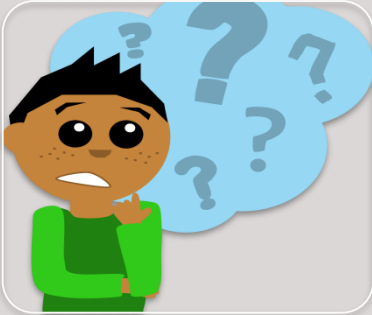


F&A RATES

UCCS University of Colorado
Colorado Springs

F&A Topics to Cover



Purpose

Our Rates

- Comparison
- Recovered F&A Costs
- History


MTDC vs. Indirect

- MTDC Components
- F&A Components
- Bond Interest

Calculation

- Initial Steps
- Developing Rates

The Purpose

- F&A rates exist to reimburse the university for costs that are incurred for joint/common objectives.
- As a university, we are required to negotiate our rates with a cognizant agency, the Department of Human & Health Services (DHHS) 
- F&A rate is applied to sponsored projects unless granted a waiver

Data Year- Costs from FY15 will be used to develop FY16 rates

Negotiation-UCCS negotiates F&A rates with DHHS in FY16

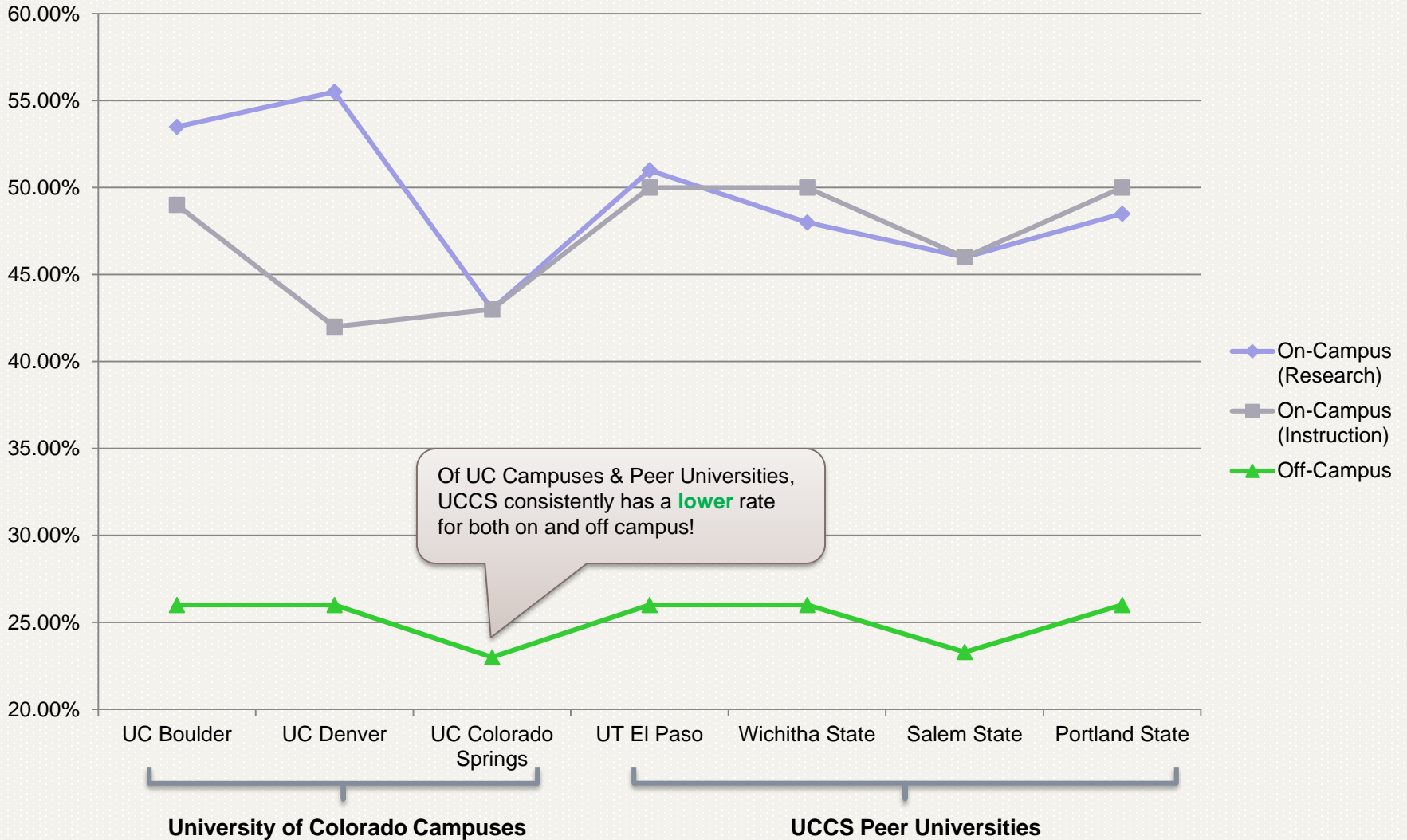
Preparation-Rates are developed based on the OMB Uniform Guidance

