

F&A Rates at Boston University

<i>Activity Type</i>	<i>July 1, 2018 – June 30, 2023</i>
Research	65.0%
Instruction and training	53.0%
Other Sponsored Awards	39.0%
All activity types off-campus	26.0%
Clinical Trials*	30.0% TDC

***The F&A rate on all industry sponsored clinical trial awards have been universally agreed to be 30%. All other industry awards must use the full research rate of 65% budgeted at TDC.**

Every four years, the Trustees of Boston University negotiates our Facilities and Administrative (F&A) rates (also known as Overhead or Indirect Costs rates) with its cognizant agency, the Department of Health and Human Services. Facilities and Administrative costs (F&A) are costs that are not readily identifiable with individual projects. F&A is designed to partially reimburse the University for the cost of using its facilities and administrative structure in carrying out research. Unless a specific solicitation calls for different F&A rates, these predetermined rates will always be applicable. These rates must be used in federal proposals. Make sure to carefully review the solicitation for F&A rate instructions! When the solicitation does not mention rates, our negotiated rates will prevail.

Depending on the type of activity (i.e. research, training, or other), the applicable rate set out in the negotiated rate agreement will be used. An abstract of the proposed research, the scope of work, or the sponsor solicitation can help identify the type of activity and its associated rate.

The rate is determined based on whether a sponsored activity is conducted on-campus or off-campus. On-campus is defined as any sponsored activity with work performed 50% or more at the BU-owned facilities, offices or labs. Conversely, off-campus is defined as any sponsored activity with work conducted more than 50% outside of the BU-owned facilities. To make this determination, “work” is defined as effort, therefore if 50% or more of the budgeted effort for all BU personnel is performed at BU-owned facilities, then the on-campus rate should apply. Grants or contracts will not be subject to more than one indirect cost rate. If more than 50% of the project is performed off-site, the off-site rate will apply to the entire project. For example, if a grant is to collect samples in the field with no research done at BU, this would be considered off-campus because all of the effort on the project will be conducted off-site. **There must be a programmatic reason for Off Campus work and not simply because it is convenient.** Please note that in some cases rent is an allowable cost on the award and while it should be used in conjunction with Off Campus work, there are instances where both the On Campus rate and Rent are allowable. To discuss if this is applicable to you, please contact the AVP, Post Award Financial Operations and the AVP, Sponsored Programs.

In the case of a National Emergency, there may be instances where BU employees are unable to work on campus. When this occurs, Sponsored Proposals and Awards utilizing the On Campus rate still applies.

The sponsored activities and negotiated rates are outlined below:

Location	Sponsored Activity	Rate	Activity description
On-campus	Organized research	65%	<p>Under Uniform Guidance, 2 CFR 200, Appendix III, A.1.b, Organized research is defined as all research and development activities of an Institution that are separately budgeted and accounted for. Sponsored research means all research and development activities that are sponsored by Federal and non-Federal agencies and organization. This term includes activities involving the training of individuals in research techniques (Research Training) where such activities utilize the same facilities as other R&D activities and where such activities are not included in the instruction function.</p> <p>Boston University considers organized research as any sponsored activity that includes experimentation and discovery of new knowledge or data.</p>
On-campus	Instruction	53%	<p>Under Uniform Guidance, 2 CFR 200, Appendix III, A.1.a, Instruction means the teaching and training of an Institution. Except for Research Training listed above within Organized Research, Instruction includes all teaching and training activities, whether they are offered for credits toward a degree or certificate or on a non-credit basis, and whether they are offered through regular academic departments or separate divisions, such as a summer school division or an extension division.</p> <p>Boston University considers Instruction to include any activity with the main purpose of instructing a student. Such examples include, course preparation and grading along with creating educational materials (textbooks, manuals, books for classroom use, etc.). If the sponsor does not limit the overhead rate for instruction grants, 53% will apply.</p>
On-campus	Other Sponsored Activities	39%	<p>Under Uniform Guidance, 2 CFR 200, Appendix III, A.1.c, Other Sponsored activities 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.</p> <p>Such examples include health service projects and community service programs, conference, seminars, and workshops, travel grants or, projects on library collections. One example includes a conference funded through the Office of Postdoctoral Affairs by the NSF.</p>
Off-campus	All of the above	26%	<p>Regardless of the sponsored activity, if more than 50% of the preponderance of effort is conducted outside of BU-owned facilities, this rate will apply.</p>

Proposals will use the federally negotiated rates unless the sponsor limits the rates. Non-federal sponsors, such as foundations, may set their own rates. The rates must be published in the sponsor guidelines or the sponsor website in order for the University to accept a lower rate. Please provide a link to the guidelines showing the published rate in the comments section of the proposal summary form or copy of the guidelines with the proposal package submitted to Sponsored Programs. In rare cases, Boston University will also accept lower rates if indicated in writing by an official at the Sponsor organization. **Please note, this exception does NOT apply to industry sponsors.** All industry sponsored proposals are expected to budget the full research rate on a Total Direct Cost (TDC) basis. In cases where the industry sponsor publishes a cap on the allowable F&A that is lower than the full research rate, you must obtain an F&A waiver.

Process to request an F&A waiver

In most cases, the approval will be made through the PSF's Dean Signature section and includes information in the F&A waiver section. CRC and NEIDL requests are sent to Dr. Gloria Waters, Associate Provost and Vice President for Research. MED requests are sent to the respective Dean, Dr. Karen Antman for School of Medicine or Dr. Cataldo Leone for School of Dental Medicine. SPH requests are sent to Vivian Holmes or Michael McClean.

F&A and Subawards

When Boston University issues a subaward to a third party under a federal agency as the prime sponsor, the third party will use their own rates negotiated by their cognizant agency. If the third party does not have a negotiated rate agreement, in most cases, the *de minimis* rate of 10% can be used, as per the [Uniform Guidance](#) unless the federal sponsor caps the rate. BU will not negotiate rates with third parties. On federal awards, Boston University is allowed to charge indirect costs on the first \$25,000 of each subaward issued for the project.

For non-federal, non-industry proposals, Boston University and subawards will use the F&A rate set out in the proposal guidelines. These guidelines may also include instructions on how to calculate the F&A for subawards when Boston University is the prime applicant. If the guidelines are silent on inclusion of subaward costs in BU's budget, the Total Direct Costs (TDC) methodology will be used to calculate the budget (i.e. the entire subaward amount and capital equipment purchases will be applied toward the indirect costs basis).

For industry sponsored work, the expectation is that the Boston University's full research rate will be calculated against all subawards based on TDC unless an approved F&A waiver is obtained or the funded work is an industry sponsored clinical trial in which 30% F&A is accepted. F&A for outgoing subawards on industry sponsored clinical trials should be no higher than the F&A rate in BU's prime award which should be 30%.

If you have questions about which activity or rate is applicable, please reach out to your [Sponsored Programs Research Administrator](#).

To learn more about Facilities and Administrative costs, please consult this [website](#).