
DETERMINING ON-CAMPUS VS OFF-CAMPUS INDIRECT COST RATE

What are Indirect Costs?

Indirect Costs (IDC), also called Facilities and Administration or F&A costs, are costs the University incurs to support sponsored projects. However, they are costs that cannot be directly tied to a specific sponsored project. As the term Facilities and Administrative Costs implies, there are two types of costs included in Indirect Costs:

- Facilities: buildings, specialized research equipment, utilities, IT systems, libraries, maintenance, depreciation, and
- Administration: Human Resources, Research Administration Staff (Dept./College/VPR/OSP), Research Compliance, Procurement, and other central office functions.

CSU provides detailed financial data to our Cognizant Federal Agency (DHHS) to show what our Facilities and Administrative costs are, and the agency reviews our information and negotiates IDC rates with CSU for the different types of activities conducted using federal funds (Organized Research, Instruction, and Other Sponsored Activities), and different rates for each of those activity types are approved based on whether the project is On-Campus or Off-Campus. These rates are outlined in CSU's Negotiated Indirect Cost Rate Agreement, or NICRA (available on [this page](#)).

Why On-Campus vs. Off-Campus Matters

The two components of an IDC rate, Facilities and Administration, do not apply to all projects. All sponsored projects incur the Administrative portion of the IDC rate. However, only projects conducted using CSU facilities incur the Facilities portion. Thus, in developing a proposal budget, it is crucial to determine if the project is On-Campus or Off-campus in order to know what IDC rate to apply.

Key Definitions

On-Campus Activities – Activities are conducted in space owned or leased by the University and for which the University is bearing the space costs from University funds. Employees working remotely under a Telework Agreement with their CSU department, or working from home for convenience or due to a temporary closure of access to CSU facilities (e.g. pandemic) are considered to be working On-Campus.

Off-Campus Activities – Activities are conducted on premises not owned or leased by the University. For space used for Off-campus activities, an external source (typically a sponsor or third party) provides funding

by paying directly for space, by reimbursing the University for its costs in renting or leasing the space, or by otherwise directly providing space for research at no charge to the University (e.g. employees of CSU whose assigned work location is at a federal agency office/laboratory, or an Extension Agents whose assigned work location is at a County office not owned or leased by CSU).

Application of On- or Off-Campus IDC Rate

Determination of whether to apply the On-Campus or Off-Campus IDC rate for a project is based on the location of the performance of the project activities by CSU personnel.

Only one rate may be applied to a project. Therefore, if a project will include performance of activities both On- and Off-Campus, the criteria for determining which rate applies to the entire project is based on the location of the preponderance of the cost of the CSU personnel time and effort (including any cost sharing) for carrying out the project activities. Preponderance means more than 50% of the cost of the CSU personnel time and effort.

Personnel time on Travel status supported by a project to present papers, attend conferences, or conduct short-term, project-management related site visits are considered On-Campus. If the travel is to conduct long-term field research at a site not owned or leased by the University it will likely be considered Off-Campus for that portion of the personnel time.

Costs of consultants and subrecipients/subcontractors do not count toward the costs used to determine the application of the Off-Campus rate to a project.

Examples

**Rates in the below examples are based on the NICRA agreement that went into effect September 4, 2024 and are subject to change.*

***The below are examples only! Contact OSP if you have questions regarding a specific situation. They apply the IDC rate on Modified Total Direct Costs.*

Example 1

PI Edwards is working on a proposal for a large project in Fairbanks, Alaska. PI Edwards provides project management from an on-campus office and will be traveling occasionally to Fairbanks to conduct site visits; the rest of the CSU project personnel will be working in the field in Fairbanks. The proposal includes Materials & Supplies and Vendor agreements; there is no equipment, tuition, or participant support.

Because more than 50% of the project performance costs (personnel effort) will take place at a location not owned or leased by the University (i.e. on-site in Fairbanks, Alaska), the project is considered off-campus and will be charged an IDC rate of 24% for Off-Campus Other Sponsored Activities.



Cost Category	Amount Budgeted	% effort on-campus	% effort off-campus
PI Effort - CSU	\$ 30,000.00	3.5%	
Other Personnel Effort - Fairbanks, Alaska	\$ 830,000.00		96.5%
Travel	\$ 5,000.00		
Materials & Supplies	\$ 45,000.00		
Vendor Agreements	\$ 90,000.00		
Total Direct Costs	\$ 1,000,000.00		
Off-Campus IDC Rate of 24%	\$ 240,000.00		
Total Project Cost	\$ 1,240,000.00		

Example 2

PI McConnell is working on an 8-month proposal to analyze sample data collected by their Graduate Research Assistant (GRA) in Canada. The GRA spends the summer (3 months) in Canada, collecting the sample data before sending it to PI McConnell. Upon the GRA's return to the University, they and PI McConnell analyze the data and provide their findings to the sponsor.

Despite the GRA's work in Canada, more than 50% of the CSU performance costs (personnel effort) take place on University-owned property. This project is considered On-Campus and will be charged an IDC rate of 54% MTDC for On-Campus Research.

