



## Overview

This document, titled the F&A Rate Application Matrix, provides guidance for Budget and Budget Preparation within Research and Sponsored Programs. It clearly defines various types of sponsored activities, such as Organized Research, Instruction, and Clinical Trials, and specifies the corresponding On Campus and Off Campus Facilities and Administrative (F&A) rates, while also defining applicable cost bases like Modified Total Direct Costs (MTDC).

## Exceptions to the use of the Institutional Negotiated F&A rates:

1. **Federal or State:** Certain federal grant programs, such as federal training and fellowship grants, may have statutory limits on F&A. For acceptance by Rutgers, this limitation must be published in agency guidelines and applied uniformly to all award recipients.
2. **Foundations/Not-for-profits:** Many not-for-profit sponsors cap the F&A rate on grants by policy. Policy must be published and apply to all grants or a given opportunity funded by that sponsor for Rutgers to accept a reduced rate. If the rate applied is below the standard RU rate for that activity type, then the rate is applied to a Total Direct Cost (TDC) base, unless otherwise dictated by the sponsor's policies/guidelines.

If F&A guidance is not published, then an F&A waiver or reduction can be requested by visiting completing the DocuSign form: [Request for Reduction or Waiver of Indirect Costs Associated with a Sponsored Program](#).

## Additional Notes

1. **Organized Research:** Certain sponsors limit the amount of F&A allowed for Research Training to 8% (e.g. NIH T32).
2. **Off-Campus:** All activities conducted in facilities not owned by the organization and all activities conducted at field locations where no permanent facilities are used are considered "off-site" and not apportioned between their on-site and off-site components. Thus, if 50% or more of the indirect cost rate base costs of the project are determined to be "on-site", then the entire project is considered "on-site". Conversely, if LESS than 50% of the indirect cost rate base costs are determined to be "on-site", then the entire project is considered "off-site".
3. **Modified Total Direct Costs (MTDC):** Consist of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under an award). MTDC shall EXCLUDE equipment, capital expenditures, charges for patient care, rental costs of offsite facilities, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.



Facilities & Administrative (F&A) Rate Application Matrix

Activity Type	Definition	Examples	On Campus Rate	Off Campus Rate
Organized Research <sup>(1)</sup>	<p>Involves rigorous inquiry, experiment or investigation to increase the scholarly understanding of the involved discipline. It is defined by all of the following:</p> <p>Original, creative work expected to produce new science/knowledge or technology.</p> <p>Substantial involvement of the Principal Investigator in defining the statement of work.</p> <p>University owns the results of the work.</p> <p>Includes all externally funded research activities, both basic and applied, and all development activities. Includes SBIR and STTR grants. It also includes activities related to the training of individuals in research techniques (commonly called research training) where such activities utilize the same facilities as other research and development activities and the primary activities of the trainees will be research.</p>	<ol style="list-style-type: none"> <li>1. Awards to support faculty research activities</li> <li>2. “Career Awards” to support the research efforts of faculty</li> <li>3. Funding to maintain facilities or equipment and/or the operation of a center or facility used for research</li> <li>4. Research Training Grants: <ul style="list-style-type: none"> <li>• The primary purpose of funding is to provide research training to selected RU students or post-doctoral scholars.</li> <li>• The award is made to RU with the provision that RU chooses the trainees.</li> <li>• If the trainee leaves, RU may reassign support to another qualified trainee.</li> <li>• Funding is normally provided to support the trainee rather than to accomplish a specific SOW or research project.</li> </ul> </li> </ol>	57.00%	26.00%
Fellowship/ Scholarship	<p>Career development grants; rates usually capped by sponsor (predoctoral dual-degree, predoctoral, postdoctoral, faculty, F30, F31, F32, F33) (also F05 support for International scientists and clinicians).</p>	<p>To provide institutional research training opportunities (including international) to trainees at the undergraduate, graduate, and postdoctoral levels.</p>	0.00%	0.00%



Facilities & Administrative (F&A) Rate Application Matrix

Activity Type	Definition	Examples	On Campus Rate	Off Campus Rate
Instruction	Includes all teaching and training activities, except for research training and those identified as “special instruction”, whether or not they are offered for credit toward a degree or certificate, on a non-credit basis, or through regular academic departments or by separate divisions, such as summer session.	<ol style="list-style-type: none"> <li>Any project whose purpose is to instruct any student at any location; recipients of this instruction may be Rutgers’ students or staff, teachers or students in elementary or secondary schools, or the general public</li> <li>Curriculum development projects at any level, including projects which involve evaluation of curriculum or teaching methods (these projects may only be considered “Research” when the preponderance of activity is data collection, evaluation, and reporting.</li> <li>Projects that involve Rutgers’ students in community service activities for which they are receiving academic credit.</li> <li>Activities funded by awards to departments or schools for the support of students.</li> <li>General support for the writing of textbooks or reference books, video.</li> </ol>	53.00%	26.00%
Special Instruction	For use ONLY for the National Transit Institute’s awards for special instruction.		N/A	14.00%
Field Trials	Product efficacy screening of agrichemicals or crop varieties that are conducted exclusively in farm fields, not laboratories. Studies can be conducted under an industry-developed protocol or an investigator-developed protocol.		30.00%	26.00%



