

**KU RESEARCH & GRADUATE STUDIES**  
The Pursuit of Excellence

**Session 5.4**

**F&A**

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**Research Administration 101**  
**Fall 2008**

**F & A**

- Fun & Adventurous ??
- Flexible & Agile ??
- Fraud & Abuse ??
- Facilities & Administration !!

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**F & A**

Formerly called:  
Overhead  
or  
Indirect Costs

» Costs incurred for common or joint objectives and cannot be identified readily and specifically with a particular sponsored project.

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**F & A**

**F**acilities:

- Utilities
- Library
- Maintenance (Janitorial & Repairs)
- Depreciation, Buildings & Equipment

**A**dministration: (capped @ 26%)

- General Administration (Chancellor, Police, etc)
- Departmental Administration (Deans, Chairs)
- Sponsored Projects Administration (RGS salaries, supplies, insurance, etc)

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**Regulations and Regulators**

- Office of Management & Budget Circular A-21, Cost Principles for Educational Institutions
- Cognizant Agency:  
Department of Health & Human Services, Division of Cost Allocation, Dallas Region

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**Application of F&A**


- It is the policy of RGS/KU to charge the maximum allowable federally negotiated F&A rate on all sponsored projects regardless of funding source unless a not-for-profit has a written policy that dictates a lower rate

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### Application of F&A

- Standardized recovery: One rate agreement for all Federally-sponsored projects, applied to other sponsors as well. Industry has a special rate.
- Reimbursement of indirect costs: Cost recovery for the use of our infrastructure, a portion of which is returned to the department/unit.




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### Simplified F&A Rate Calculation

Ratio of:  $\frac{\text{F\&A Expenses}}{\text{MTDC Base}}$

Exclusions from base:  
Tuition, equipment, rent, sub> \$25,000, scholarship/fellowship, participant support




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### Current Rates

- Finalized Rate Agreement June 2007

Year:	FY07	FY08	FY09	FY10	FY11
Rate%	44	46	46	46.5	47


- Industry rate = +4 points
- Off-campus rate = 26% (Administrative portion)



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### F&A distribution formula

- 10% to Dean/Director
  - » Based on PI & Col's appointment and credit on project
- 6% to University Research Centers  
OR
- 4% to PI or affiliated center
- RGS retains the remainder



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