Facilities & Administrative Rate Study
FY2014
Functional Space Survey
F&A Cost Rate

- OMB Circular A-21 categorizes costs into the following types:
  - Direct Costs: Project specific costs paid by the sponsor through an established, formal agreement for the completion of a specifically defined objective
  - F&A (indirect) Costs: Support and overhead costs originally incurred by the institution for the facilitation of all activities (including grants and contracts)
  - Unallowable Costs: Specifically identified costs that cannot be directly or indirectly charged to Federal awards
  - The F&A rate is expressed as a percentage (or ratio) of the overhead as applied to direct activity, costs

\[
\text{Facilities and Administrative Rate} = \frac{\text{Facilities + Administrative Costs}}{\text{Direct (MTDC) Costs}}
\]
MTDC Base (MODIFIED TOTAL DIRECT COSTS)

- MTDC base is comprised of salaries and wages, staff benefits and other expenses (supplies, travel, etc.)
- MTDC is determined by eliminating excludable cost (i.e. subcontracts >$25k) from direct and other programmatic costs
- MTDC Base is segregated into Instruction, Departmental Research, Organized Research, Other Sponsored Activities and Other Institutional Activities

<table>
<thead>
<tr>
<th>F&amp;A Rate (MTDC Base)</th>
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<tbody>
<tr>
<td>Facilities + Administrative Rate</td>
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<tr>
<td>=</td>
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<tr>
<td>Facilities + Administrative Costs</td>
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<tr>
<td>Direct Costs (Salaries and Wages + Staff Benefits + Other Expenses)</td>
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</tbody>
</table>
# Current Organized Research (OR) F&A Rate

<table>
<thead>
<tr>
<th>Cost Description</th>
<th>Rate</th>
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<tbody>
<tr>
<td>Administrative Rate (capped)</td>
<td>26.0%</td>
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<tr>
<td></td>
<td></td>
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<tr>
<td>includes General Administration, Departmental Administration, and Sponsored Projects Administration</td>
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<tr>
<td>Building Depreciation</td>
<td>3.5%</td>
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<tr>
<td>Equipment Depreciation</td>
<td>3.0%</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>0.8%</td>
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<tr>
<td>Operations and Maintenance</td>
<td>13.0%</td>
</tr>
<tr>
<td>Library</td>
<td>2.7%</td>
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<tr>
<td>Facilities and Administrative Cost Rate</td>
<td>49.0%</td>
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</tbody>
</table>
Obtaining an F&A Rate Agreement

Space Survey
- Functional Space Survey (determine Organized Research (OR) sq ft)

Treatment of Costs
- Identify F&A, direct and unallowable costs
- Ensure consistent treatment of costs
- Ensure that costs are allowable and allocable

Calculation and Submission of Rate
- Prepare standard submission documents and supporting schedules

Federal Review and Negotiation
# Federal Review and Negotiation

## Division of Cost Allocation (DCA)

- Cognizant agency representing multiple Federal awarding agencies (including National Institute of Health)
- Conduct “reviews” of the F&A rate calculation and identify disallowances based on their interpretation of Federal guidelines and circulars
- Contradicting interpretations between DCA and institutions lead to a “negotiated” F&A rate agreement

## Potential Issues

- On-site Space Survey Review by DCA
- Reclassification of Research Costs
- Future Facilities Cost Projections
- Identification of Facilities Costs
- Calculation of Departmental Admin Rate
- Other Issues
Space Survey Process

Phase 1: Campus Wide Training
- Receive Necessary Forms, Documents and Reports
- Receive Guidance on Proper Preparation of Functional Space Survey
- Schedule Meeting with Consultants and UU Personnel

Phase 2: Preparation for the Meeting
- Confirm Room-by-Room Inventory
- Populate Space Survey Forms (Excel spreadsheets)
  - Identify ALL Primary Occupants and Activities
  - Confirm Funding Information
  - Note Items of Interest
- Consider Preliminary Functional Breakout

Phase 3: Departmental Interviews
- Finalize functional breakout
- Complete documentation of occupants/funding/activities
- Walk departmental space
- Answer questions
Role of Departmental Admin

- Division of Cost Allocation negotiators have dedicated significant resources to review the space survey statistics, along with supporting documentation.

- It is imperative that proper supporting data is available so that the space survey data is defensible.

- Departmental administrators are critical because of their knowledge of departmental staff, activities, funding of salaries and wages, and space use.

- Support and involvement is crucial during the space survey and on-site review by government negotiators.

- Uniform space survey documents and forms, along with adequate training, ensure survey efficiency and data consistency.
Space Survey Departments

- ADD PROGRAM
- ANESTHESIOLOGY - OPERATIONS
- ATMOSPHERIC SCIENCES
- BIOCHEMISTRY RESEARCH
- BIOENGINEERING
- BIOLOGY
- BIOMEDICAL INFORMATICS RESRCH
- BRAIN INSTITUTE
- CARDIOVASCULAR GENETICS
- CHEMISTRY
- CHILD PSYCHIATRY
- CIVIL AND ENVIRONMENTAL ENGIN
- CLINICAL PATHOLOGY
- CTR CLIN & TRANSLATIONAL SC.
- CTR FOR CONTROLLED CHEM DELIV
- CVRTI
- DFPM-PRIMARY CARE RESEARCH
- DIVISION OF EPIDEMIOLOGY
- ELECT & COMPUTER ENGINEERING
- ENERGY & GEOSCIENCE INSTITUTE
- GENETIC EPIDEMIOLOGY
- GEOLOGY & GEOPHYSICS
- GLOBAL CHANGE & SUSTAINAB CTR
- HUNTSMAN CANCER INSTITUTE
- HEMATOLOGY
- HUMAN GENETICS
- INST. CLEAN & SECURE ENERGY
- MATERIAL SCIENCE AND ENGINEER
- MATHEMATICS
- MECHANICAL ENGINEERING
Space Survey Departments

- MEDICINAL CHEMISTRY
- METALLURGICAL ENGINEERING
- Microbiology & Immunology
- Molecular Medicine Program
- Nano Institute
- National Children's Study
- National Ctr for Voice Speech
- Nephrology
- Neurobiology & Anatomy Labs
- Neurology
- Nursing
- OB/GYN Woman & Child Institute
- Ophthalmology-Research
- Pediatric Critical Care
- Pediatric Critical Care
- Pediatric Genetics
- Pediatrics Woman & Child Inst.
- Pharmaceutical Chemistry
- Pharmacology and Toxicology
- Physics and Astronomy
- Psychology Department
- Radiology Research
- School of Computing
- Scient Comp & Imag Instit-Oper
- Utah Cancer Registry
Additional Information

- Consultants and UU personnel will finalize list of departments subject to the functional space survey.

- Functional space survey will be “rolled out” in different phases based on budgeting responsibilities, obligations of individual departments.

- Specific dates for training and departmental interviews will be determined before November 15, 2013.
Key Contact

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CONCLUSION AND QUESTIONS

YOUR SUPPORT IS ESSENTIAL!