Policy for Allocating Facilities and Administrative Cost Recovery Revenue

Allocation of Facilities and Administrative Cost Recovery Revenue From Domestic and International Grants and Contracts

F&A Revenue Generated

- 4% Office of Research
- 7% Libraries
- 38% Campus Support
- 28% University Support

23% to F&A Revenue Generating Units
Distributions are made in one of three ways:

1. Pullman Contracts
   - 15% Department
   - 8% Dean

2. Urban Campus Contracts WITH
   Academic Unit Affiliation
   - 11.5% Academic Dean
   - 11.5% Chancellor

3. Urban Campus Contracts WITHOUT
   Academic Unit Affiliation
   - 23% Chancellor
Facilities & Administrative Rate

F&A Rate Formula - a ratio expressed with
1. Facilities & Admin. Costs as the numerator and
2. Direct Cost Base as the denominator.

Numerator = Indirect Costs
(Building & Equipment Depreciation, Interest, DA, SPA, GA, O&M, Library)*
__________________________________________________________ (divided by)

Denominator = Modified Total Direct Cost Base (MTDC)
(Organized Research + Cost Sharing associated with Organized Research)

= the F&A Rate.

Numerator Changes:  If the numerator decreases, the F&A % decreases;
If numerator increases, the F&A % increases.

Denominator Changes: If denominator increases, F&A % decreases;
If denominator decreases, the F&A % increases.

F&A Rate Description Page 1 of 3.
This describes the Ratio and the components of the Numerator and Denominator.  *OMB A-21 definitions for F&A Costs.
### Some Function Definitions from Uniform Guidance

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
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<tbody>
<tr>
<td>1</td>
<td>INST Instruction</td>
</tr>
<tr>
<td>2</td>
<td>DR Departmental Research</td>
</tr>
<tr>
<td>3</td>
<td>DA Departmental Administration</td>
</tr>
<tr>
<td>4</td>
<td>OR Organized Research</td>
</tr>
<tr>
<td>5</td>
<td>OSA Other Sponsored Activities</td>
</tr>
<tr>
<td>6</td>
<td>O&amp;M Operations and Maintenance</td>
</tr>
<tr>
<td>7</td>
<td>OIA Other Institutional Activities</td>
</tr>
<tr>
<td>8</td>
<td>GA General Administration</td>
</tr>
<tr>
<td>9</td>
<td>SPA Sponsored Programs Administration</td>
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</table>

F&A Rate Description Page 2 of 3.
Identifying some of the Abbreviations.
**F&A COST**

**CALCULATION - OVERVIEW**

- **Exclusions**
- **Applicable Credit Capitalized Items**
- **Unallowables Federal Expenditures**

**F&A Cost Pools**

<table>
<thead>
<tr>
<th>Cost Pools</th>
<th>Allocation Bases</th>
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<tbody>
<tr>
<td>Building &amp; Equipment depreciation</td>
<td>Space</td>
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<td>Operations &amp; Maintenance</td>
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<td>Library</td>
<td>Population</td>
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<tr>
<td>Departmental Administration</td>
<td>MTC</td>
</tr>
</tbody>
</table>

**F&A Costs Allocated to:**

- Instruction
- Organized Research
- Other Sponsored Activities
- Other Institutional Activities

**Base**

- MTDC Instruction
- MTDC Organized Research
- MTDC Sponsored Activities
- MTDC Other Activities

Audited Financial Statements

**F&A Rate Description Page 3 of 3.**
The Cost Pool Framework.