

Facilities & Administrative Rates - F&A Fun Facts

- *Discussing F&A with Faculty*

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What is F&A ?

- Facilities and Administrative rate
- F&A = Overhead = Indirect Costs
- Mechanism used to reimburse research costs
- F&A Rate:

$$\frac{\text{Indirect Costs of Organized Research}}{\text{Direct Costs of Organized Research}}$$

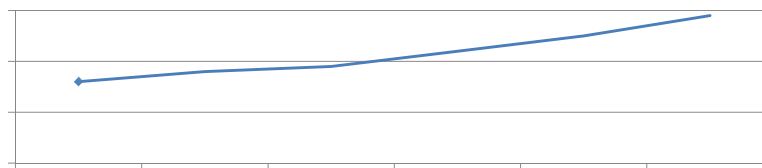
It looks so simple...

FY14 F&A Proposal Negotiation

- Proposal preparation – June, 2014 to February, 2015 (9 months)
- Proposal submitted – February, 2015
- Onsite space review - August of 2015
- Inquiries and reviews by government - May to October, 2015
- Negotiation concluded – May, 2016
- Multiyear rates negotiated for organized research (first in a decade):

FY	Organized Research Rate	Increase from Last Negotiated Rate, 54.5
FY16	55.5	+1
FY17	56.5	+2
FY18 & Beyond	58	+3.5

Historical Research Rate_R

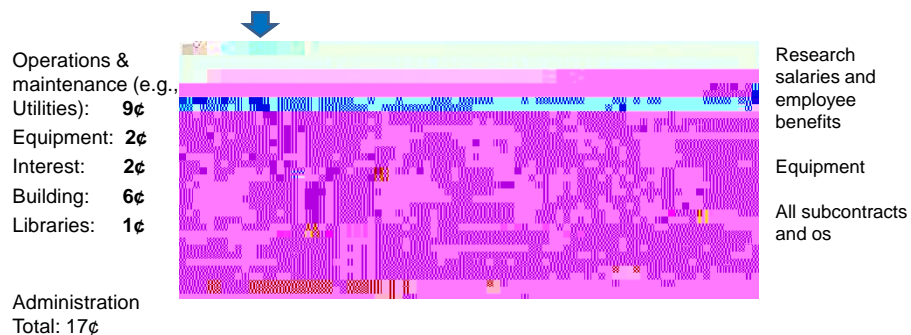


Question About F&A

58% F&A rate means 58% of my grant money is going to pay for F&A?

58% F&A Rate – An Example of the Reimbursement

No, for every one dollar received, 63% is Direct and 37% is indirect (58% is applied to Direct Costs, Not Total Costs)



Question about F&A

True or False?

Doing research makes money for the University because we also receive overhead.

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Doing research makes money for the University because we also receive overhead.

- In reality, Research is being Subsidized (so No)
- The rise of the F&A rate is due to Facilities Costs
 - Admin Rate capped at 26% for more than 2 decades
- Our Uncapped, Actual F&A rate is 68.9% per FY14 F&A Proposal. The negotiated rate is Lower than the actual overhead rate.

Next F&A Base Year

- FY17 – 9/1/2016 to 8/31/2017
- How can you help?
 - Space survey accuracy (Related \$ in numerator)
 - FY16 space survey: July to August, 2016
 - Monitoring cost share (\$ in denominator)
 - Equipment inventory accuracy (\$ in numerator)
 - Appropriate Effort Reporting (defending space survey and cost share)