

Facilities and Administrative Costs (F&A) Policy

The Office of Academic Affairs and the Office of International Affairs require the use of our federally negotiated F&A rates when a sponsor allows. Facilities and administrative costs are real costs incurred by the university when conducting research. Their recovery is critical to the financial health of our offices.

The facilities and administrative costs rates are negotiated by the university with the Department of Health and Human Services. The formula used to determine our rate is based on actual expenditures. The facilities costs included in our rate are building depreciation, equipment depreciation, interest, operation/maintenance, and the library. The administrative costs included in our rate for general administration expenses, department and college administration, sponsored project administration, and other categories that do not fall under facilities. The administrative component is limited to 26% of our total rate.

Our rate agreement and information on our current approved rate can be found at:

<https://research.osu.edu/proposal-development-and-submission/budget-development/facilities-and-administrative-costs>

Please note that the above does not include the F&A rate utilized with industry sponsors that has been established by the university, which is 68.2%. Prior approval by ERIK is required when voluntarily using a lower rate.

When a sponsor authorizes the use of our full F&A rate, but you choose to use a lower rate prior approval from Kerry Schmidt, the Office of Academic Affairs Executive Director of Finance and Business Services is required. Please note that prior approval is not required when a sponsor does not allow the use of our full F&A rate.

How to Request a Reduced F&A Cost Rate:

1. Submit your request to OAAGrants@osu.edu. Include a copy of your budget and an explanation for the use of the reduced rate. This request must be received at least **3 weeks** before the proposal deadline.
2. The request will be reviewed and a decision will be sent via e-mail.
3. A copy of the approval should be uploaded to your e-PA005.

If the above process is not followed the ePA-005 will be approved conditionally with a note stating approval was not obtained and is required before award acceptance. If awarded, approval from the Office of Academic Affairs Vice President for Budget and Resource Management and your department leader will be required to accept the award.