Application-Rates are applied to new sponsored programs

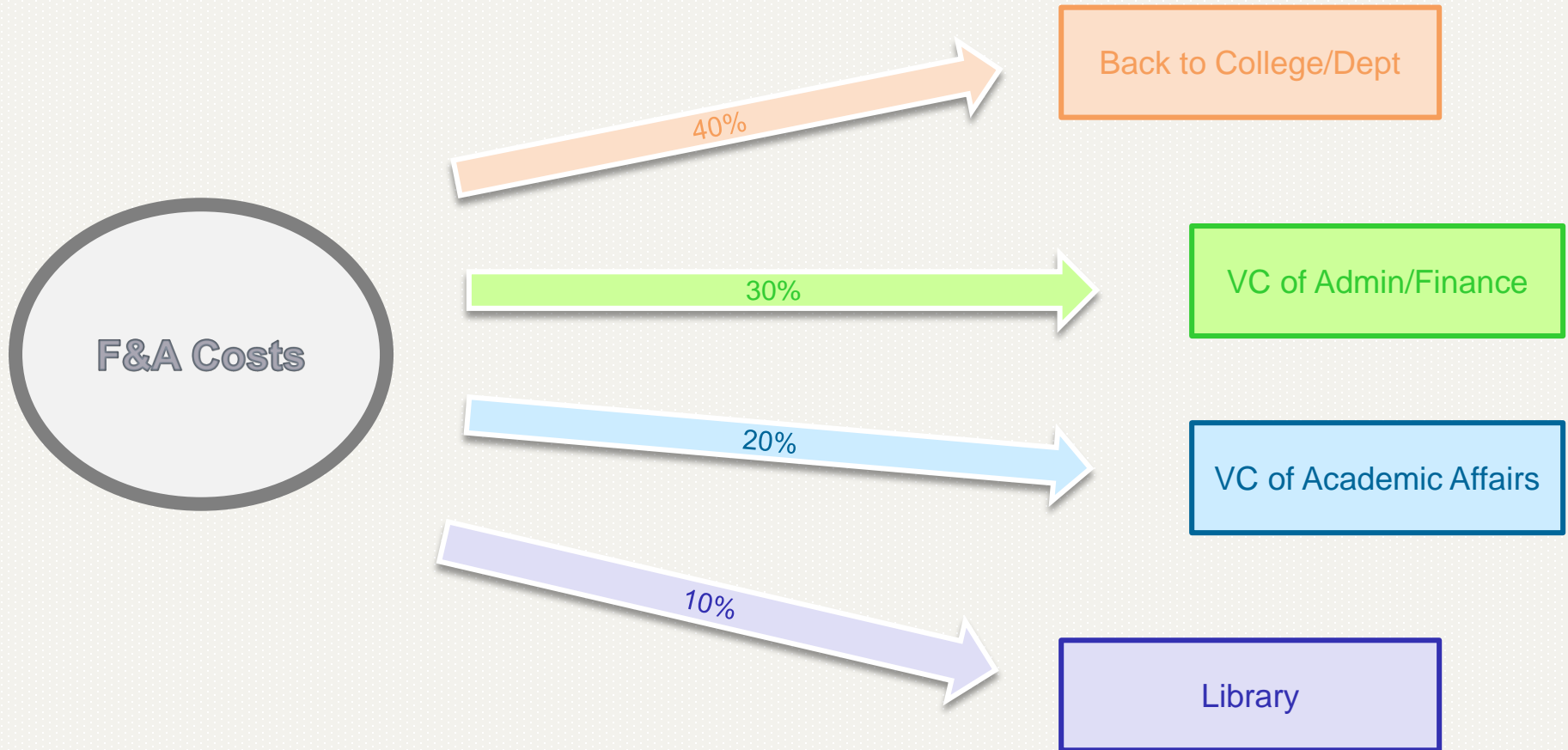
Acronyms

- F&A: Facilities and Administrative
- MTDC: Modified Total Direct Cost
- S&W: Salaries & Wages
- mFin: Management Financial (Financial Reports/Statements)
- ICCA: Intercampus Cost Allocation
