Proposal for GCOOS-RA Fiscal Sponsor

The Texas A&M Research Foundation (TAMRF) has offered to act as the Fiscal Sponsor of the GCOOS-RA until such time as the Association establishes its own fiscal management arm. The TAMRF is capable of handling any type and size of award mechanism. They manage anything from private gifts of hundreds of dollars to the International Ocean Drilling Program’s vessel management program of hundreds of millions of dollars. As background, copies of the TAMRF Articles of Incorporation and By-laws will be mailed to Board Members. More can be learned by visiting their web site:
   http://rf-web.tamu.edu/

In December 2004, I requested that the TAMRF extend the offer to the GCOOS-RA to act as their fiscal sponsor at a reduced overhead rate. My request is given below. I received a positive response (also below) in January 2005.

We are offered an indirect cost rate of 13%. I believe this to be better than the rates I originally suggested. This means that for money subcontracted outside of Texas A&M University (which will be most of any funds received except for GCOOS Coordination Office activities) the TAMRF will charge 13% on the first $25,000 of each subcontract. Generally subcontracts are multi-year. As an example, for a three-year subcontract for $100,000 per year, only $3250 will be charged as indirect costs, which is only 1.083% of the total subcontract.

I propose that the GCOOS-RA Board of Directors accept this offer.

Worth Nowlin

Request Nowlin to TAMU VP-Research

WORTH D. NOWLIN, JR.                    wnowlin@tamu.edu                    TELEPHONE: (979) 845-3900
DISTINGUISHED PROFESSOR                        FAX: (979) 847-8879

December 20, 2004

MEMORANDUM

TO:    Dr. Richard Ewing, Vice-President for Research
FROM:  Dr. Worth Nowlin, Distinguished Professor, Department of Oceanography
SUBJECT: Indirect cost rates for Gulf of Mexico Coastal Ocean Observing System

As discussed with you briefly at the 16 July TAMRF meeting, I would like to propose to the stakeholders in the developing Gulf of Mexico Coastal Ocean Observing System (GCOOS) that the Texas A&M Research Foundation handle grants and contracts on an interim basis-until we
have in place a corporate entity capable of such management. We will have a GCOOS
Stakeholder meeting in New Orleans on 24-26 January 2005.

Most of the federal resources provided would likely be subcontracted to other locations around
the Gulf. Normal indirect cost rates would of course be charged against funds intended for use by
TAMU. However, I would like to negotiate a reduced indirect cost rate on funds to be
subcontracted to other entities. What rate would be reasonable for this public service?

I would consider as reasonable a rate such that TAMRF would not lose money by
subcontracting. Since they normally retain about 1/3 of the indirect and charge about 26% indirect for off-campus, I suppose the reasonable rate to be something near 8% on the first
$25,000 of each separate subcontract.

Is this feasible?

Answer TAMU VP-Research to Nowlin
January 7, 2005

MEMORANDUM

TO: Dr. Worth Newlin
   Distinguished Professor, Department of Oceanography

FROM: Dr. Richard E. Ewing

SUBJECT: Indirect Cost Rates for Gulf of Mexico Coastal Ocean Observing System

I am writing in response to your December 30, 2004 memo requesting a reduced indirect cost rate for the Gulf of Mexico Coastal Ocean Observing System (GCOOS) project for funds to be subcontracted to other entities on the project.

With the Research Foundation’s concurrence, I am authorizing a 13 percent indirect cost rate for this project.

cc: Dr. Wei Zhao
   Mr. Gregory L. Foxworth
   Mr. Mark S. Smock