

Computer Equip Waives



UNIVERSITY OF MARYLAND

2133 Lee Building
College Park, Maryland 20742-5121
301.405.4175 TEL 301.314.9305 FAX

OFFICE OF THE ASSOCIATE PROVOST FOR RESEARCH
AND DEAN OF THE GRADUATE SCHOOL

TO: Vice Presidents, Deans, Directors, Department Chairs, Business Officers
FROM: Charles F. Wellford *CFW*
Interim Associate Provost for Research & Dean, Graduate School
SUBJECT: Facilities & Administrative Costs (Indirect Costs) on Computer Equipment
DATE: February 18, 1999

Last summer after our current Facilities and Administrative (F&A) Cost Rate Agreement was finalized, a memorandum (dated July 10, 1998) was issued explaining the new rate and its implementation. One major change noted was the increased capitalization level of our equipment to \$5,000 and, therefore, the change of applying F&A Costs to those items under the new capitalization level. Individual items of equipment costing between \$500 and \$4,999 were now part of the base of direct costs to which the F&A rate is applied.

After consultation with the Campus Senate Research Committee and to ease the adjustment to the new capitalization level for computer equipment - an item often needed for scientific data processing and analysis in almost all disciplines - computer equipment items with an acquisition cost of \$1,000-\$4,999 will now be excluded from the application of F&A Costs. This waiver will be implemented immediately and will be part of the modified total direct cost base to which the F&A rate is applied. The Comptroller's Office has created a new code, 4046 for data processing equipment \$1,000-\$4,999, to be used for the purchase of these items. Please remember that computer equipment purchased on contracts and grants must be for scientific or programmatic purposes.

To summarize the current F&A rates and application:

	On-Campus	Off-Campus
Research and Instruction	48%	26%
Other Sponsored Programs (Service)	40%	26%

Rates apply to a Modified Total Direct Cost (MTDC) base which excludes:

- Individual items of computer equipment in excess of \$1,000
- Individual items of other equipment in excess of \$5,000
- Capital expenditures (includes alterations & renovations)
- Tuition remission
- Rental of off-campus facilities
- The portion of individual subgrants and subcontracts over \$25,000
- Scholarship and fellowship stipends

If have any questions concerning this change, they should be directed to Erica Magrum, Director of ORAA, x56266 or emagrum@gradschool.umd.edu

cc: Dr. Mote
Dr. Geoffroy
Mr. Waskiewicz