West Chester University Guidance for

On/Off Campus F&A Rates Procedure

1. PURPOSE OF PROCEDURE

The purpose of this procedure is to determine whether a sponsored project should be classified as On-or Off-campus and apply the applicable US Department of Health and Human Services (DHHS) approved [facilities and administrative (F&A) rate](https://www.wcupa.edu/_admin/research/documents/wcu-new-idc-rate10-31-24.pdf). F&A Costs (also known as indirect costs/IDC, overhead, administrative allowance, or occasionally, institutional allowance) are reimbursements by sponsors for items that cannot be directly and uniquely assigned to any particular project, and are incurred by our University for expenses such as utilities, buildings and grounds, operation and maintenance, library-related expenditures, and university services like telephones, computer infrastructure, postage services, etc.

1. BACKGROUND

An on-campus F&A rate includes both the Facilities and Administrative components of the F&A. The on-campus rate must be used due to research operating costs incurred by the campus continuing to apply even when activities are off campus and/or project personnel are working from home. These costs include Principal Investigator (PI) and project personnel office and research space; permanent infrastructure depreciation; and salaries, health insurance and other benefits for research administration, finance support, and the effort of other WCU employees who help execute and administer sponsored projects without being directly billed to a grant/contract.

An off‐campus determination on a sponsored project implies that there are no facilities costs associated with the project, which results in a lower F&A rate. However, since virtually all projects utilize at least some on‐campus resources, an off‐campus determination has significant fiscal ramifications for the university because projects using the off-campus rate do not recover the Facilities component. Consequently, requests for an off‐campus determination are weighed carefully by the Office of Research and Sponsored Programs (ORSP).

1. KEY DEFINITIONS

**On-campus**. Based on the university’s federally approved [indirect cost rates](http://www.wcupa.edu/_admin/research/documents/wcu-new-idc-rate10-31-24.pdf), on-campus locations include space in buildings owned and/or leased by the university. These include the university’s West Chester and Philadelphia locations. An on-campus designation is appropriate when university facilities are required and used for the project. When a sponsored project receives an on-campus designation, reimbursement of facilities-related costs occurs indirectly through the application of the F&A rate rather than through a direct space charge (i.e. rental costs).

**Off-campus**. Off-campus locations include space not owned by the university and where the university bears no lease cost for occupying the space. An off-campus designation is appropriate when university facilities are not necessary or used for the project and/or any reimbursement of facilities-related costs occurs through a direct space charge (e.g. a lease).

1. PROCEDURE DETAILS

The University applies only one F&A rate to an entire project. ORSP will assume a project budget is the on-campus rate unless the PI provides substantive rationale to approve an off-campus rate.

When a project includes both on-campus and off-campus activities, the criterion for determining whether the on‐campus or off‐ campus rate applies to a sponsored project is based on preponderance of the work in terms of location and project personnel effort.

**To qualify for the on-campus rate:**

If fifty percent or more of budgeted (including mandatory cost share) project effort and activity occurs at WCU facilities, then the on-campus rate is applied to the entire project.

**To qualify for the off-campus rate:**

A project is considered to be off-campus if more than 50% of the WCU project effort and activity is conducted at a location other than WCU’s academic properties. Effort includes unpaid or paid time for project personnel working away from campus more than 50% of the total project period of performance. Non-labor expenses are off-campus when the supplies are received and used in off-campus space and travel expenses are incurred for travel between the off-campus space and another off-campus location. The off-campus rate will *not* be applied when a PI works remotely (e.g. in a home office) either for convenience or when University facilities are unavailable (such as during a pandemic or other similar natural or man-made events.) 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. For the off-campus rate to be considered, the project must require that substantive programmatic work take place by WCU personnel working on the project on non-WCU property. If more than 50% of WCU budgeted (including mandatory cost share) project effort and activity occurs only at non-WCU facilities (including projects for which lease payments are directly charged to the project), then ORSP will approve the application of the off-campus rate.

A project will NOT be considered off campus simply to reduce project budget costs or circumvent the proper recovery of applicable F&A costs. Conferences or short-term collaboration travel are not sufficient reasons to use the off-campus rate. Investigators may reach out to their assigned Grant Development Specialist in the ORSP to discuss when unsure.

Note that subcontractor and consultant expenses are excluded from consideration; in all cases, subcontractor and consultant expenses are considered on-campus.

1. RATE APPLICATION EXAMPLES

The following examples illustrate the concept and are not all inclusive.

Example I: PI A is working on a $500,000 research proposal to the National Institutes of Health. Part of the project involves a $300,000 subaward to their collaborator, Yale University. PI A’s work and their effort will take place in their laboratory on campus. Even though they will periodically travel to Yale to work in the laboratory of their collaborator, the project is classified as an on-campus project as the majority of the WCU costs will occur while working in WCU facilities. Note: The fact that a collaborating institution will spend more than half of the direct costs of the total award has absolutely nothing to do with determining the applicability of an on- or off-campus F&A rate for WCU. WCU does not control the expenditure of those funds.

Example II: Research will take place on a ship in the Atlantic Ocean. The period of performance is for one year, and seven months of the work will take place on the ship.

If a majority of the personnel effort will be incurred off-campus, then the entire project will be charged at the off-campus F&A rate because the off-campus work is on a continuous basis and of sufficient duration.

Example III: Research will take place on a ship in the Atlantic Ocean. The period of performance is for one year, but the research on the ship will only be for four months. If a majority of the personnel effort will be incurred on-campus, then the entire project will be charged at the on-campus rate. The off-campus work is not of sufficient duration to qualify for the off-campus F&A rate.

Example IV: An externally funded project will occur on campus with periodic two-week field trips off campus. The majority of the WCU effort will occur on campus, all field supplies will be purchased and stored at WCU when not used in the field. Transportation to and from the field sites will be from WCU. The project will be classified as an on-campus project as the majority of the WCU effort and costs will occur while working in WCU facilities.

1. CONTACT

**Contact your ORSP Grant Development Specialist to determine the appropriate IDC rate to apply to a grant budget.**