



## Comprehensive Facilities & Administration Rate Guidance

The following guidelines are intended to assist research administrators in selecting and investigators in understanding the appropriate Facilities and Administration (F&A) rate type to use for various classes of sponsored projects.

These guidelines are intended to supplement the information found in ODU's Policy, [Facilities and Administration Cost Recovery University](#).

The process of determining the appropriate F&A rate type and rate will include evaluation of the activity being proposed and the location of the proposed activity, as described below.

Project budgets should include all costs required to accomplish the objectives in the proposed project or agreement. These costs are categorized as either direct or indirect costs:

1. **Direct Costs** (e.g. salary, fringe benefits, and materials and supplies) can be identified specifically with a particular final cost objective or can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs. (Uniform Guidance 200.413)
2. **Indirect F&A Costs** are those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted. These costs include building depreciation, equipment, capital improvement, utilities, custodial services, general administration, research administration, the libraries, accounting, and purchasing. (Uniform Guidance 200.414)

When distinguishing direct costs from Indirect F&A costs, the nature of the cost is not the determining factor. Rather, it is whether the cost can be specifically identified with a particular sponsored project.

F&A costs are incurred for the benefit of the Institute's three primary functions or direct cost objectives:

1. **Organized research** refers to research and development (R&D) activities that are separately budgeted and accounted for, including (a) externally sponsored R&D and (b) university sponsored R&D.
  - a. **Externally sponsored research** includes all R&D activities that are sponsored by agencies and organizations external to the University. Also included are research training programs that train individuals in research techniques using the same facilities as other R&D activities and are not part of the instructional function of the University.
  - b. **University sponsored research** includes all R&D activities that are separately funded and accounted for internally.
    - i. University funds are considered university sponsored research if university funds are awarded, budgeted, and expended through a process that includes a formal proposal with a

- well-defined scope of research, a formal review process, awarding of funds, and a final report.
  - ii. University funds expended as formal cost sharing for an externally sponsored, organized research project are considered as university sponsored research.
  - iii. University funds are not considered university sponsored research if the funds are not budgeted (e.g., drawn from one account) and/or are not accounted for (e.g., drawn from a discretionary account).
  - iv. University funds used to support investigator start-up are not considered as university sponsored research, although they are considered R&D for the Higher Education Research and Development (HERD) reporting purposes.
2. **Instruction** includes sponsored teaching and training activities, except for research training, including those offered (a) for credit towards a degree or certificate, (b) on a non-credit basis, (c) through regular academic divisions, and/or (d) through other non-academic divisions.
  3. **Other sponsored activities** include programs and projects funded by Federal and non-Federal agencies and organizations with a scope of work that do not meet the definitions of organized research and instruction. Examples of such programs and projects are health service projects, alumni programs, community service programs, and symposia and conferences that do not meet the definition of instruction.

## Applying the Current F&A Rates

The University's F&A rates are determined by an agreement with the federal government in accordance with the federal Uniform Guidance. ODU and the ODU Research Foundation negotiates its F&A rate with the Office of Naval Research (ONR), its cognizant federal audit agency. The ODU negotiated **Cost Rate Agreement** can be found here ([https://researchfoundation.odu.edu/wp-content/uploads/2024/06/ODU-FY25-Pred-FA-Extension-Rate-Agrmt\\_FULLY-EXECUTED.pdf](https://researchfoundation.odu.edu/wp-content/uploads/2024/06/ODU-FY25-Pred-FA-Extension-Rate-Agrmt_FULLY-EXECUTED.pdf)). F&A rates are applied to a modified total direct costs (MTDC) base.

## Location

Once the type of activity has been determined to be R&D, Instruction, or Other Sponsored Activities, the location of the project must then be determined in order to reach final selection of the appropriate rate.

### *On-Campus v. Off-Campus F&A Rate Guideline*

When the University bears the facilities costs associated with space, it is entitled to the reimbursement of the costs incurred to support sponsored activity – either directly or indirectly. Most of the time, the costs will be reimbursed indirectly via the application of the on-campus F&A rate. There are instances where the facilities costs are not borne by the University but rather by another party, potentially even the sponsor; in these instances, the application of the off-campus rate is appropriate as there are no facilities costs incurred that need to be reimbursed.

### *Definitions*

#### 1. **On-Campus**

On-campus locations include space in buildings owned by the University and, in most cases, buildings or offices leased by the University or some entity of the University, including the higher education centers, locally leased buildings and offices (e.g., the Innovation Research Park Buildings #1 and #2, and other locations in Hampton Roads). Further criteria for designating leased space as on-campus are provided below.

