

GUIDELINES FOR APPLICATION OF FACILITIES AND ADMINISTRATIVE (F&A) RATES TO SPONSORED AGREEMENTS AND/OR PROPOSALS

The CSULB has a negotiated Facilities and Administrative Costs (F&A) rate agreement with the US Department of Health and Human Services, Division of Cost Allocation. This agreement authorizes the “on” and “off” campus F&A rates for three different sponsored programs activities.

The current rates agreement for CSULB are as follows: (Current F&A Rates Agreement is extended while under negotiation with US Department of Health and Human Services).

ON-CAMPUS RATES:

47.5% Organized Research
47.5% Other Sponsored Activities
50.5% Instruction

OFF-CAMPUS RATES:

26.0% Organized Research
26.0% Other Sponsored Activities
26.0% Instruction

NOTE: *In accordance with 2 CFR 200 Appendix III, (C) (7) Fixed Rates for the Life of a Sponsored Agreement the negotiated rates for F&A costs in effect at the time of the initial award shall be used throughout the life of the sponsored agreement. "Life" is interpreted as each competitive segment of a project. A competitive segment is a period of years approved by the Federal funding agency at the time of the award. If negotiated rate agreements do not extend through the life of the sponsored agreement at the time of the initial award, then the negotiated rate for the last year of the sponsored agreement shall be extended through the end of the life of the sponsored agreement. Award levels for sponsored agreements may not be adjusted in future years as a result of changes in negotiated rates.*

All proposals should be submitted with these rates utilized. There are only two exceptions:

- CSULB will honor a sponsor’s **PUBLISHED** (and verifiable) F&A rate which differs from the CSULB negotiated rate.
- Under very well supported/justified situations/circumstances, the Associate Vice President for Research and External Support may negotiate F & A rates outside of these guidelines. (Under **NO CIRCUMSTANCES** is anyone, other than the AVP for Research and External Support, authorized to negotiate F&A rates for CSULB.)

Note that F&A rates affect indirect return. Please refer to the effective campus policy on F&A rate distribution for the threshold F&A rate required to accrue indirect return.

DETERMINING YOUR F&A (INDIRECT COST) RATE:

Below are some preliminary questions and some guidelines to assist in determining the applicable F&A rate for different sponsored programs activities.

Are there deliverables?

Is this grant/contract for a service?

Will the majority of work (>50%) be required to be performed off campus?

Will the majority of budget (>50%) be expended on activities required to be performed off campus?

Will there be any professional / curriculum development?

Will you or your group be providing instruction to other individuals?

Is the project for professional development?

Does this sponsor cap F&A?

APPLICATION OF ON/OFF-CAMPUS F&A RATES:

Definition of "Off Campus"

A project, or part of a project, is considered to be performed off-campus if the majority of work is **required** to be conducted at a location other than CSULB's academic lands. If a project is located in leased space and the lease is a direct charge to the project, then the project is considered off-campus; if the project is not charged directly for the lease cost and the lease is a part of the University's Facilities & Administrative (indirect cost) rate, then the project is considered on-campus. The on- or off-campus campus designation is solely for the purpose of applying the correct Facilities & Administrative (F & A) rate.

In order for the off-campus rate to be a consideration, the project must be designed in such a way that "substantive" programmatic work **must** take place on non-CSULB property. A project will NOT be considered off campus simply to circumvent the proper recovery of applicable F and A costs.

Projects conducted partially off-campus

The on- or off-campus determination shall be based on the CSULB portion of project costs and will not include costs of a collaborating entity. In other words, "project" refers to the grant or contract award to CSULB, not including collaborating entities.

Projects which are partially performed off-campus are not apportioned between their on-campus and off-campus components for F&A rate purposes; a project is either on campus or off campus for F & A application purposes.

If a majority (>50%) of the project's **Modified Total Direct Costs (MTDC)** will be expended on campus, the entire project is charged the on-campus F&A rate.

If a majority (>50%) of the project's MTDC is determined to be off campus (Thus, MTDC costs that are expended off campus as well as grant-funded salary+benefits for CSULB employees while they are performing off campus activities.), the entire project is charged the off-campus F&A rate.

