

UNIVERSITY OF ILLINOIS
AT CHICAGO

Office of Research Services (MC 672)
Office of the Vice Chancellor for Research
304 Administrative Office Building
1737 West Polk Street
Chicago, Illinois 60612-7227

August 29, 2003

To Whom it May Concern:

The University of Illinois at Chicago (UIC) has negotiated a provisional Facilities and Administrative (F&A) rate agreement with the Office of Naval Research, effective July 1, 2003 until amended.

The negotiated rates were calculated utilizing a Modified Total Direct Cost (MTDC) base that includes equipment with an acquisition cost of less than \$5,000. Equipment with an acquisition cost of \$5,000 or more was excluded from the MTDC base.

Notwithstanding the negotiated rate agreement, UIC has elected, at this time, not to assess F&A costs on equipment items with an acquisition cost of \$500 or more, for awards based on proposals submitted for external funding. This use of a lower threshold is only for purposes of F&A cost assessment. UIC will continue to recognize the \$5,000 threshold for equipment accountability purposes on federally sponsored agreements.

If you have any questions, please contact Paula Means, the Director of the Office of Research Services, at (312) 996-9406 or awards@uic.edu.

Rates are outlined below:

	<u>On-Campus</u>	<u>Off-Campus</u>
Organized Research	55.00%	26.00%
Instruction	42.31%	26.00%
Other Sponsored Activities	36.70%	26.00%
Tuition Remission (all functions)	37.00%	37.00%

Sincerely,



Eric A. Gislason, Ph.D.
Vice Chancellor for Research and
Authorized Institutional Official

UIC