

## **Application of On/Off-Campus Facilities & Administrative (F&A) Cost Rates**

The classification of on- or off-campus is solely for the purpose of applying the correct F&A cost rate. UNA's federally approved F&A cost rate can be found at <http://www.una.edu/sponsored-programs/>. This cost rate applies to all on-campus research projects. As of FY11, UNA does not have a federally approved off-campus F&A cost rate. To cover the cost of administering an off-campus grant or contract, a pass through rate of 8% will be applied to that portion of a sponsored research program classified as off-campus.

### **I. Off-campus**

A project, or part of a project, is considered to be performed off-campus if:

- The activity is conducted at a location other than the property owned or leased by the University of North Alabama, and;
- University personnel will work on the project at the off-site location, and;
- The majority of the Facilities costs that are normally associated with facilities owned or leased by the University are not applicable, and;
- The project is located in leased space and the lease is charged directly to the project (rent), or
  - o In exceptional circumstances, another entity may house the project or otherwise pay for the Facilities cost and provide certification of third-party in-kind cost share that it, therefore, is providing to the University project.

### **II. On-campus**

A project, or part of a project, is considered to be performed on-campus if it does not meet all of the criteria above for off-campus. This includes situations where the project is not charged directly for lease cost (rent) but the University is paying lease cost (e.g. the University leases a building in which this project, along with other University activities, takes place).

### **Projects Conducted Partially Off-Campus**

The on- or off-campus determination shall be based on only The University of North Alabama's portion of the project costs and not include costs of collaborating entities. No portion of a project will be considered off-campus unless it meets the criteria in I. Off-campus, above.

- Projects under \$100,000 in Modified Total Direct Cost (MTDC):
  - o Will not be apportioned between their on- and off-campus components.
  - o If 50% or more of the project's MTDC is to be expended on-campus, the entire project is classified as and charged the on-campus F&A rate.
  - o If more than 50% of the project's MTDC is to be expended off-campus, the project will be classified as off-campus and charged the off-campus F&A rate.
- Projects at or above \$100,000 in MTDC:
  - o Will be apportioned between their on- and off-campus components if, after apportionment, the lesser component constitutes 20% or more of the MTDC of the project.
  - o If the lesser component is under 20% MTDC of the entire project, the entire project is classified as and charged the rate of the larger component

(e.g., if the on-campus component is 82%, the entire project will be classified as on-campus and will be charged the on-campus rate).

Costs of travel between the University or employee home base (see University travel policy) and the off-site location are to be included in the on-campus MTDC base when apportioning the project.

### **III. Related Definitions**

Facilities Costs – operations and maintenance (e.g. utilities, repairs, cleaning), building depreciation, building improvements, equipment depreciation.

Modified Total Direct Cost (MTDC) – is the base to which F&A cost rates are applied and is defined in OMB Circular A-21 as:

Modified Total Direct Costs consist of “salaries and wages, fringe benefits, materials and supplies, services, travel, and sub-grants and subcontracts up to the first \$25,000 of each sub-grant or subcontract (regardless of the period covered by the sub-grant or subcontract). Equipment, capital expenditures, charges for patient care, tuition remission, rental costs, scholarships, and fellowships as well as the portion of each sub-grant and subcontract in excess of \$25,000 shall be excluded from modified total direct cost.”

Project – For purposes of this policy, project is defined as an individual competitive segment of a grant or contract.