

March 23, 2023

MEMO 

Re: **Interim F&A Rate Applicable to Industry/For-Profit Sponsored Projects**

This memo applies to all sponsored projects administered by NAU where the sponsoring entity is an industry or for-profit organization and is effective immediately for new proposals.

The rate is 67% of MTDC (modified total direct costs) regardless of activity type or project location. There are no exceptions to this rate.

As per all other NAU F&A rate categories, MTDC consists of all salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, student tuition remission, rental costs of off-site facilities, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000.

Proposals to industry which involve federal flow-through funds should not use this rate.