Policy
Marshall University Research Corporation
One John Marshall Drive
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Title	On-Campus and Off-Campus Indirect Cost Rates Policy
Policy No.	MURC-010
Effective Date	October 10, 2025
Last Revision Date	October 10, 2025

Summary

Indirect Costs (also called *Facilities and Administrative (F&A) costs* or *overhead*) are payments from sponsors to Marshall University Research Corporation to cover expenses related to the grants, contracts and other agreements with the Federal Government. Marshall University negotiates indirect cost rate agreements for the University and the Marshall University Research Corporation. The rate agreements specify indirect cost rates for on-campus and off-campus sponsored programs for each year. This policy defines the circumstances which require the use of the on-campus versus off-campus rate for individual federal sponsored awards. Principal Investigators (PIs) and department/local level managing units must apply this policy to all proposals submitted to federal sponsors.

1 – Purpose

The University's negotiated indirect cost rate agreement with the Department of Health and Human Services provides the following definition for Off-Campus activity:

> For all activities performed in facilities not owned by the institution and to which rent is directly allocated to the project(s) the off-campus rate will apply. Grants or contracts will not be subject to more than one F&A cost rate. If more than 50% of a project is performed off campus, the off-campus rate will apply to the entire project.

2 – Scope

This guidance is applicable to all Principal Investigators (PIs) and administrators at Marshall University within all schools, units, divisions, University-wide initiatives, labs, and centers who are involved with the administration and conduct of sponsored awards.

3 – Definitions

On-campus: Activities are conducted in space owned or leased by the University and for which the University is bearing the space costs from University funds. The "facilities" portion of the on-campus indirect cost rate includes the costs associated with space in which on-campus effort is conducted.

Off-campus: Activities are conducted on premises not owned or leased by the University at locations where facilities-related indirect costs do not benefit the project. The "administrative" portion of the on-campus indirect cost rate (26%) applies to an off-campus sponsored project. For space used for off-campus research, an external source (typically, a sponsor) 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.

Remote work is **not** considered off-campus for the purpose of Facilities and Administrative (F&A) rate determination. When a Marshall University or MURC employee has an approved alternative work schedule to work remotely, their home office or remote-work location is considered an extension of the University campus and is treated as a Marshall University facility. Accordingly, time and effort performed remotely under such approved arrangements shall be classified as on-campus for the purposes of indirect cost rate application.

Preponderance of time and effort: The criterion for determining whether activity is conducted on-campus or off-campus for a sponsored project is as follows: when 50 percent or more of budgeted Marshall time and effort is performed on-campus, then the on-campus indirect cost rate applies; when more than 50 percent of budgeted Marshall time and effort is performed off-campus, the off-campus indirect cost rate (26%) applies. Note that any subaward or vendor service costs are not considered Marshall time and effort in the determination of preponderance of time and effort.

Rented or leased space: Space that is used for a sponsored project but not owned by the University, the costs of which are paid from University funds or from funds provided by the sponsor. Research time and effort expended in leased or rented space is classified as either on- or off-campus depending upon the method by which the costs of the space are paid, as follows:

- If the costs of the leased or rented space are paid **from University funds**, then research time and effort that is expended in that space should be regarded as on-campus.
- If the cost of the leased or rented space **is included as a direct cost in the project budget and is paid as a direct cost by the sponsor**, then research time and effort that is expended in that space should be regarded as off-campus.

4 – Roles and Responsibilities

PI & Department/Local Level Managing Units are responsible for the following:

- Determine, in consultation with MURC Grant & Contract Development Office, whether the preponderance of Marshall time and effort occurs on-campus or off-campus over the life of the project and, therefore, which rate should be used
- Prepare proposal budgets that reflect where the preponderance of Marshall effort occurs

MURC Grant & Contract Development Office is responsible for the following:

- Assist PI and department/local level managing unit to determine whether the preponderance of Marshall time and effort occurs on-campus or off-campus over the life of the project and, therefore, which rates should be used
- Ensure the on-campus or off-campus indirect cost rate as confirmed or determined by the submitting office is applied to the awards

5 – Exceptions

All requests for an exception to this policy must be in writing, signed by the Principal Investigator, Department Chair, and Dean and submitted to the VP Research. After considering the request, the VP Research will determine whether to grant or deny the exception.