

MEMORANDUM

To: Vice Presidents, Deans, Chairs, Directors and Principal Investigators, Office of Sponsored Projects, Grants Fiscal Administration

From: Keith Jackson, Controller
David Stone, Associate Vice President for Research

Date: December 7, 2011

Re: **New Facilities and Administrative (F&A) Rates for Sponsored Projects**

Our Facilities and Administrative (F&A) rate negotiations with the U.S. Department of Health and Human Services (DHHS) are now complete for the period July 1, 2011 through June 30, 2015. Please note that NIU now has an F&A rate for Other Sponsored activities. The new rates are shown below and the complete rate agreement is available on the Office of Sponsored Projects (OSP) website.

- On-Campus Organized Research: 47%
- On-Campus Instruction: 47%
- On-Campus Other Sponsored Programs: 34%
- All Off-Campus Programs (Research, Instruction, Other Programs): 26%

These rates will be implemented as follows:

Current Awards

Any federal award whose new or competitive segment began prior to July 1, 2011 and continues to be awarded by the sponsoring agency will retain its current F&A rate until the completion of the current competitive project period, which includes incremental budget awards (e.g. multi-year funded projects such as most NSF awards). These awards will not be impacted by the change in rates.

Pending proposals

Proposals submitted through the Office of Sponsored Projects (OSP) that incorporate the previous F&A rates will be allowed to utilize those rates included in the proposal for the competitive segment of the award. As such, most pending proposals will not be impacted by the change in rates.

New Proposals

All new proposals submitted on or after December 1, 2011 will utilize the new rates. OSP is working with investigators to incorporate these new rates into proposals.

Definitions

F&A rates are determined according to Office of Management and Budget (OMB) Circular A-21 functional categories that include: research, instruction, and other sponsored activities. As such, it is important that we accurately identify sponsored activities to ensure appropriate F&A recovery. While OSP staff work with investigators to ensure all sponsored projects are accurately coded, the following definitions are being provided to you as general guidance.

Organized Research: An investigation or study intended to produce one or more outcomes including the creation of knowledge, reorganization of knowledge, and the application of knowledge. This term includes all research and development activities that are sponsored by federal and non-federal agencies and includes the training of individuals in research techniques where such activities utilize the same facilities as other research and development activities.

Research projects may include laboratory work, testing and evaluation, questionnaires, pre and post-tests, and statistical analysis.

Instruction and Training: Instructional programs reflect those activities carried out for the explicit purpose of eliciting some measure of “educational change” in a learner or a group of learners. Such activities can include projects involving training, curriculum development, instruction demonstration, or efforts to improve pedagogical methods.

Examples of instruction and training include:

- Any project designed to instruct any student at any location; recipients of such instruction may be NIU students or staff, teachers or students in elementary schools, or the general public
- Curriculum development projects, including projects that involve evaluation of curriculum or teaching methods
- Workforce training programs
- Projects that involve NIU students in community service activities for which they are receiving academic credit
- Fellowship support for training activities, which may include grants to fund dissertation work and travel in relation to dissertation
- Institutional training grants

Other Sponsored Activities: Other sponsored programs are those sponsored activities that are not organized research or instruction. Generally, these activities provide services beneficial to individuals and groups external to the institution. These activities typically include public service programs that respond to a community need or solving a community problem.

Examples of other sponsored activities include:

- Community education programs which are not creditable to a degree or certificate, such as occupation-related instruction and personal interest and leisure instruction
- Support for public broadcasting services
- Museum and library support
- Travel grants
- Support for conferences, seminars, or workshops
- Projects that involve NIU students in community service activities for which they are not receiving academic credit

Off-Campus: The decision to apply the off-campus rate is often based upon the following qualifications:

- The PI will be away from his or her campus facilities (e.g. office and laboratory) for at least 60 consecutive days’ duration and;
- The PI will be performing work in accordance with the statement of work of the sponsored project while at the off-campus location and;
- The work is performed at a site for which the institution does not provide rent or maintenance or for which rent is paid from external funds.

Participation in professional conferences does not count toward the 60 days.

cc: Bob Albanese, Associate Vice President for Finance and Facilities Operations
Lisa C. Freeman, Vice President for Research and Graduate Studies