The on-campus designation indicates that any reimbursement of facilities related costs will occur indirectly, through the application of an F&A rate that includes those costs, rather than through a

direct space charge. For most federal sponsors, the “on-campus” negotiated F&A rate applies to projects designated as on-campus. For most non-federal sponsors, the published federal on-campus F&A rate also applies. Some awards may have F&A rates that are lower than the otherwise applicable on-campus rate. In these cases, the on-campus designation is still appropriate and has no relation to the applicable F&A rate.

## 2. Off-Campus

Off-campus is a sponsored project designation indicating the general location(s) of the activity that will occur in conducting the project. Off-campus includes space that the University does not own, and no University entity bears a lease cost for occupying the space. Factors indicating that a space is remote include significant physical distance from ODU’s main campus and locally leased buildings and offices (beyond 50 miles) and use of separate (non-University) services such as mail, telephone, network, and other support services. Off-campus locations *do not* include space that is associated with ODU’s main campus, higher education centers, or locally leased buildings or offices assigned leased buildings or offices (e.g., the Innovation Research Park Buildings #1 and #2, and locations in Hampton Roads). In addition, for the off-campus rate, the project must include one of the following: (1) the combined proposed effort of all involved ODU/ODU RF personnel working off-campus is greater (more than 50%) than the combined proposed effort of all involved ODU/ODU RF personnel working on-campus, including unpaid contributed effort, (2) the budget includes leasing or renting an off-site facility as a direct cost, and the personnel paid from the grant and any equipment are located at that facility, or (3) the total direct costs incurred off-campus exceeds the total direct costs incurred on-campus. A grant/contract should not be considered both on and off-campus, and there should be no apportionment of expenses between the two categories.

*The off-campus designation indicates that any reimbursement of facilities related costs will occur directly, through a direct space charge, rather than indirectly through the application of a F&A rate that includes those costs.* For most federal sponsors, the “off-campus” negotiated F&A rate applies to projects designated as off-campus. For many non-federal sponsors, the published federal off-campus F&A rate also applies. Some awards may have F&A rates that are lower than the otherwise applicable off-campus rate. In these cases, the off-campus designation is still appropriate and has no relation to the applicable F&A rate.

## 3. Leased Space

Leased space is space in a building that the University or the Research Foundation does not own, but which the University Research Foundation occupies and for which a lease cost is borne. That lease cost may be borne by the Foundation, a college, or departmental ODU budget code. When leased space is used to conduct a sponsored project, that project may be designated as either “on-campus” or “off-campus,” based on defined parameters. The existence of a lease does not, in and of itself, indicate an off-campus designation.

- a. **Leased space = on-campus** – when that space is contiguous or nearly contiguous to ODU’s main campus, higher education centers, or locally leased buildings or offices assigned leased buildings or offices (e.g., the Innovation Research Park Buildings #1 and #2, and locations in Hampton Roads).

**Leased space = off-campus** – when that space is remote from the ODU campus, higher education centers, or locally leased buildings or offices assigned leased buildings or offices (e.g., the Innovation Research Park Buildings #1 and #2, and locations in Hampton Roads). Factors indicating that leased space is remote include significant physical distance from ODU (beyond 50 miles), and the use of separate (non-University) services such as mail, telephone, network, and

other support services. *When a leased space is considered off-campus, a direct rent cost would be included in the proposal budgets and charged to benefiting sponsored projects.*

## University F&A Current Rates

Table 1. University F&A Rates.

	On-Campus	Off-Campus
<b>Organized Research</b>	<p><i>Organized Research</i> means all research and development activities that are separately budgeted and accounted for, including sponsored and university research activities and research training activities.</p> <div> <b>60%</b> (MTDC)   <b>77%</b> (MTDC)<sup>1</sup> </div>	<p>This rate is used when the project is performed in (1) a leased space that is remote (beyond 50 miles) from ODU's campus, <b>OR</b> (2) in a remote space (beyond 50 miles) that the University does not own and for which the University does not bear a lease cost from any University or affiliate account (sponsored or non-sponsored, central or department fund source) <b>and</b> one of the following criteria is met:</p> <ul style="list-style-type: none"> <li>• The combined proposed effort of all involved ODU/ODU RF personnel working off-campus is greater (more than 50%) than the combined proposed effort of all involved ODU/ODU RF personnel working on-campus. This includes unpaid contributed effort;</li> <li>• The budget includes leasing or renting an off-site facility as a direct cost, and the personnel paid from the grant and any equipment are located at that facility; or</li> <li>• The total direct costs incurred off-campus exceeds the total direct costs incurred on-campus.</li> </ul> <p>Requests to use the Off-Campus rate are due to the ODU Research Foundation at least seven (7) business days before the proposal deadline.</p> <div> <b>26%</b> (MTDC)   <b>44.3%</b> (MTDC)<sup>1</sup> </div>
<b>Instruction</b>	<p><i>Instruction</i> means the institution's teaching and training activities <b>(other than research training)</b> whether offered for credit toward a degree or certificate or on a non-credit basis, and whether offered through regular academic departments or separate divisions, such as a summer school division or an extension division.</p> <div> <b>46.70%</b> (MTDC) </div>	
<b>Other Sponsored Activities</b>	<p><i>Other Sponsored Activities</i> means programs and projects financed by Federal and non-Federal agencies and organizations which involve the performance of work other than instruction and organized research. Examples of such programs and projects are health service projects and community service programs, as well as symposia and conferences that do not meet the definition of Instruction.</p> <div> <b>30.30%</b> (MTDC) </div>	
<b>IPA Agreements</b>	<p>Intergovernmental Personnel Act.</p> <div> <b>10%</b> (MTDC) </div>	Not applicable.

