

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

I. Purpose

The purpose of this policy is to provide guidance on the use of the appropriate Facilities and Administrative (F&A) cost rates for sponsored project proposal submission. The University negotiates F&A rates applicable to sponsored projects with the Department of Health and Human Services (DHHS), Division of Cost Allocation (DCA). The off-campus definition is outlined in our rate agreement (see OSPA website: <http://www.research.uky.edu/ospa/info/docs/rate.pdf>). This policy is intended to provide further criteria helpful in determining the appropriate rate for a sponsored project.

II. Policy

- A. A project is considered to be performed **off-campus** if:
1. Any of the sponsored project activity is taking place in [rented facilities](#) and the project budget includes rent for facilities; or the space is provided at no cost to the University
AND
 2. More than 50% of the effort for the project is taking place in the rented or no cost facility. (A list of individuals located in both the rented space and campus space must be provided to the Office of Sponsored Projects Administration prior to proposal submission.)
- B. A project is considered to be performed **on-campus** if it does not meet the criteria in II.A. for off-campus. This includes situations where the project is not charged directly for rent, but the University is paying the lease.

III. Responsibilities

- A. Principal investigator
1. If the project activity will take place both on and off-campus, provide a list of individuals to be located in the on-campus space and the off-campus space.
 2. Provide the percentage of effort for personnel in each location when a portion of the project will take place both on and off-campus.
 3. Confirm the appropriate F&A rate with OSPA prior to proposal submission and budget development. (All supporting documentation for the rented space should be submitted at least 10 days prior to proposal submission for OSPA's review.)
 4. If multiple projects will be taking place in the rented space, an allocation plan must be submitted to Research Financial Services (RFS).
 5. Lease agreement for the rented facility must be available upon request.

- B. Office of Sponsored Projects Administration (OSPA)
 - 1. Review documentation included with the proposal and submit the appropriate on/off campus designation and associated rate to the sponsoring agency.
 - 2. Upon receipt of an award, submit the appropriate on/off-campus attribute and associated F&A rate to RFS for sponsored project set-up.
- C. Research Financial Services (RFS)
 - 1. Review allocation plans for rent on multiple projects prior to expenses being posted.
 - 2. Assist departments with the development of allocation plans as needed.

IV. Definitions

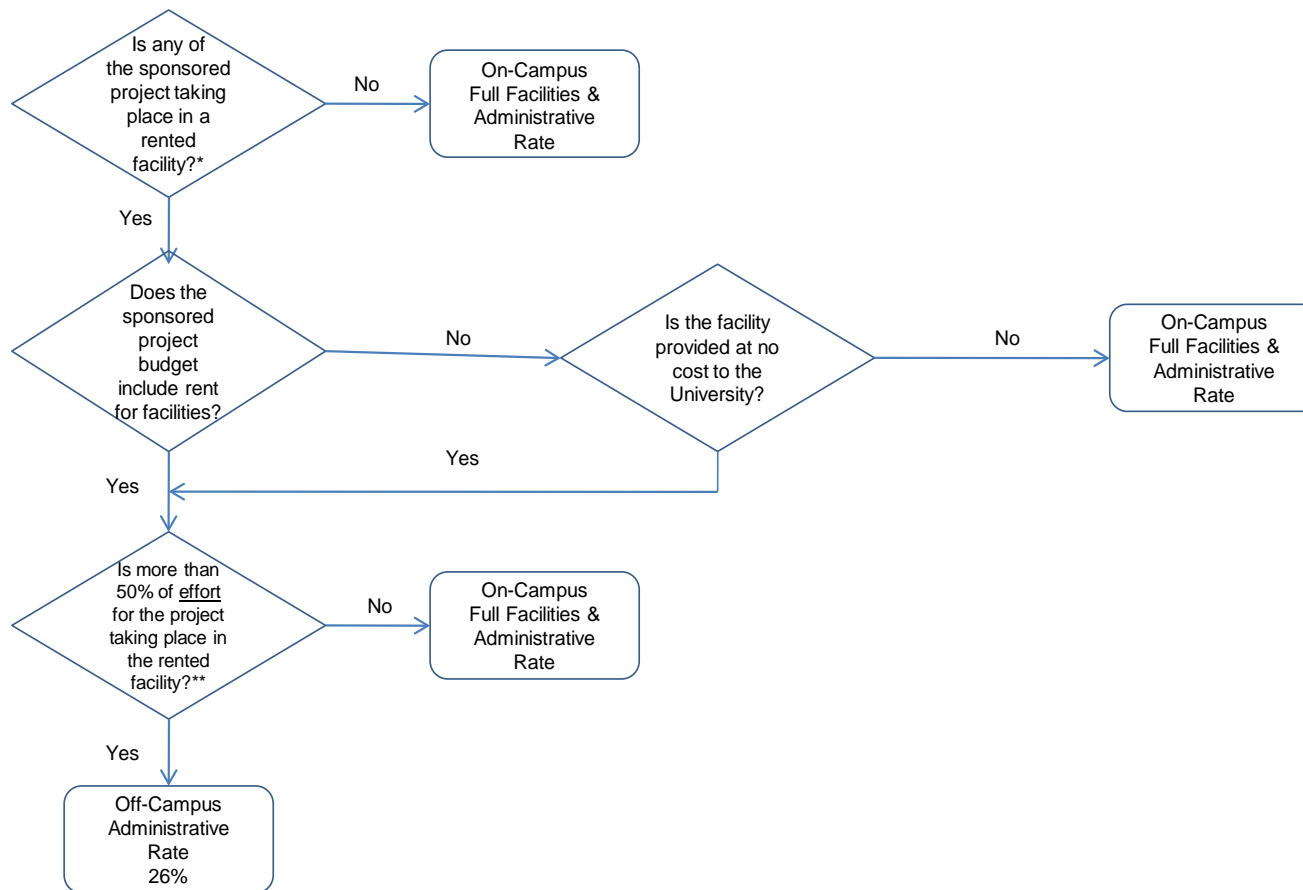
- A. **Off-Campus** (defined in DHHS, DCA rate agreement): For all activities performed in facilities not owned by the institution and to which rent is directly allocated to the project(s), the off-campus rate will apply. Grants or contracts will not be subject to more than one F&A cost rate. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project (see [section II](#) for clarification).
- B. **On-Campus:** Facilities owned by the University of Kentucky (regardless of physical location), or rented facilities where the University pays the lease.
- C. **Rented Facilities:** Architectural structures such as a building, warehouse, mobile office building, or commercial space which are rented/leased over a significant period of time as an alternative to purchasing or constructing new facilities. Facility rental/lease payments do not include expenditures for conference room rentals or lodging.

V. Procedures

Supporting documentation for the rented space should be included prior to proposal submission for OSPA's review. If criteria for the off-campus rate are not met, the full on-campus F&A cost rate will be submitted to the sponsoring agency.

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VI. Flowchart – Application of On/Off-Campus Facilities & Administrative (F&A) Cost Rates



*Rented Facilities are architectural structures such as a building, warehouse, mobile office building, or commercial space which are rented/leased over a significant period of time as an alternative to purchasing or constructing new facilities. Facility rental/lease payments do not include expenditures for conference room rentals or lodging.

**If the project will take place both on and off-campus, a list of individuals working in each location must be provided prior to proposal submission.