

June 24, 2008

To: Campus Administrators  
Managers of External Sales and Services of Educational Activities

Subject: Increase of Facilities and Administration (F&A) rate on external sales of recharges and external sales of educational activities

As announced to Campus Administrators on June 2, 2008, effective July 1, 2008 the Service Center F&A rate applied to all external recharges and to external sales of educational activities will be 26 percent of total direct costs (TDC).

Related agreements signed before July 1, 2008 may continue at the old rate of 22 percent of TDC until the expiration date of that agreement or until June 30, 2010, whichever is sooner. To honor agreements in effect before July 1, 2008, departments will need to identify the corresponding invoices and/or revenue transaction with a specific NCA when submitting them to the Controller's Office.

Revenue transactions eligible for the lower rate must use the following NCAs for the fund ranges of which the revenue activity is a part.

<b>Fund Range</b>	<b>Revenue NCA for F&amp;A Rate of 22% of TDC</b>
60000 to 62999	340019
64000 to 65999	340019
66000 to 66099	350019
66100 to 66999	360019

Revenue transactions in these fund ranges and with these NCAs will be assessed F&A at 22 percent of TDC (18.0% of revenue). In order to obtain the lower rate, a copy of the signed contract must be on file with the Controller's Office.

Revenue transactions in these fund ranges which do not have these NCAs will be assessed F&A at the new rate of 26 per cent of TDC, (20.6 % of revenue).

If you have any questions, please contact Jeffrey A. Yepsen, Manager, Accounting and Financial Reporting at jeff.yepsen@ucsf.edu or 415 502-7430.