Rate application Examples

The following examples have been developed to help illustrate the concept. These examples are not all inclusive. Please contact CSULB Office of Research and Sponsored Programs (ORSP) staff with particular examples which might not be clear as to whether the on or off campus rate should be utilized.

Example 1:

CSULB PI Brandeis is the recipient of a \$300,000 (TDC) research award from the National Science Foundation. Part of the project is a \$155,000 sub-award to her collaborator, Professor Tufts, at the University of Oklahoma at Norman. Only the first \$25,000 of a subaward contributes to MTDC; thus, MTDC for this project is \$170,000 (\$300,000 – (\$155,000 - \$25,000))

Professor Brandeis's work will take place in her laboratory in the Hall of Science on the CSULB campus. Even though Professor Brandeis will periodically travel (\$20,000 – total cost of multiple collaboration trips) to Norman to work in the laboratory of Professor Tufts, Professor Brandeis's project is classified as an on-campus project as the majority of the CSULB costs will occur while working in CSULB facilities.

$$\mathbf{\$170,000 - \$20,000 = \$150,000}$$

$$\mathbf{\$150,000/\$170,000 = 88.2\%}$$

The fact that more than half of the direct costs of the total award will be spent by a collaborating institution has absolutely nothing to do with determining the applicability of an on or off campus F and A rate for CSULB. CSULB does not control the expenditure of those funds.

Example 2:

CSULB PI Brandeis is the recipient of a \$190,000 (MTDC) research sub-award. The project is a \$500,000 award from the Department of Energy to her collaborator, Dr. Welsley, at the Los Alamos National Laboratory.

Professor Brandeis's work will take place at the Los Alamos National Laboratory. Professor Brandeis will periodically travel (\$100,000 – total cost of travel and salary+benefits paid during travel for multiple collaboration trips) to the National Lab. Professor Brandeis's project is classified as an off-campus project as the majority of the CSULB MTDC will occur while working at the National Lab.

$$\mathbf{\$100,000/\$190,000 = 52.6\%}$$

The fact that more than half of the direct costs of the total award will be spent by a collaborating institution has absolutely nothing to do with determining the applicability of an on or off campus F and A rate for CSULB. The majority of CSULB MTDC will be expended on off-campus activities.

Example 3:

PI Brandeis has a one-year, \$215,000 award from NOAA. She will be analyzing ice samples from Antarctica that she personally will obtain during the CSULB winter break. Although the actual sample collection activity in Antarctica is expected to take 3 weeks, the preliminary work and subsequent analysis will take place on campus for approximately 11 months. The cost of the trip to collect the samples: travel, salary+benefits for work performed in Antarctica, storing, packing, shipping, etc. will be \$93,905. Since the cost of the “off campus” portion of the activity does not exceed 51% of the total costs, the on-campus F and A rates are applicable.

$$\$215,000 - \$93,905 = \$121,095$$

$$\$121,095/\$215,000 = 56.3\%$$

Example 4:

Professor Brandeis has a one-year sub-award (\$100,000) from UCLA which has received a grant from the US Department of Energy. In order to “help her colleague at UCLA stretch his award dollars,” Professor Brandeis indicates that since her students have laptop access, they will work from their homes or their study groups at a local coffee shop and that Professor Brandeis will work from her home office. Therefore, Professor Brandeis feels that the project is off campus.

This is an on-campus project. In order for an award to be “considered” off campus, “substantive programmatic work” on lands not owned or leased by CSULB is required. This scenario is clearly an effort to circumvent the applicability of the correct F and A rate.

The award has been made to CSULB. The students matriculate at CSULB. They are supervised by Professor Brandeis. The grant proposal includes descriptions of the “resources and environment” at CSULB not the student’s or professor’s homes. Because the project staff choose to work away from campus does not constitute substantive programmatic work being performed at an off-campus worksite. There is NO programmatic requirement that Professor Brandeis and/or her students work off campus. Zero percent of the costs for this project are incurred off campus.

Example 5:

Professor Brandeis has a 12-month project from USC. USC’s prime is from the US Department of Transportation. Professor Brandeis will be on sabbatical in Peru for 6 months during the project period. While on sabbatical, Professor Brandeis will continue to analyze data and perform work on the project while out of the country. She has received approval from DOT (via USC) to continue working while away from her campus lab. Professor Brandeis believes that since she will clearly be performing work while off CSULB lands, that the off-campus F and A rate is applicable.

