

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

Policy Owner: Office of the Vice Provost for Research	Effective Date: July 1, 2015
Policy Contact: Associate Vice Provost for Research Administration & Development	Last Updated: June 23, 2017

REASON FOR POLICY

Tufts University periodically negotiates with the Department of Health and Human Services (DHHS) the Facilities and Administration (F&A) rates for activities on sponsored projects. Different rates apply to on-campus versus off-campus activities. 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 the off-campus rate.

POLICY PRINCIPLES

Facilities and Administrative (F&A) costs, also referred to as "indirect costs" or "overhead," are actual costs that Tufts University incurs when research, educational, or other projects are performed by the University. Negotiated rates allow for recovery of administrative costs, and where appropriate, facilities costs, from each sponsored project.

On-campus rate applies to activities conducted in the space owned by the University and for which the University is bearing the space costs from University funds. For space used for on-campus activities, the University has already included the costs associated with that space in the "Facilities" portion of the on-campus F&A rate.

Off-campus rate applies to activities performed in facilities not owned by the University and to which rent is directly allocated to the projects and paid by the extramural sponsor. Accordingly, the Facilities portion of the on-campus F&A rate does not apply.

The existence of a lease or a rental agreement does not, in and of itself, indicate that the facility is off-campus. When the rental or lease cost is billed as a direct cost and paid by a sponsor, such project activities are considered off-campus. This determination does not apply to F&A charges associated with subawards where Tufts University is the prime entity. F&A on the first \$25,000 of each subcontract is charged using the on-campus rates.

Tufts University rate agreement states that the costs should be apportioned between on-site and off-site components of the project, where each portion would bear the appropriate rate. Therefore, those activities that are performed on campus bear the appropriate on-campus F&A rate, and those activities that are performed off-campus bear off-campus F&A rate. The F&A rate applied to compensation and benefits for personnel is

based on the physical location where effort occurs. Personnel charges should be split between on- and off-campus if either portion of effort exceeds 10% of the total effort expended either during the award budget year or the duration of the award, whichever is less.

DEFINITIONS

Facilities and Administration (F&A) or Indirect Costs: Those costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective.

F&A rate: A device for determining fairly, consistently and conveniently, within the boundaries of sound administrative principles, what proportion of indirect costs each project should bear.

Negotiated Indirect Rate Cost Agreement (NICRA): The approved agreement between the cognizant agency and the institution that describes the types of rates, effective period, and distribution base.

RELATED LINKS AND INFORMATION

- [Tufts University Institutional Information/Negotiated Indirect Rate Agreement](#)