	26.0%	55.0%	37.5%	26.0%
FY21	9/1/20 - 8/31/21	56.0%	28.2%	26.0%	40.5%	27.8%	26.0%	55.0%	38.0%	26.0%
FY22	9/1/21 – 8/31/22	56.5%	28.2%	26.0%	40.5%	27.8%	26.0%	56.0%	38.0%	26.0%
FY23	9/1/22 – 8/31/23	56.5%	28.2%	26.0%	40.5%	27.8%	26.0%	56.0%	38.0%	26.0%
IPA Rate										
		On	Adj	Off						
FY21 – FY23	9/1/20 – 8/31/23	N/A	N/A	18.5%						



Please note that the new rate agreement increases the following rates:

- On-campus Research, effective 9/1/21
- On-campus OSA, effective 9/1/20
- On-campus Instruction, effective 9/1/21
- Off-campus Adjacent Instruction, effective 9/1/20

The new rate agreement also establishes a negotiated indirect cost rate for federally-funded Intergovernmental Personnel Act agreements (IPAs), effective 9/1/20. The IPA rate should be used on all new or extension IPAs with periods beginning on or after 9/1/2020 and the IPA rate should be included in all budget negotiations.

Yerkes Primate Center

FY	Effective Dates	Core Grant (P51)	Research	Non-federal Research
FY20	9/1/19 – 8/31/20	45.0%	78.5%	78.5%
FY21	9/1/20 – 8/31/21	53.0%	82.0%	87.5%
FY22	9/1/21 – 8/31/22	53.0%	82.0%	87.5%
FY23	9/1/22 – 8/31/23	53.0%	82.0%	87.5%

Please note that the new Yerkes rate agreement increases rates and establishes a new rate, as follows:

- Core Grant, effective 9/1/20
- Research Grants, effective 9/1/20
- Non-federal Research, effective 9/1/19 and increasing on 9/1/20

The Non-federal Research Rate for the Yerkes Primate Center should be used for all non-federally funded sponsored programs. In accordance with Emory University’s F&A Policy, if a non-federal sponsor, such as a foundation, has a *published rate (applicable to all award recipients)* which is lower than the negotiated Non-federal Rate listed above, the Foundation’s published rate may be used.

Application of the New Rates

As a reminder, in accordance with Uniform Guidance, federal sponsors must use the negotiated rate that is in effect at the time of initial award. This means that the new rate agreement will apply only to competitive awards issued after the effective date of the rate agreement. As such, the new rates listed above will apply to all New (Type 1) and Renewal (Type 2) NIH awards for periods with the effective dates noted above, but it will not apply to non-competing awards (Type 5) awards associated with an ongoing grant originally issued prior to the effective date of the agreement.

The new rates should be used immediately in all competitive proposals. Please be sure to include the correct rate in effect for each budget period, as Emory may propose the predetermined rate for future periods as noted in the table above. So, for an on-campus organized research activity for a budget period beginning on 9/1/20, the appropriate rate is 56%. For the same activity for a budgeting period beginning on 9/1/21, the appropriate rate is 56.5%.



EMORY
UNIVERSITY

Office of Sponsored Programs
Research Administration

For budget periods beginning after 8/31/23, the appropriate FY23 rate should be used. If a budget period spans two rates, the FAC rate may be pro-rated based on the number of months within each effective period. For example, a budget period of 3/1/21 – 2/28/22 would have 6 months at 56% and 6 months at 56.5%.

Questions regarding the new Indirect Cost Rate agreement should be directed to James Goff (jbgoff@emory.edu).