

Office for Sponsored Programs
Office for Research – The University of Alabama
Application of On/Off-Campus Facilities & Administrative (F&A) Cost Rates

The classification of on- or off-campus is solely for the purpose of applying the correct F&A cost rate and for classification in the University's F&A space survey.

I. Off-campus

A project, or part of a project, is considered to be performed off-campus if:

- The activity is conducted at a location other than the property owned or leased by The University of Alabama, and;
- University personnel will work on the project at the off-site location, and;
- The majority of the Facilities costs that are normally associated with facilities owned or leased by the University are not applicable, and;
- The project is located in leased space and the lease is charged directly to the project (rent), or
 - In exceptional circumstances, another entity may house the project or otherwise pay for the Facilities cost and provide certification of third-party in-kind cost share that it, therefore, is providing to the University project.

II. On-campus

A project, or part of a project, is considered to be performed on-campus if it does not meet all of the criteria above for off-campus. This includes situations where the project is not charged directly for lease cost (rent) but the University is paying lease cost (e.g. the University leases a building in which this project, along with other University activities, takes place).

Projects Conducted Partially Off-Campus

The on- or off-campus determination shall be based on only The University of Alabama's portion of the project costs and not include costs of collaborating entities. No portion of a project will be considered off-campus unless it meets the criteria in I. Off-campus, above.

- Projects under \$100,000 in Modified Total Direct Cost (MTDC):
 - Will not be apportioned between their on- and off-campus components.
 - If 50% or more of the project's MTDC is to be expended on-campus, the entire project is classified as and charged the on-campus F&A rate.
 - If more than 50% of the project's MTDC is to be expended off-campus, the project will be classified as off-campus and charged the off-campus F&A rate.
- Projects at or above \$100,000 in MTDC:
 - Will be apportioned between their on- and off-campus components if, after apportionment, the lesser component constitutes 20% or more of the MTDC of the project.
 - If the lesser component is under 20% MTDC of the entire project, the entire project is classified as and charged the rate of the larger component

(e.g., if the on-campus component is 82%, the entire project will be classified as on-campus and will be charged the on-campus rate).

Costs of travel between the University or employee home base (see University travel policy) and the off-site location are to be included in the on-campus MTDC base when apportioning the project.

III. Related Definitions

Facilities Costs – operations and maintenance (e.g. utilities, repairs, cleaning), building depreciation, building improvements, equipment depreciation.

Modified Total Direct Cost (MTDC) – is the base to which F&A cost rates are applied and is defined in OMB Circular A-21 as:

Modified Total Direct Costs consist of “salaries and wages, fringe benefits, materials and supplies, services, travel, and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Equipment, capital expenditures, charges for patient care, tuition remission, rental costs, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000 shall be excluded from modified total direct cost.”

Project – For purposes of this policy, project is defined as an individual competitive segment of a grant or contract.