



March 11, 2026

To: OSU community

From: Carla Ho'a, VP Finance & Administration/CFO
Irem Tumer, Vice President for Research and Innovation

RE: FACILITIES & ADMINISTRATION (F & A) RATES FY26-FY29

Oregon State University's F & A (indirect cost) rates have been negotiated, and new rates are now in effect. The new rates listed below are to be used on all new proposals that begin routing on or after the date of this memo. The negotiated F&A rate in effect at the time of the initial award will be used throughout the life or competitive segment of the sponsored agreement. Existing awards requesting additional funding (supplements or renewals) should be processed with the new rates. Rates for all awards, whether they are federal or non-federal will be applied in the same manner.

The new terms for MTDC definition of subgrants/subcontracts thresholds, capital equipment, and the off-campus definition will take effect FY27 (July 1, 2026).

F & A RATES EFFECTIVE JULY 1, 2025 TO JUNE 30, 2029

Type of Activity	Comments	Effective Dates	On Campus	Off Campus	Basis
Organized Research (OR)	Includes Federal and Federal pass-through grants, cooperative agreements, and contracts not from the Department of Defense (DOD) agencies	July 1, 2025 to June 30, 2029	49.5%	26.0%	MTDC
Organized Research (OR)	Includes Broad Agency Announcement proposals and contracts from DOD agencies and DOD contract pass-through	July 1, 2025 to June 30, 2029	55.0%	27.5%	MTDC
Organized Research (OR) - Industry	Does not include Federal pass-through funds	July 1, 2025 to June 30, 2029	58.5%	35.0%	MTDC
Other Sponsored Activities (OSA)		July 1, 2025 to June 30, 2029	35.5%	26.0%	MTDC
Other Sponsored Activities (OSA) Industry	Does not include Federal pass-through funds	July 1, 2025 to June 30, 2029	45.0%	31.0%	MTDC
State of Oregon Agency		July 1, 2025 to June 30, 2029	26.0%	26.0%	MTDC
Vessel Operations		July 1, 2025 to June 30, 2029	34.0%	34.0%	S&W
Intergovernmental Personnel Act (IPA) Agreements		July 1, 2025 to June 30, 2029		10.0%	MTDC

RATE DEFINITIONS

- **Modified Total Direct Costs (MTDC)** – MTDC consists of all salaries and wages, fringe benefits, materials and supplies, services, travel, and subgrants and subcontracts up to the first \$50,000 of each subgrant and each subcontract (regardless of the period covered by the subgrant and subcontract). Equipment, capital expenditures, charges for tuition remission, building and land rental costs, scholarships, and fellowships; as well as the portion of each subgrant and subcontract \$50,000.01 and above shall be excluded from MTDC.
- **Organized Research** - Research is the systematic sponsored study directed toward fuller knowledge or understanding of the subject studied. Basic research is activity specifically organized to produce outcomes. Applied research utilizes the outcomes or theory in practice, i.e. toward the production of useful materials, devices or systems. This category includes training of individuals in research techniques.
- **Organized Research on Broad Agency Announcement proposals and contracts from Department of Defense (DOD) agencies and DOD contract pass-through** – OSU is allowed to charge its full administrative component when submitting a proposal to DOD agencies or other entities where OSU will be a sub-recipient on DOD contract funding.

- **Other Sponsored Activities** - Activities that involve the performance of work other than organized research fall into this category. Examples are sponsored instruction and workshops, course development, non-research training activities, public service activities, cooperative extension outreach, health service projects, and community service programs.
- **State of Oregon Agency** - use 26% for all State of Oregon agreements.
- **Vessel Operations** – The Vessel Operations rate is used only on projects utilizing the Research Vessel (R/V) Taani. This vessel is owned by the Federal government, and the F&A rate recognizes Federal ownership.
- **Intergovernmental Personnel Act (IPA) Agreements** – This rate is used for agreements that send OSU employees to Federal agencies on a temporary assignment. These agreements cover the salary and fringe benefits of the OSU employee. On a case-by-case basis, travel expenses may also be included.
- **On-Campus** - The On-Campus rate is applicable to projects or activities that take place in facilities owned or leased by OSU. Included are Hatfield Marine Science Center (HMSC), Cascades Campus, branch Agriculture Experiment Stations, farms, and other research facilities. The on-campus rate is not used when the rent of a facility is directly allocated to the project as an approved direct cost. Grants or contracts will not be subject to more than one F&A cost rate. If more than 50% of a project is performed on-campus, the on-campus rate will apply to the entire project.
- **Off-Campus** - The Off-Campus rate will apply for all activities: a) Performed in facilities not owned or leased by the institution; or b) Where rent is directly allocated/charged to the project(s). 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.
- **Note:** If a non-profit sponsor has published rates that restrict F&A to less than OSU's negotiated rates, attach a copy of their rate page to the Cayuse SP or Beaver Research Hub proposal record and apply the sponsor's rate. For-profit sponsors will be charged the full applicable F&A rate. Contact the Office for Sponsored Research and Award Administration (OSRAA) sponsored.programs@oregonstate.edu for questions about applying the new rates to future proposals or questions about rates on existing awards.
- **Capital Equipment** is defined as tangible nonexpendable personal property (including information technology systems) having a useful life of more than one year and an acquisition cost of \$10,000 or more per unit.