



UCCS CAMPUS POLICY

Policy Title: Distribution of Facilities and Administrative (F&A) Recovery from Externally Sponsored Programs

Policy Number: 900-003

Policy Functional Area: Sponsored Programs and Research

Effective: Jun 6, 2019

Approved by: Venkat Reddy, Chancellor

Responsible Vice Chancellor: Executive Vice Chancellor of Academic Affairs (EVCAA)

Office of Primary Responsibility: Research

Policy Primary Contact: AVC Research, (719)255-3963

Supersedes: April 6, 2006

Last Reviewed/Updated: February 26, 2019

Applies to: Faculty, Staff, Administration

Reason for Policy: The intention of this policy is to set forth the distribution formula for Facilities and Administrative (F&A) Recoveries (previously referred to as indirect cost recoveries, ICR), and to reiterate the guidelines for the use of these funds.

I. INTRODUCTION

The *Facilities and Administrative (F&A) rate* is the mechanism used to reimburse the University for the infrastructure support costs associated with sponsored research and other sponsored projects. The *F&A rate* is essentially an overhead rate. It is calculated as a percentage of overhead associated with, and allocable to, sponsored research and other activities. *F&A cost recovery* is a reimbursement to the University for past expenditures. The *F&A recovery* is typically shared by the university administration and the colleges, centers, and departments substantially contributing to the work of a sponsored project.

II. POLICY STATEMENT

1. Purpose

The primary purpose of *F&A recoveries* (formerly referred to as ICR) is to invest in the development and maintenance of an infrastructure for research and sponsored programs including, but not limited to:

- a. Operational costs in the Office of Research and the Office of Sponsored Programs and Research Integrity.
- b. Adequate personnel in support of sponsored research and other sponsored projects, including financial, administrative, technical, security, maintenance, and janitorial staff.
- c. Library and research facilities.
- d. Utilities - ventilation, heat, air conditioning, water, and lighting.
- e. Secure data storage, telecommunications, and high-speed internet.
- f. Costs of regulatory compliance, such as human subject review boards and export controls.
- g. Technology transfer and patent costs.
- h. Funding required for cost sharing associated with participation in some federal programs.
- i. Funding to support faculty and student engagement in research, and otherwise support the University research mission.
- j. Resources for performing sponsored activities and attracting sponsored awards.

2. Principles

- a. *F&A recovery* funds are not restricted funds and, therefore, are allocated at the discretion of the campus to support research activities.
- b. All funds must be expended in conformance with state and federal law, the laws and policies of the Board of Regents, and University administrative policies.
- c. Unless there are special circumstances, receiving *F&A recovery* funds should not justify a reduction or elimination of other resources normally allocated to the unit.

3. Standard F&A Recovery Funds Distribution

- a. 40% of the total F&A recovered will be distributed to the college, school, center, or institute that attracted the sponsored award and performed the work.
 1. A grant submission which crosses school, college, center, or institute boundaries requires a pre-negotiated distribution.
 2. Each school, college, center, and institute is responsible for having a written statement outlining its internal percent distribution of its 40%. This statement must be on file in the Office of Sponsored Programs and Research Integrity. The statement will be consistent with the infrastructure objectives noted in the introduction. In the absence of a

written statement, the 40% F&A recovered will be distributed to the VCAA's organization.

- b. 27% of the total F&A recovered will be distributed to the VCAF's organization. The VCAF is responsible for having a written statement outlining its internal percent distribution of its 27%.
- c. 25% of the total F&A recovered will be distributed to the VCAA's organization. The VCAA is responsible for having a written statement outlining its internal percent distribution of its 25%.
- d. 8% of the total F&A recovered will be distributed to the Library. The Library is responsible for having a written statement outlining its internal percent distribution of its 8%.

4. Exceptions

Exceptions to the standard distribution of *F&A recovery* may occur in the following situations:

- a. To be consistent with the approved charter of a center or institute.
- b. If the campus is not in a sound fiscal position, the funds must first be available to provide a balanced campus performance in a given fiscal year.
- c. When agreements have been negotiated and approved in writing by all affected parties, prior to the submission of a proposal for external funding.
- d. When a reduction in the *F&A rate* was approved and the F&A distribution to the generating unit was reduced (see UCCS policy 900-002).

5. Reporting

Recipients of F&A funds may be asked to provide a report to the AVC-R on the actual and planned use of funds.

III. KEY WORDS AND DEFINITIONS

- a. *Facilities and Administrative (F&A) rate.*
- b. Indirect-cost-recovery (ICR)
- c. Administrative Costs
- d. Direct Costs
- e. F&A Cost
- f. Overhead
- g. Facilities and Administrative Cost Return
- h. Facilities and Administrative Cost Recovery
- i. F&A Reduction
- j. F&A Waiver
- k. *F&A Cost Recovery*

IV. RELATED POLICIES, PROCEDURES, FORMS, GUIDELINES, AND OTHER RESOURCES

Administrative Policy Statements (APS) and Other Policies

- a. Facilities and Administrative Rate Reduction and Waiver
<https://www.uccs.edu/rmd/sites/rmd/files/inline-files/900-002.pdf>
- b. Principal Investigator Eligibility on Sponsored Programs
<https://www.uccs.edu/vcaf/sites/vcaf/files/inline-files/900-006.pdf>
- c. Roles and Responsibilities for Sponsored Programs Administration
https://www.uccs.edu/vcaf/sites/vcaf/files/inline-files/2017_JUN_27_%20900-001-Roles-and-Responsibilities-for-Sponsored-Programs-A.._.pdf

Other Resources (i.e. training, secondary contact information)

- a. Proposal routing form can be found at <http://www.uccs.edu/osp/resources/forms.html>

Frequently Asked Questions (FAQs)

Q: What is the *F&A Rate*? How is it calculated?

A: <https://www.uccs.edu/rmd/uccs-controllers-office/sponsored-projects-accounting/fanda-rate>

Q: What is the difference between the F&A and Indirect Cost?

A: None. The federal government uses the term “F&A”. The terms “indirect cost” and “F&A” are synonymous.

V. HISTORY

- a. Initial policy approval February 21, 2005
- b. Revised April 6, 2006