

## University of Maryland Baltimore County (UMBC) Office of Sponsored Programs (OSP)

### Application of F&A Rates to Sponsored Projects

F&A cost rates are applicable to all sponsored projects, i.e. grants, contracts, cooperative agreements, subgrants and subcontracts funded by Federal, state or private sponsors. The application of these rates allows UMBC to recover certain costs (e.g. facilities, utilities, libraries, administration, student services, etc.) associated with externally funded activities that, although they are true costs that are incurred, cannot be identified specifically with a particular project or activity. The Federal Government determines the rate that is necessary to collect these costs from sponsored awards. Therefore, any reduction in the allowable rate is considered cost sharing, and UMBC must recover those costs from other sources.

The first step in determining the proper F&A rate is to read the sponsor program guidelines. If there is a limit on F&A, the program guidelines or announcement will list the rate that should be used. If the guidelines do not mention F&A or indicate that something other than the applicable Federally negotiated rate should be used, the appropriate full rate should be used. The next step in determining the appropriate rate is to establish what type of project you have. **OMB Circular A-21** describes the different types of awards – Organized Research, Instruction and Training or Other Sponsored Activities. UMBC has negotiated rates for both on-campus and off campus rates for all three different types of awards. These rates are posted to the OSP website at [http://www.umbc.edu/ospa/policies/Agreement\\_06\\_10.pdf](http://www.umbc.edu/ospa/policies/Agreement_06_10.pdf).

#### Organized Research – Program Financial (Prog Fin) 022 – Research

Organized Research is described as all research and development activities that are sponsored by Federal and non-Federal agencies and organizations. This term includes activities involving 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 where such activities are not included in the Instruction function. Research activities include the rigorous inquiry, experiment or investigation to increase the scholarly understanding of the involved discipline.

Examples of sponsored research include:

- Awards to UMBC faculty to support research activities
- External funding to maintain facilities or equipment and/or operation of a center facility which will be used for research
- External support for the writing of books, when the purpose of the writing is to publish research results
- Data collection, evaluation, analysis and/or reporting

## Instruction and Training – Prog Fin 011 – Instruction General Prog Fin 171 – Scholarships Prog Fin 172 - Fellowships

Sponsored Instruction is defined as teaching and training activities at UMBC funded by grants and contracts from Federal or non-Federal sponsors. Sponsored Instruction includes agreements which support curriculum development as well as all types of teaching/training activities, whether offered for credit toward a degree or certificate, on a non-credit basis, or through regular academic departments or by separate divisions, summer school or external division.

Sponsored Instruction includes:

- Any project for which the purpose is to instruct any student at any location; recipients of his/her instruction may be UMBC students or staff, teachers or students in elementary or secondary schools, or the general public
- Curriculum development projects at any level, including projects which involve evaluation of curriculum or teaching methods. Note that such evaluation may be considered “research” when the preponderance of activity is data collection, evaluation and reporting
- Projects which involve UMBC students in community service activities for which they are receiving academic credit
- Activities funded by awards to departments or schools for the support of students
- Fellowship support for pre-doctoral and post-doctoral training activities, which may include grants to fund dissertation work and travel in relation to a dissertation
- General support for the writing of textbooks or reference books, video or software to be used as instructional materials

## Other Sponsored Activities – Prog Fin – 031

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. Since most projects in this category do not directly involve students and gain little, if any, benefit from libraries, the F&A rate applicable to Other Sponsored Activities is less than the rate for Organized Research or Sponsored Instruction.

Examples of Other Sponsored Activities include:

- Travel grants
- Support for conferences, seminars or workshops
- Support for University public events such as “lively arts”
- Support for student participation in community service projects which do not result in academic credit
- Support for projects pertaining to library collections, acquisitions, bibliographies or cataloging
- Programs to enhance institutional resources, including computer enhancements, etc.
- Health services projects (such as smoking cessation or needle exchange programs)

## Off Campus Rate Determination

Next, determine if your project qualifies for an off campus rate. Our federally negotiated rate states the following for an off-campus definition:

“For all activities performed in facilities not owned by the institution and to which rent is directly allocated to the project (s), the off-campus rate will apply. Grants or contracts will not be subject to more than on F&A cost rate. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project.”

To qualify for an off-campus rate for a sponsored activity, either criterion must be met:

RENT: If a facility must be rented and that cost is included as a direct cost of the grant, OR if space needed for the project is provided by the sponsoring agency and no UMBC space is used; OR

TIME: The time period should be extensive and continuous (six months or more for each year (which constitutes 50% or more) of the grant without shuttling back and forth, no rotating staff, and no UMBC space is used.

Any questions regarding the application of F&A rates to your project, please contact OSP at 410-455-3140 for assistance.