To: Deans and Faculty

Re: Increasing Capital Equipment Threshold

As part of the F&A (formerly Indirect Cost) proposal, a review of Dartmouth’s capital equipment threshold is done. A number of years ago the government allowed institutions to raise the threshold to $5000, but Dartmouth decided to keep the threshold at $2500. After the recent review, I discussed the rationale for raising the threshold to $5000 with the Executive Officers of each of the schools. The Executive Officers agreed with the rationale and gave their approval to raise the threshold for capital equipment to $5000 effective July 1, 2008.

The impact of this change will mean that the F&A rate (formerly indirect cost rate) will be charged on equipment under $5000. As proposals are being prepared for submission to sponsors, the new threshold should be taken into consideration. For existing projects, or those proposals that have already been submitted to sponsors, each school will determine how to implement this change.

Please let me know if you have any questions.

Regards,
Nancy J. Wray
Director

Cc: Martin Wybourne, Department Administrators, Business Officers, OSP Staff