

University of Rochester

Application of On-Campus and Off-Campus F&A Rates

Effective Date: July 1, 2015

POLICY STATEMENT

Facilities and Administrative costs (also called “F&A costs”, “indirect costs” or “overhead”) are payments from sponsors to the University of Rochester to cover expenses related to the overall infrastructure that supports research or other sponsored programs. The University of Rochester’s [F&A rate agreement](#), negotiated with the Department of Health and Human Services, Cost Allocation Services, specifies an indirect cost rate to be used for research that is conducted on-campus, and another rate for research that is conducted off-campus. This document outlines the circumstances when it is appropriate to use an on-campus rate, and the circumstances in which it is appropriate to use an off-campus rate. All sponsored research proposals are to be submitted in accordance with the policy and procedures as noted within this document.

REASON FOR POLICY

The Application of On-Campus vs. Off-Campus F&A Rates Policy is intended to do the following:

- Define research that is primarily conducted on-campus
- Define research that is primarily conducted off-campus
- Provide criteria for use of the on-campus and off-campus rates

DEFINITIONS

- “On-campus” is defined as research conducted in space owned by the University and for which the University is bearing the space costs from University funds. For space used for on-campus research, the University has already included the costs associated with that space in the “facilities” portion of the on-campus F&A rate. “On-campus” includes space/locations where the sponsor is not charged directly for lease costs (rent) but the University is paying lease costs.
- “Off-campus” is defined as research that is conducted in space not owned by the University and not otherwise paid for by the University from University funds. For space used for off-campus research, an external source (typically, a sponsor) provides funding, either paying directly for space, or reimbursing the University for its costs in renting or leasing the space, or otherwise directly providing space for research at no charge to the University. Accordingly, the facilities portion of the on-campus F&A rate does not apply to the direct costs incurred, inclusive of rental or lease costs of such space.

PROCEDURES

The University uses the rate applicable to the location where the preponderance of the time and effort will be expended (e.g., more than 50%). Accordingly, each award is assigned only one indirect cost rate, unless otherwise stated explicitly by the sponsor.

Prior to submitting a proposal to a funding agency, the principal investigator, in consultation with the department Chair/ Dean's Office when necessary, must appropriately determine whether the preponderance of University time and effort will occur on-campus or off-campus over the life of the project. That determination in turn indicates whether an on-campus or an off-campus rate should be used, consistent with the terms of this policy. The preponderance of effort is determined by examining the proportion of time and effort that University of Rochester project personnel spend working on project activities in on-campus vs. off-campus locations. For these purposes, subawards and vendor agreements for services that may be performed off-campus should not be considered in this determination. The criterion for determining whether research is conducted on-campus or off-campus for the purposes of this policy is: When more than 50% of University effort is performed on-campus, then the on-campus rate applies; when more than 50% of University time and effort is performed off-campus, the off-campus rate applies. NOTE: Research may occur in University Rented or Leased Space. The existence of a lease or rental agreement does not, in and of itself, indicate that the research activity is off-campus. Instead, one first must ask who is paying the rental or lease cost: is it the University or a Sponsor? For purposes of calculating the preponderance of effort, when the rental or lease cost of the space is included as a direct cost in the award budget and is paid as a direct cost by a sponsor, then research time and effort that is expended in that space should be regarded as off-campus.

EXAMPLES

The following examples are provided to illustrate the application of the on-campus or off-campus F&A rates:

- 1) The project supports fieldwork in a foreign country for 30 days each summer over three years. Professor X has budgeted for one month summer salary to oversee and direct the project. Her budget includes full support (12 person months each) for two graduate students, full support (12 person months) for one postdoc, and partial support (6 person months) for a technician. The graduate students and the postdocs will participate in the fieldwork each for 30 days, as well as travel to international conferences to present their results.
 - This budget will use the **on-campus indirect rate** because more than 50% of the total grant supported effort is on campus; i.e., of 43 months of effort only *four* months p/year will be off-campus conducting fieldwork.
- 2) The project supports analyses that must be conducted at a national lab for a period of four person months per year over three years. Professor X has budgeted two person months of summer salary to oversee and direct the project. He will travel to the national lab for one month per year. His budget also includes six

person months of support per student for two graduate students. Each student will spend four months in residence at the national lab and two months at UR conducting further analyses.

- This budget will use the **off-campus** indirect rate because more than 50% of the total effort p/year will be spent off campus; i.e., of the grant supported total effort of 14 months, *nine* months will be spent at the national lab conducting experiments.
- 3) This project supports research for mental health interventions for adolescents over five years. The University of Rochester rents the facility in which the study/therapy takes place. An appropriate allocation of the rent is directly charged to the sponsored project's account. Dr. A has budgeted four person months of salary to oversee the study. Dr. A has also budgeted for a full time (12 person months) data analyst on the project.
- This budget will use the **off-campus** indirect rate because the facility is off-campus and the University of Rochester pays rent for a dedicated facility for this study, a portion of which are allowable costs to the grant.
- 4) This project supports scientific research over 5 years. The budget includes support for a faculty member's salary, students, materials and supplies, travel costs, analyses and equipment. During each year of the project an outside consultant is budgeted to provide expertise needed for the project.
- This budget will use the **on-campus** indirect rate for the entire project, irrespective of the fact that an outside consultant is used, as the majority of the total effort is on campus in University labs.

CONTACTS AND SUBJECT MATTER EXPERTS

Should you have any questions regarding the application of the on or off campus F&A rates, please contact any of the named individuals:

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