

Cooperative State Research, Education, and Extension Service
U.S. Department of Agriculture, STOP 2299
1400 Independence Avenue, SW
Washington DC 20250-2299

Reference: RIN 0524-AA28
USDA-CSREES F&A Limitations and Cost Sharing

In response to the Federal Register Notice dated August 1, 2008 Purdue University is commenting on section 3430.205 "Funding Restrictions" which states:

The maximum allowed indirect cost of 22 percent may be claimed under the Federal portion of the award, or the maximum allowed indirect cost of 22 percent may be claimed as matching contributions (if no indirect costs are requested on the Federal Portion of the budget). However, the maximum allowed indirect cost of 22 percent may not be claimed on both the Federal portion of the budget for the award and as matching contributions. An awardee may, as an example, request 11 percent of indirect costs on both the Federal portion of the award and as matching contributions. Or, an awardee may request any other, similar percentage combination that, when combined, does not exceed the 22 percent maximum indirect cost allowed.

Purdue's response is as follows:

1. The FCEA (Food, Conservation, and Energy Act of 2008) legislative language defined the basis for the cap as a percent of the "total Federal funds provided". The intent of the FCEA legislation is to limit the amount of indirect costs provided and paid for by federal funds, but not to set additional limitations on the cost sharing portion. The cost sharing limitations are outside of the scope of the language in this legislation.
2. The same federal register notice in section 3430.52, Cost Sharing and Matching, states the following:

(b) Indirect Costs. Grantees' matching contribution may also include unrecoverable indirect costs. Such costs may be accepted as part of the grantee's resource contribution provided the total amount of indirect cost claimed under the Federal and non-Federal portions of the costs, when combined, do not exceed the applicant's negotiated indirect cost rate or if applicable, the statutory cap on indirect costs.

This section can be interpreted as follows: if the 22 percent is claimed on both the Federal portion and the cost sharing portion, the combined amount claimed still would not exceed the statutory limitation of 22 percent. Hence, the institution would be in compliance with the statutory limitation.

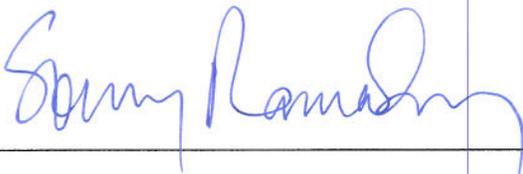
3. The CSREES implementation results in the university cost sharing much more than the required 1:1 match. Universities do not have the resources to cost share direct costs at the rate of 100% *and* subsidize a capped facilities and administrative rate. The project costs covered by the university will be much higher than the costs covered by USDA. This level of cost sharing limits the dollar amount and number of proposals submitted by a University.

Thank you for considering our concerns.

Sincerely,



Mike Ludwig, Director of Sponsored Program Services



Sonny Ramaswamy, Director of Agricultural Research Programs