Addendum #1 to Questions Submitted for Information Teleconference: September 30, 2019

The following document contains changes to Questions Submitted for Information Teleconference: September 30, 2019 for RFA # 19-10538.

All updates are shown in **red**. Added language is shown **bold and underlined**. Deletions are shown with a line through them (or **strikethrough**).

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**Budget and Allowable Costs**

8. Q: We notice that in previous years, Indirect/F&A costs have been capped at 8% of Modified Total Direct Cost (MTDC). This year's RFA does not specify a cap to indirect costs, and Exhibit B to the RFA (Budget) allows any rate to be used. Will we be able to use our organization's full Indirect Cost Rate (ICR) in responding to this year's RFA?

A: Grantees are required to abide by the negotiated ICR's.

For example, the campuses of the University of California (UC) and California State University (CSU) systems will use the agreed upon ICR as referenced in Assembly Bill (AB) 20. Non-UC’s will use a CDPH 1229. The California State University, Office of the Chancellor, negotiated ICR’s with the California Department of General Services. The AB 20 became effective and authorized under California Education Code Section 67325. The purpose of AB 20 was to negotiate a model contract term along with negotiated ICRs. Effective July 1, 2019, the ICR’s is 40% (facilities 15% & administration 25%). For further details, refer to the letter dated May 1, 2016, [CSU Implementation of the AB 20/California Model Agreement](#).

**Non-profit institutions shall not exceed 25% ICR.**