- GAR: General Administration Recharge
- DA: Departmental Administration
- GA: General Administration
- SPA: Sponsored Project Administration
- OUC: Office of University Controller
- O&M: Operations and Maintenance
- AUX: Auxiliary Enterprises

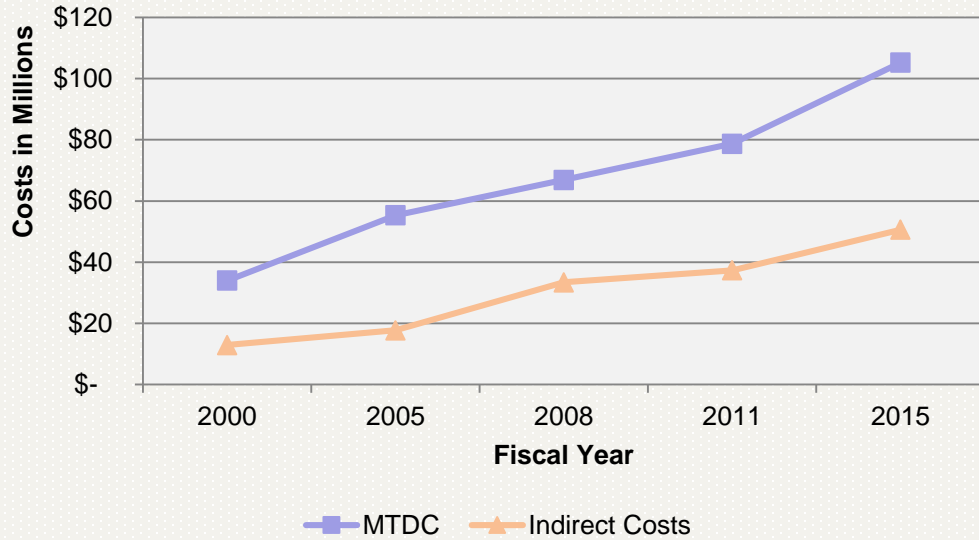
How Do We Compare in FY16?



Where Does F&A Go?