Facilities & Administrative (F&A) Rate Application Matrix

Activity Type	Definition	Examples	On Campus Rate	Off Campus Rate
Clinical Trials (Federally funded, Federal Pass thru)	<p>Clinical trials are defined as the controlled, clinical testing in human subjects of investigatory new drugs, devices, treatments, or diagnostics, or comparisons of approved drugs, devices, treatments, or diagnostics, to assess their safety, efficacy, benefits, costs, adverse reactions, and/or outcomes. Such studies may be conducted under an industry-developed protocol or an investigator-developed protocol.</p> <p>NIH Definition: A research study in which one or more human subjects are prospectively assigned to one or more interventions (which may include a placebo or other control) to evaluate the effects of those interventions on health-related biomedical or behavioral outcomes (<a href="#">see NOT-OD-15-015</a>)</p>	Applied to <b>Modified Total Direct Cost (MTDC) <sup>2</sup> base</b>	57.00%	26.00%
Clinical Trials (Industry Funded)		Applied to Total Direct Cost (TDC) base for all industry funded clinical study budgets (including Phase I, II, III, IV, registry, post-market and investigator-initiated studies).	30.00%	30.00%
Clinical Trials (not-for profit or foundation sponsor)		Applied to total MTDC.	57.00%	26.00%
Corporate-Sponsored Projects	Any project funded by a corporate sponsor, other than a clinical trial		57.00%	26.00%



Facilities & Administrative (F&A) Rate Application Matrix

Activity Type	Definition	Examples	On Campus Rate	Off Campus Rate
Capital Projects, Equipment, Const.	<p>Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. Computer software over \$5,000, with no time limit for use of such software, may be capitalized as equipment.</p> <p>Fabricated equipment, which is defined as an item of equipment that is built or assembled from individual parts by a PI and/or other sponsored project personnel, an internal shop, or an external shop, having an aggregate cost of \$5,000 or more and a useful life of more than one year, may also be considered equipment for the purposes of F&amp;A.</p>		0.00%	0.00%
Training	Training (T32, T34, T35) rates capped by sponsor.	Funding for institutions to recruit individuals selected by them for predoctoral and postdoctoral research training in specified shortage areas.	8.00%	8.00%
Mentored K grants	All K series grants( K01, K02, K05, K07, K08, K12, K18, K22, K23, K24, K25, K26, K43,K76, K99/R00 (only the K99 portion).	To support new and junior basic research investigators in supervised career development experiences that lead to research independence. It also supports investigators who need protected time in supervised career development experiences to train in a new field.	8.00%	8.00%



Facilities & Administrative (F&A) Rate Application Matrix

Activity Type	Definition	Examples	On Campus Rate	Off Campus Rate
Other Sponsored Activity (aka Other Sponsored Programs) includes conference/travel and service	Includes externally funded projects that involve the performance of work or activities that are not considered Organized Research or Instruction.	<ul style="list-style-type: none"> <li>• Support for conferences or seminars.</li> <li>• Support for faculty, staff, or student participation in community service projects (students do not receive academic credit for their involvement).</li> <li>• Support for projects pertaining to library collections, acquisitions, bibliographies, or cataloging.</li> <li>• Programs to enhance institutional resources.</li> <li>• Health service projects.</li> <li>• Consulting Agreements.</li> <li>• Service Agreements: testing or service work under which:</li> <li>• Research methods are preexisting and of a primary technical nature.</li> <li>• No new science/knowledge or technology will be generated.</li> <li>• Sponsor-designed protocol or SOW (no significant input from PI).</li> <li>• Offered as part of a unit's standard business operations. (Excludes Service Center/Core Facility agreements).</li> </ul>	30.00%	26.00%
Other Sponsored Activity, Community Outreach	Camden ONLY		37.20%	37.20%



Facilities & Administrative (F&A) Rate Application Matrix

Activity Type	Definition	Examples	On Campus Rate	Off Campus Rate
State-sponsored projects (not pass through)	Funding comes from state funds and does not represent federal flow-through dollars. Applied to Total Direct Costs (TDC).		10.00%	10.00%