

Why did rates increase?

The Facilities and Administrative rate (F&A), also known as indirect rate, is negotiated between the Universities of Wisconsin and the Department of Health and Human Services (DHHS) Cost Allocation Services. Before negotiations began, the UW submitted a required proposal documenting the actual costs incurred for such items as space, utilities, general purpose equipment, liability insurance, software, etc. Costs in these categories have increased significantly since our previous negotiation.

Does the new rate agreement apply to both Federal and Non-Federal projects?

Yes, it applies to all extramurally funded projects.

When should I start using the new rates in my proposals?

The new F&A Rates, 38.3%, should be used starting on 11/10/25 for all new and modified funding proposals.

I am submitting a supplemental proposal for an existing award. What rate should I use to prepare the budget for this proposal?

Unless sponsor policies state otherwise, supplemental funding will be considered new funding. Any application for new uncommitted funding, such as a supplement, should incorporate the new rates.

Exception: If the agency restricts the F&A rate for supplemental funding, please contact ORSP for next steps. For example, the National Science Foundation has a policy of funding supplemental support using the negotiated indirect cost rate(s) approved at the time of the initial award, so supplemental proposals to NSF could use the original agreement's rates. See NSF PAPPG Chapter X.D.1.d

What rate should I use for my renewal applications?

Competing renewal applications should use the appropriate F&A rate specified in the new rate agreement, regardless of the rate that was applied previously. You should determine when the new segment is expected to start and use the rate that is effective at the beginning of the budget period for that budget period.

My application was previously submitted at a lower F&A rate before the notification of new rates. Will this rate be honored?

Yes, proposals previously submitted and approved at the lower rate will be honored for the initial award period. Please contact ORSP for guidance regarding the agency policy for F & A rates. However, in some cases, a sponsor may allow the new F&A rate and/or may provide additional funding to support the added cost. Please contact ORSP for guidance.

I have an existing award, how will the new F&A rate be applied to a project grant that has already committed multiple periods of support e.g. NSF, NIH, DOE

Rates currently in effect on active awards will continue until the end of the current competitive period. (A competitive period is defined as the period of years approved by the sponsor at the time of the award.) Please contact ORSP for help interpreting the funding agency policy regarding F & A.

How will the new F&A rate be applied to existing federal multi-year contracts?

Federal contracts will continue with the current rate until the end of the period of performance as specified in the agreement. If the contract defines a specific F&A rate which is locked into the agreement, the specified rate will continue.

How will the F&A rate be applied to existing Non-Federal projects?

The rate approved by the sponsor at the time of award will continue for the remainder of the award period.

What F&A rate is applied to carryover funding?

Carryover is subject to the F&A rate in effect when the costs are incurred.