



CALIFORNIA INSTITUTE OF TECHNOLOGY

Pasadena, California 91125 USA

To: Faculty and Research Administrators

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

Date: October 3, 2018

Re: Fiscal Year 2019 F&A Rate and Other Rates

The table below lists various important rates for the 2019 fiscal year (beginning October 1, 2018) and compares them to those for the previous fiscal year, 2018. 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 awards.

	FY2019	FY2018
On-campus F&A rate (provisional/fixed)	64.5%	67.5%
Off-campus F&A rate (provisional/predetermined)	26.0%	26.0%
Staff benefit rate (provisional/fixed)	26.5%	27.0%
Paid leave rate	18.5%	18.0%
GRA tuition remission rate (all federal funds, and funds that provide OH of 15% or higher)	66.0%	66.0%
GRA tuition remission rate (all non-federal funds that provide less than 15% OH)	66.0%-95.3%	66.0%-95.3%
Minimum overhead on endowment income: Awards of less than \$500k per year in total costs	15.0%	15.0%
Awards of \$500k or more per year in total costs	30.0%	30.0%
Minimum overhead on non-federal funds: Awards of less than \$500k per year in total costs	15.0%	15.0%
Awards of \$500k or more per year in total costs	30.0%	30.0%

Fiscal Year 2019 Provisional F&A Rate and Other Rates

Implementation of New Rates

F&A Rate for Proposals: The FY2019 64.5% provisional F&A rate should be used for all new and renewal proposals submitted with a start date of October 1, 2018 or later.

F&A Rate for Ongoing Awards in Effect Prior to October 1, 2018: Grant and contract awards in effect prior to October 1, 2018 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.

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, 2018, regardless of the date received, will take the provisional 64.5% F&A rate. Awards with begin dates on or after October 1, 2018 that have already been processed at the FY2018 F&A rate will be adjusted to the FY2019 F&A rate. Awards with begin dates prior to October 1, 2018, regardless of the date received, will be assessed using the applicable F&A rate. If the FY2019 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 26.5% and is effective October 1, 2018. 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 FY2019 is 18.5% and is effective October 1, 2018.

Graduate Tuition Remission Rates: The Graduate Tuition Remission Rate will remain at 66.0% for federal awards and non-federal awards that provide at least 15% overhead. The Graduate Tuition Remission Rate will remain at 95.3% for non-federal awards that provide 0% overhead. The tuition remission rate for non-federal awards that provide between 0% and 15% overhead will be prorated.

Overhead on non-federal awards and endowment payouts: The minimum overhead (15.0% of Total Costs; the equivalent of 17.65% on Total Direct Costs) applies to all new non-federal awards and annual endowment payouts. Non-federal awards and endowment payouts that provide total costs of \$500,000 or more per year will be subject to 30.0% overhead on Total Costs. Overhead for gross endowment payouts between \$350,000 and \$500,000 per year will be prorated.

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

Fiscal Year 2019 Provisional F&A Rate and Other Rates

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 awards, please contact the individual within Fund Accounting or Sponsored Research assigned to your division.