

We have had several discussions, both in groups and individually, regarding the changes in the Fringe Rates and Indirect Rates (AURA-CAS-HR) and the Center Recharge Rates for FY18, although we do not yet have the changes conveniently documented for easy reference. This document is designed to do just that. This memo will be posted on the CAS website.

Changes in the AURA IDC methodology for FY18

OVERALL CHANGES

Modified Total Direct Cost (MTDC) definition:

- Prior to FY18, AURA defined MTDC as 'salaries and fringe benefits, supplies and materials, services, travel, and up to the first \$25,000 of each **subcontract or major purchase** per year'.
- For FY18, AURA defines MTDC as 'salaries and fringe benefits, supplies and materials, services, travel, and up to the first \$25,000 of each **subcontract or subaward** per year'.
- This means that purchases of goods or services that are made through a general purchase not classified as a contract or subaward and exceed \$25,000, will no longer be exempt from IDC for the amount more than \$25,000.
- The Uniform Guidance now defines MTDC as 'salaries and fringe benefits, supplies and materials, services, travel, and up to the first \$25,000 of each **subaward (i.e. subrecipients) regardless of the period of performance**'. AURA will transition to the UG definition no later than FY21.

FRINGE RATES AND INDIRECT RATES

Changes in allocation bases used for AURA/CAS/HR rates:

- In FY18, the allocation base for the AURA Corporate F&A rate is the MTDC base as defined above.
- Previously the allocation base for the AURA Corporate F&A rate was Total Center Costs.
- In FY18, the allocation base for the AURA HR rate is the MTDC base as defined above.
- Previously the allocation base for the AURA HR rate was Center Salary and Wages costs.

Changes in rate calculations:

AURA F&A rate – *none*.

- Continue to calculate a rate for US Office operations that is applied to MTDC base of all AURA Centers.
- Continue to calculate a rate for Chile Office operations which is combined with the US Office rate and applied to the MTDC base of Centers with a presence in Chile.

AURA CAS rate

- Discontinued budgeting the cost of foreign travel for US staff in the Chile cost pool.
- Discontinued providing a discount on the Tucson Contracts Office to Centers that direct pay for Contracts Officers.
- Continue to calculate a rate for US Office operations that is applied to MTDC base of all AURA NSF funded Centers.

- Continue to calculate a rate for Chile Office operations which is combined with the US Office rate and applied to the MTDC base of NSF funded Centers with a presence in Chile.

AURA HR rate

- Discontinued pooling all HR costs regardless of location in a single cost center to which a single rate was developed and charged to all NSF funded Centers.
- HR now calculates a rate for US Office operations that is applied to MTDC base of all AURA NSF funded Centers.
- HR now calculates a rate for Chile Office operations which is combined with the US Office rate and applied to the MTDC base of NSF funded Centers with a presence in Chile.

AURA CAS/HR rates combined

- The CAS US and HR US rates are combined into one rate applied to MTDC base of all AURA NSF funded Centers.
- The CAS Chile and HR Chile rates are combined into one rate applied to MTDC base of all AURA NSF funded Centers with a presence in Chile.

Changes to Fringe Benefits rate

- Eliminated Center Specific Regular and Temporary Staff Fringe Benefit rates.
- Developed Fringe Benefit rates based on work location and pay type creating larger geographic groupings.
 - o U.S. Based
 - o US\$ paid ExPats
 - o Chilean Nationals
 - o Temporary staff

Fringe benefit rates are applied to Salaries and Wages, consistent with previous years' application.

Definition of Salaries and Wages and Benefits for Chile National staff reworked for consistency with US\$ paid staff.

Changes to Labor Recharge Rate

- Eliminated Center Specific Regular and Temporary Staff Labor Recharge Rates.
- Developed Labor Recharge Rates based on work location and pay type creating larger geographic groupings.
 - o U.S. Based
 - o US\$ paid ExPats
 - o Chilean Nationals
 - o Temporary staff

Labor Recharge Rates are applied to Salaries and Wages plus Fringe Benefits, consistent with previous years' application.

CENTER RECHARGE RATES

Changes to Center Recharge Rates

- Eliminated Center Specific G&A Rates used by NOAO and NSO.
- Renamed 'Labor Burden' rates in use at NOAO and NSO to 'F&A' to be consistent with the naming convention at Gemini and LSST.
 - o Gemini F&A
 - o LSST F&A
 - o NSO F&A
 - o NOAO F&A U.S
 - o NOAO F&A Chile

F&A rates defined above are applied to MTDC base of outside funding sources (grants).
- Center F&A rates are calculated to recover proportional costs facilities costs when a Center's staff or services are used by an outside organization or other AURA Center.