<sup>1</sup>Organized Research – applies to DOD contracts and subcontracts. See SBIR/STTR Guidance for further guidance related to potential exceptions for Phase 1 projects.

## Exceptions Under F&A Procedures

### Industry-Sponsored Clinical Trials

ODU and the ODU Research Foundation will honor published (e.g., foundations or non-profits) or statutory (e.g., USDA, US Department of Education) limitations on recovery of indirect costs. ODU and the ODU Research Foundation also accepts the rates indicated in Table 2 without additional documentation.

ODU maintains a standard F&A rate of 26% TDC for clinical trials. However, if a sponsor offers a higher F&A rate, the university will accept it, provided that it does not exceed our federally negotiated rate and is documented and approved by the VP for Research, accordingly. For this process, faculty should work with their Sponsored Programs Clinical Grants & Contracts Administrator (GCA) at [rfhsc-clinical@odu.edu](mailto:rfhsc-clinical@odu.edu) and request the exception. For control and record documentation purposes, Sponsored Programs Clinical GCA will email the VPR for approval, with a copy to the faculty member. The GCA will note in the request that the CT sponsor is willing to support a higher F&A rate and that the proposed F&A rate does not exceed ODU's federally negotiated rate of 60%.

Please note that the 26% still remains the floor rate for industry-sponsored clinical trial projects.

Table 2. F&A Rate for Industry-Sponsored Clinical Trials.

Prime Sponsor	Activity Type	Rate (on TDC Base)
Industry (excludes Federal flow through)	Clinical Trial	26% (TDC)

### Service & Limited-Research Agreements using Standard Template

For standardized services or limited-scope research agreement activities (with no expectation of intellectual property development or scholarly publication), ODU applies an F&A rate equal to that used for off-campus sponsored projects, calculated on a Total Direct Cost (TDC) basis, when the institutional template is used. Projects using non-ODU templates or broader scopes are budgeted at the applicable institutional or negotiated research/OSA rate

All other exceptions to these F&A rates require a waiver, which is approved by the Vice President for Research and Economic Development.

See *F&A Waiver Guideline and Reduction Request Form* (<https://researchfoundation.odu.edu/wp-content/uploads/2024/06/FA-Waiver-Guideline-and-Form-Request-verFinal-06132024.pdf>).

### F&A Rates for Subawards

Subrecipients to ODU and the ODU Research Foundation should use the federally negotiated F&A agreements in effect at their institutions unless a published or statutory limitation from the prime sponsor applies. When no approved cost rate agreement exists and there is no sponsor-published policy, the ODU and the ODU Research Foundation will accept the F&A rates indicated in Table 3. Please note that ODU and the ODU Research Foundation do not negotiate indirect cost rates for subrecipients.

Table 3. F&A Rates for Subawards.

Prime Sponsor	Subaward Entity	Rate
National Institutes of Health (NIH)	Foreign Institutions or International Organizations (GPS 16.6; 45 CFR 75.414(c)(1)(i))	8% (MTDC)

National Institutes of Health (NIH)	For-profit entities <b><u>without</u></b> an established cost rate agreement (excludes SBIR/STTR) (GPS 7.4; 45 CFR 75.414(c)(1)(ii))  <i>For-profit entities with a negotiated rate agreement should use their negotiated rates.</i>	<b>Not Allowed</b>
Any Federal	Clinical Trial Non-Federal entity (never having received a negotiated indirect cost rate) (2 CFR 200.414(f))	<b>10% (MTDC) de minimis</b>

Revision History:

Last Revised: 04.30.2025 (Exceptions Under F&A Procedures); approved by VPR.