Cost Category	Amount Budgeted	% effort on-campus	% effort off-campus
PI Effort - CSU	\$ 40,000.00	50%	
Other Personnel Effort - Canada	\$ 15,000.00		18.75%
Other Personnel Effort - CSU	\$ 25,000.00	31.25%	
Travel	\$ 500.00		
Materials & Supplies	\$ 6,000.00		
Tuition	\$ 5,000.00		
Total Direct Costs	\$ 91,500.00		
On-Campus IDC Rate of 54%	\$ 46,710.00		
Total Project Cost	\$ 138,210.00		

Example 3

PI Yates is developing a proposal that involves a subaward to another university. PI Yates will collaborate with the subaward PI through email and will not be traveling to the subawardee's location.

While more than 50% of the performance cost is for the subaward, subawards are not a factor in determining which IDC rate to use. All of PI Yates's work (personnel effort) is being done in University-owned facilities.



IDC will be applied to the first \$25,000.00 of the subaward, per CSU’s NICRA. This proposal is considered On-Campus and will be charged 54% IDC rate for On-Campus Research.

Cost Category	Amount Budgeted	% on campus	% effort off-campus
PI Effort - CSU	\$ 20,000.00	100%	
Subaward (<= \$25,000.00)	\$ 25,000.00		
Subaward (>\$25,000.00)	\$ 50,000.00		
Total Direct Costs	\$ 95,000.00		
On-Campus IDC Rate of 54%	\$ 24,300.00		
Total Project Cost	\$ 119,300.00		

Example 4

PI Parsons is developing a proposal for the US Forest Service to create and administer email surveys to National Park visitors.

PI Parsons’s department allows a hybrid work schedule, allowing employees to work from home 3 days per week and requiring them to be in their on-campus office, a minimum of 2 days a week. Since the PI and co-PIs on the proposal are only required by their department to be in the office 2 days a week, they would like to apply the off-campus IDC rate.

Since work done at a home office does not constitute off-campus work, this proposal is considered On-Campus and will be charged 35% IDC for On-Campus Other Sponsored Activity.

Cost Category	Amount Budgeted	% of TDC	% effort off-campus
PI Effort - CSU/Work from Home	\$ 25,000.00	58%	
Co-PI Effort - CSU/Work from Home	\$ 18,000.00	42%	
Travel	\$ 9,000.00		
Materials & Supplies	\$ 500.00		
Total Direct Costs	\$ 52,500.00		
On-Campus IDC Rate of 35%	\$ 18,375.00		
Total Project Cost	\$ 70,875.00		

Example 5

PI Ingersoll is developing a proposal in which they will work with a consultant to develop a training manual for kindergarten teachers. PI Ingersoll will provide the consultant with all the necessary data (already obtained) and the consultant will develop a draft of the training materials for PI Ingersoll’s review. PI Ingersoll will devote 1 month of effort to providing the data to the Consultant and reviewing the manual, utilizing their CSU office.

While the consultant’s performance cost is more than 50% of the total performance costs, work done by consultants is not a factor in determining application of On- vs. Off-Campus IDC rates. An IDC rate of 35% for On-Campus Other Sponsored Activities is most appropriate and will be applied to this proposal.

Cost Category	Amount Budgeted	% effort on-campus	% effort off-campus
PI Effort - CSU	\$ 8,000.00	100%	
Consultant	\$ 9,000.00		
Total Direct Costs	\$ 17,000.00		
On-Campus IDC Rate of 35%	\$ 5,950.00		
Total Project Cost	\$ 22,950.00		

Example 6

PI Delft is developing a proposal to a private foundation and the guidelines state that they do not allow faculty effort, but the sponsor does not require cost sharing to be reported to them. The project will work with three Inuit communities in different locations in the Arctic Circle to collect detailed information on snow cover throughout the course of one annual fall-summer cycle. The data will then be added to an existing database that tracks snow cover persistence into the summer season, and the PI will then use the database to analyze correlations between snow cover, indigenous knowledge of different snow characteristics, average daily temperature throughout the seasons, and snow cover persistence. PI Delft will take one 2-week trip to the communities to organize the data collection efforts in the late summer, and the data will be transmitted by the local community representatives subawarded to collect it via email.

While the sponsor will not pay for the PI’s effort, they also do not require grantees to report on cost sharing. To complete the scope of work PI Delft will expend a total of 1 month of effort during the course of the 12-month project. The short-term travel and subaward costs are not a factor in determining On- vs. Off-Campus IDC rates. The sponsor does not stipulate any limitation on IDC. An IDC rate of 54% for On-Campus Organized Research is appropriate and will be applied to this proposal.

Cost Category	Amount Budgeted	% effort on-campus	% effort off-campus
PI Effort - CSU	\$ 0.00	100%	
Indigenous Community Subs (3 x \$5,000)	\$ 15,000.00		
Travel (PI to Inuit Communities)	\$ 8,000.00		
Total Direct Costs	\$ 23,000.00		
On-Campus IDC Rate of 54%	\$ 12,420.00		
Total Project Cost	\$ 35,420.00		