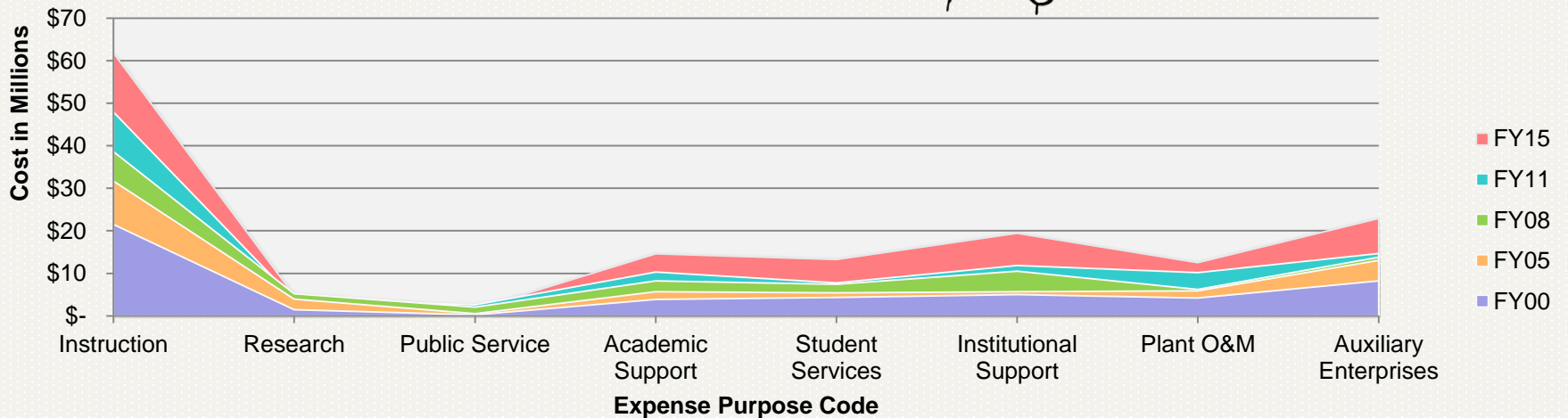
Historical Financial Data



Did You Know?

In a span of 15 years...

- MTDC increased by **209%**
- Indirect costs increased by **292%**



What is MTDC?

MTDC stands for Modified Total Direct Costs and acts as the base for our calculation of the F&A rates.

Included Costs



- Salaries & wages and fringe benefits
 - Dependent on expenses purposes
- Auxiliary Enterprises
- Travel
- Services
- Materials and Supplies
- First \$25,000 of sub-grants and subcontracts
- Computing Center



Excluded Costs



- Scholarships
- Fellowships
- Stipends
- Tuition
- Student Aid
- Library Books/Periodicals
- Capital Expenditures
 - Purchase of fixed assets (equipment)
 - Purchase of new land



What are F&A (Indirect) Costs?

Facilities

Building/Equipment Depreciation

Land/Capital Improvements

Bond Interest

Operation and Maintenance

Administrative

General Admin
(ex: Accounting, Budget, HR)

Departmental Admin
(ex: Department Heads/Deans)

Sponsored Project Admin
(ex: Central Research Office)

State Allocation
(ex: Intercampus Cost Allocation)

How Do Bonds Affect F&A?

- When we take out debt (bonds) to renovate buildings, bond interest payments of some of these building are considered to be “allowable” costs.



- Allowable buildings are spaces that are commonly used to support research and sponsored programs. As a result these spaces support a “common objective”.
 - Allowable Interest is only considered in developing the on-campus F&A rate

Calculation-Initial Steps

Base Data

- Start with **Audited** Financial Statements
- Separate into Expense Purpose Cost Pools

Exclusions

- Remove Exclusions
 - Ex: Scholarships, Capital Equipment Purchases, Student Aid

Adjust

- Remove Unallowables
 - Ex: Marketing, Bad Debts, Alumni Activities
- Isolate Computing Center and Library Operation Costs

Reclassify

- Reclassify expenses
 - Ex: GAR, Work Study, Compensated Absences, Deprecation

Develop

- Calculate the proposed F&A Rate by dividing the Indirect Costs by the Modified Total Direct Costs

Calculation- Rate Development

On-Campus Rate

- Plant O&M
- General Administration
- Departmental Administration
- Building/Equipment Depreciation
- Bond Interest
- ICCA

Off-Campus Rate

- Total Indirect Costs
- Use Allowances
 - O&M Expenses
 - Library Expenses
-
- Indirect Costs
(Applicable to Off-Campus Projects)

Indirect

MTDC

- Salaries & Wages
- Auxiliary Enterprises
- Travel
- Materials and Supplies
- Services
- First \$25,000 of sub-grants and subcontracts
- Computing Center

**If You Have Questions,
Please Contact the
Controller's Office**

Phone
719-255-3693

