

## MTEC ASSESSMENT FAQS

### ***Why is the MTEC assessment necessary?***

MTEC is a non-profit organization with a dedicated leadership team complemented by the support of the Consortium Management Firm (CMF) and external consultants to run day to day operations. These operations include member support activities, industry days, membership meetings, education, outreach, training, process improvement initiatives, investment networking, leadership and management activities of the consortium. The MTEC assessment is the primary means of raising revenue to pay for the operations of the consortium.

### ***What requires my organization to pay an assessment?***

The requirement may be found in Section 3.4 of the MTEC Consortium Member Agreement.

### ***How much is the current MTEC Assessment?***

Effective for awards notified for selection after April 1, 2021, a single award assessment of 2% of the awarded funding will be charged. This marks a change from the preceding policy that gave awardees an option of paying a 1% assessment fee plus royalty-sharing, or a 3% assessment fee without royalty-sharing.

There are no changes for fully executed research project agreements already in place. However, for Request for Project Proposals (“RPPs”) which were issued prior to April 1, 2021:

- (1) if an award selection has already been made and the member had chosen either of the 2 Existing Options, the member may change its selection and instead choose to pay a single 2% award assessment; or
- (2) if notification has not yet been issued under the RPP, the member can indicate in its proposal whether it chooses to pay a 1% award assessment and also sign the Royalty Agreement, or pay the new, single 2% award assessment.

### ***Why are the assessment fee Options changing?***

The MTEC Board evaluated member benefits and consortium practices in 2020, and determined that a simpler practice would be prudent, thereby eliminating the royalty-sharing provision. For the majority of members who elected to pay 3% previously, a 2% assessment fee represents a 33% fee savings on new awards compared to the old policy. For other members, the elimination of the royalty-sharing option will simplify the contracting process and shorten the time to execution.

### ***Can the assessment be included in my cost proposal as a direct cost?***

No, this assessment is not a Government requirement and is not an allowable direct cost on any Project Agreement.

### ***Can the assessment be included in the fee line of my cost proposal?***

Yes, the assessment can be included in your profit/fee consideration, as the use of an organization’s fee is its own business decision. However, the proposer may not break out the proposed fee in order to show the assessment in a cost proposal.

### ***Can the assessment be included in my indirect cost?***

It may be possible to include the assessment as part of your indirect rate structure. Because organizations’ business structures, applicable regulations, disclosure practices, and policies vary widely, MTEC cannot provide advice on the specific calculations or appropriateness of this approach for individual MTEC members.

*Rather than invoicing separately for the assessment, can MTEC just take the assessment from the funding prior to issuing a modification or alternatively, short pay an invoice by the assessment amount?*

No, because of the terms and mechanics of the Other Transaction Agreement, MTEC is unable to utilize these other methods. The member must pay the assessment directly to MTEC per the instructions on the invoice.

*When are assessments due?*

Assessment payments are due within 90 days of receipt of funding. If your project is incrementally funded you are only assessed on the incremental funding.