Negotiations with the Department of Health and Human Services (DHHS) regarding the University’s F&A rates have been concluded. This negotiated process enables the University to recover over $100 million annually in documented costs that support the University’s research enterprise. This memo serves as an immediate notice of the new F&A rates that should be used when preparing proposal budgets for prospective awards with project periods in Fiscal 2016 and future years.

Given the impending major sponsor submission deadlines, it is important to alert you immediately of the new rates in order for their incorporation in proposals.

The attachment, Application of F&A Rates Starting June 2016, details the new rates and the application of the rates. Effective immediately, please reference this attachment to apply the new F&A rates when preparing proposal budgets.

We will apply the higher rates only to new and competitive renewal awards received on or after June 1, 2016. Federal agencies will have access to the new rate schedule, but it often takes several weeks before the new rate schedule becomes officially available to them. During this period, Office for Sponsored Research (OSR) will work with sponsors so that grants awarded on or after June 1, 2016 are either awarded with the new F&A rate or are subsequently revised to incorporate the new rate. In some cases, however, the award may need to be rebudgeted to accommodate the new F&A rate; Principal Investigators do not need to request sponsor approval or formally re-budget their accounts to provide for this change.

If an investigator believes that he or she is materially negatively impacted by the change in F&A rates, please contact Office for Sponsored Research (see the OSR contacts below). The impact will be assessed and determinations made as to how best to mitigate the impact.

Questions regarding applicable F&A rates in sponsored project proposals should be directed to:

**Chicago Campus:**
Pamela Hawkins, Acting Associate Director, Office for Sponsored Research (Chicago Campus), at p-hawkins@northwestern.edu

**Evanston Campus:**
Kelly Morrison, Director, Office for Sponsored Research (Evanston Campus), at kellym@northwestern.edu

Questions regarding the rates themselves should be directed to:

Jennifer Mitchell, Associate Executive Director for Research Financial Operations, at jmitchell@northwestern.edu