This is an on-campus project. Again, because Professor Brandeis is able to, chooses to, and has sponsor permission to continue working on her project via computer while on sabbatical, the scope of work has no requirements that work be conducted in Peru. Zero percent of the costs for this project are incurred for work being conducted off campus.

Example 6:

Professor Fordham has an award from the California State Department of Education. He will be surveying and evaluating techniques utilized to teach penmanship to second graders in 30 classrooms in the Long Beach Unified School District. Five graduate students in the College of Education will be employed by the project and will travel to the various schools to do the on-site "data collection." Professor Fordham will supervise the graduate students and the data collection (which includes taping actual classroom sessions) by making periodic observation visits. The data analysis and report preparation will take place in ED1 on the CSULB campus.

This is an off-campus project as the majority of the costs will be incurred by the grad students and PI during the on-site visitations at various schools in the LBUSD (salaries and benefits, local travel costs, survey instruments, shared video camera, etc).

NOTE: If it is not clear that the project meets the CSULB definition of "off campus," the PI will be asked to provide written justification to accompany the proposal prior to submission. In accordance with EO 890, all proposals must receive official University clearance prior to submission.

DEFINITIONS AND EXAMPLES OF SPONSORED PROGRAMS CATEGORIES**SPONSORED RESEARCH**

Research and scholarship activities include the rigorous inquiry, experiment, or investigation to increase the scholarly understanding of the involved discipline. Research activities are properly classified as Sponsored Research if the research activity is sponsored (funded) by an external organization, i.e., a federal, state, or private organization or agency. The following are examples of sponsored research projects and, in all cases, these awards are made to the University/University Foundation:

- awards for CSULB PIs to support their research activities
- external Faculty "Career Awards" to support the research efforts of the faculty
- external funding to maintain facilities or equipment and/or operation of a center or facility which will be used for research
- awards to departments, units, or schools for the support of the research activities of CSULB students, e.g., research training grants

NOTE: Externally funded research training grants are categorized as Sponsored Research (rather than Sponsored Instruction) where the primary activities of the trainees will be research. The following characteristics indicate that a sponsored agreement should be treated as a research training grant:

- The primary purpose of the sponsored agreement is to provide research training to selected CSULB students
- The award is made to CSULB/F, with the provision that CSULB may name the trainees
- If a trainee leaves CSULB, the university may reassign the support to another qualified trainee
- Funding is normally provided to support the trainee, rather than to accomplish a specified statement of work or research project. Note that a

research project may be described in a proposal for research training grant support, but the primary purpose of the award is to support the trainee.

SPONSORED INSTRUCTION

Sponsored Instruction is defined as teaching and training activities funded by grants and contracts from federal or non-federal sponsors. Sponsored Instruction includes agreements which support curriculum development as well as teaching/training activities (other than research training) whether offered for credit toward a degree or certificate, on a non-credit basis, or through regular academic departments or by separate divisions, summer school or external division.

Sponsored Instruction includes:

- curriculum development projects at any level, including projects which involve evaluation of curriculum or teaching methods; such evaluation may be considered "research" only when the preponderance of activity is data collection, evaluation, and reporting
- projects which involve CSULB students in community service activities for which the CSULB students are receiving academic credit
- general support for the writing of textbooks or reference books, video, or software to be used as instructional materials.

OTHER SPONSORED ACTIVITIES (OSA)

Other Sponsored Activities (OSA) are defined as projects funded by sponsors that involve the performance of work other than Sponsored Instruction or Sponsored Research.

OSA may include:

- Faculty development programs
- Travel grants; support for conferences or seminars
- Support for University public events such as "Carpenter Center Performances"
- Support for students, staff, or teachers in elementary or secondary schools, or the general public, through outreach-related activities
- Projects that involve CSULB faculty, staff, or students in community service activities (where the CSULB students are not receiving academic credit for their involvement)
- Support for projects pertaining to library collections, acquisitions, bibliographies, or cataloging
- Support for exhibitions at the University Art Museum