



To: Faculty and Research Administrators

From: David Tirrell, Provost
Margo Steurbaut, Vice President of Administration and Chief Financial Officer

Date: September 30, 2020

Re: Fiscal Year 2021 F&A Rate and Other Rates

The table below lists various important rates for the 2021 fiscal year (effective October 1, 2020) and compares them to those for the previous fiscal year. Caltech has negotiated with the Office of Naval Research for on-campus and off-campus Facilities and Administrative Rates (“F&A”) and for the Staff Benefits Rate on a provisional basis. The table also provides information on the paid leave rate, graduate tuition remission rates, and the overhead rates on non-federal funds.

	FY2021	FY2020
On-campus F&A rate (FY2021 provisional / FY2020 fixed)	67.5%	65.5% 66.5%
Off-campus F&A rate (FY2021 provisional / FY2020 predetermined)	26.0%	26.0%
Staff benefit rate (FY2021 provisional / FY2020 fixed)	27.2%	28.0%
Paid leave rate	18.0%	18.0%
GRA tuition remission rate All federal funds, and non-federal funds that provide effective overhead of 20% or higher	66.0%	66.0%
Non-federal funds that provide effective overhead between 15% and 19.9%	76.5%	76.5%
between 10% and 14.9%	86.5%	86.5%
between 5% and 9.9%	95.5%	95.5%
less than 5%	95.5%	95.5%
Minimum overhead on non-federal funds and endowment payouts that provide annual gross funding less than \$350k	20.0%	20.0%
between \$350k and \$399k	22.2%	22.2%
between \$400k and \$449k	25.9%	25.9%
between \$450k and \$499k	28.8%	28.8%
\$500k or more	30.0%	30.0%

Implementation of New Rates

F&A Rate for Proposals: The FY2021 67.5% provisional F&A rate should be used for all new and renewal proposals submitted with a start date of October 1, 2020 or later.

F&A Rate for Ongoing Awards in Effect Prior to October 1, 2021: Grant and contract awards in effect prior to October 1, 2020 will continue to be assessed F&A using their existing F&A rates until the next funding cycle or request for additional funding is proposed and received. For most federal awards, the F&A rate that is in effect at the beginning of an awarded, multi-year project period remains unchanged until the beginning of the next awarded project period. Formal modification by the sponsor to an already awarded project for additional funds and work may result in reassessment of the applicable overhead rate to the additional funds.

F&A Rate for New and Renewal Awards: New and renewal awards will take the applicable F&A rate based on the begin date of the award rather than the submittal date of the proposal or budget. Awards with begin dates on or after October 1, 2020, regardless of the date received, will take the provisional 67.5% F&A rate. Awards with begin dates on or after October 1, 2020 that have already been processed at the FY2020 F&A rate will be adjusted to the FY2021 F&A rate. Awards with begin dates prior to October 1, 2020, regardless of the date received, will be assessed using the applicable F&A rate. If the FY2021 final approved rate is different from the provisional rate, already incurred charges may be adjusted, as appropriate.

Staff Benefit Rate: The Staff Benefit Rate has been provisionally approved at 27.2% and is effective October 1, 2020. Final rates have not been negotiated with ONR, so if the final rate is different, already incurred charges will be adjusted, as appropriate.

Paid Leave Rate: The Paid Leave Rate for FY2021 is 18.0% and is effective October 1, 2020.

Graduate Tuition Remission Rates: The Graduate Tuition Remission Rate will remain at 66.0% for federal awards and non-federal funds that provide at least 20% effective overhead. Non-federal funds and endowment payouts that provide less than 20% effective overhead will be subject to the tuition remission rates shown in the above table.

Overhead on non-federal funds and endowment payouts: The minimum overhead rate (20.0% of Total Costs; the equivalent of 25.0% on Total Direct Costs) applies to all new non-federal funds and annual endowment payouts. Non-federal funds and endowment payouts that provide total gross funding of \$350,000 or more per year will be subject to the overhead rates shown in the above table.

Use of the Off-Campus F&A Rate

The Off-Campus F&A Rate may be used when a Caltech project is carried out at a location that is not owned by Caltech. In general, only one F&A rate, either on-campus or off-campus, is applied to an extramural award made to Caltech. Where an extramurally funded project is carried out at both on-campus and off-campus locations, the F&A rate applied to the project is determined on the basis of where the majority of the Caltech effort is conducted; the portion of a project carried out by subcontractors or other non-Caltech collaborators is not part of this determination. Only the programmatic effort performed by Caltech personnel is used to make

this determination. A proposal that will utilize the off-campus rate should clearly describe the project activities that qualify it for an off-campus rate.

For particularly large projects with clearly identifiable on- and off-campus components, it is possible to apply both on- and off-campus F&A rates. Such situations should be anticipated at the proposal stage and discussed with Sponsored Research prior to inclusion in the proposal. Exceptions to these principles for use of the off-campus rate must be approved by the Provost prior to submission of a proposal.

Please contact David Mayo (david.mayo@caltech.edu; x6219) in the Office of Sponsored Research if you have questions regarding the applicability of these rates to federal awards. For questions about overhead on non-federal funds, please contact the individual within Fund Accounting or Sponsored Research assigned to your division.