



Overview

This guide outlines Rutgers University's policy on Facilities and Administrative (F&A) costs, explaining how these real infrastructure expenses are applied to sponsored research proposals based on the type of work and project location,. It also details the specific criteria for F&A rate exceptions and the formal waiver process required for projects not meeting standard rate requirements.

Important

No proposal with a reduced or waived F&A rate will be submitted, and no agreement will be signed, before the waiver request has been fully approved by the Office for Research.

Applying the Correct F&A Rate

The F&A rate for a project is determined by its federally negotiated rate agreement and depends on two key factors:

- Type of Work: Research, training, or other sponsored activity.
- Location: Whether the majority of project expenditures will occur on- or off-campus.

For detailed guidance, see the On Versus Off Campus F&A Determination instructions. Our office also provides budget templates and an F&A rate matrix to help you apply the correct rate.

Exceptions to the Full F&A Rate

In certain situations, a lower F&A rate may be applied **without requesting a formal waiver** from the Office for Research.

- 1. Sponsor's Published Policy:** Rutgers will accept a lower F&A rate if the sponsor has a clear, published policy that restricts F&A rates and applies this restriction uniformly to all award recipients.
 - Published guidance can be found on a sponsor's website, in the funding announcement, or in the award agreement.
 - When a sponsor's published rate is used, it is applied to the Total Direct Costs (TDC), unless the sponsor specifically excludes certain cost categories.
- 2. New Jersey State-Sponsored Projects:** The allowable F&A rate depends on the primary source of the funds.
 - If the primary source is state funds, Rutgers can accept an F&A rate of 10% or more of TDC (unless specific costs are excluded by the sponsor).
 - If the primary source is federal funds flowed down through the state, Rutgers' full, federally negotiated rate must be budgeted.



Exceptions to the Full F&A Rate

3. **Clinical Trials:** For clinical trials funded by a medical or pharmaceutical company, a specific indirect cost rate is used.
- This rate is based on the nature of the work (e.g., testing a drug or device) rather than the type of sponsor.
 - The current clinical trial rate is published on the Institutional Information page and is applied to Total Direct Costs (TDC).

Important

If a sponsor does not have a uniformly applied published policy limiting F&A, but you wish to propose a lower rate, you must request a formal waiver.

Please allow at least ten (10) business days for the review process.

The F&A Waiver Process

How to Request: The Principal Investigator (PI) must submit a DocuSign form [Request for Reduction or Waiver of Indirect Costs Associated with a Sponsored Research Program](#).

Required Information: The request must be fully completed and include an acceptable justification for the waiver, along with a proposed budget.

Approval Routing: The DocuSign form will automatically route for signature from the Form Preparer to the following individuals before being sent to the **Office for Research** for final review and approval:

- Principal Investigator
- Department Chair/Institute Director
- Dean