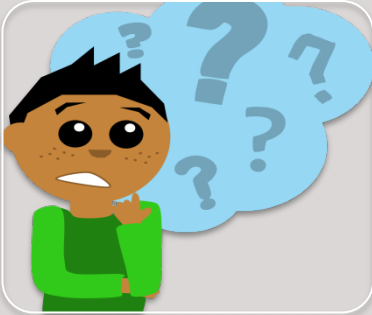


# F&A RATES

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**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

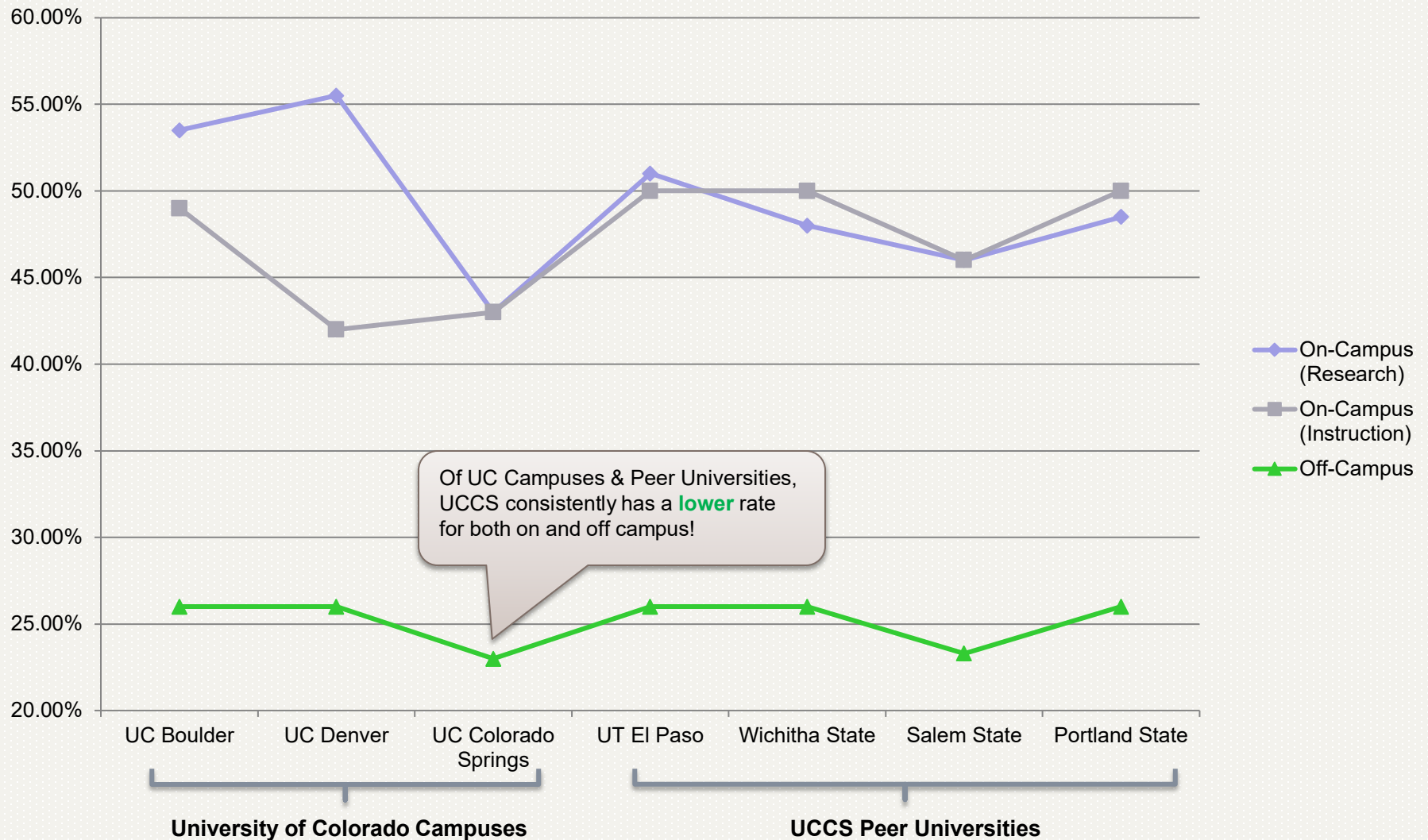
Preparation-Rates are developed based on the OMB Uniform Guidance

Application-Rates are applied to new sponsored programs

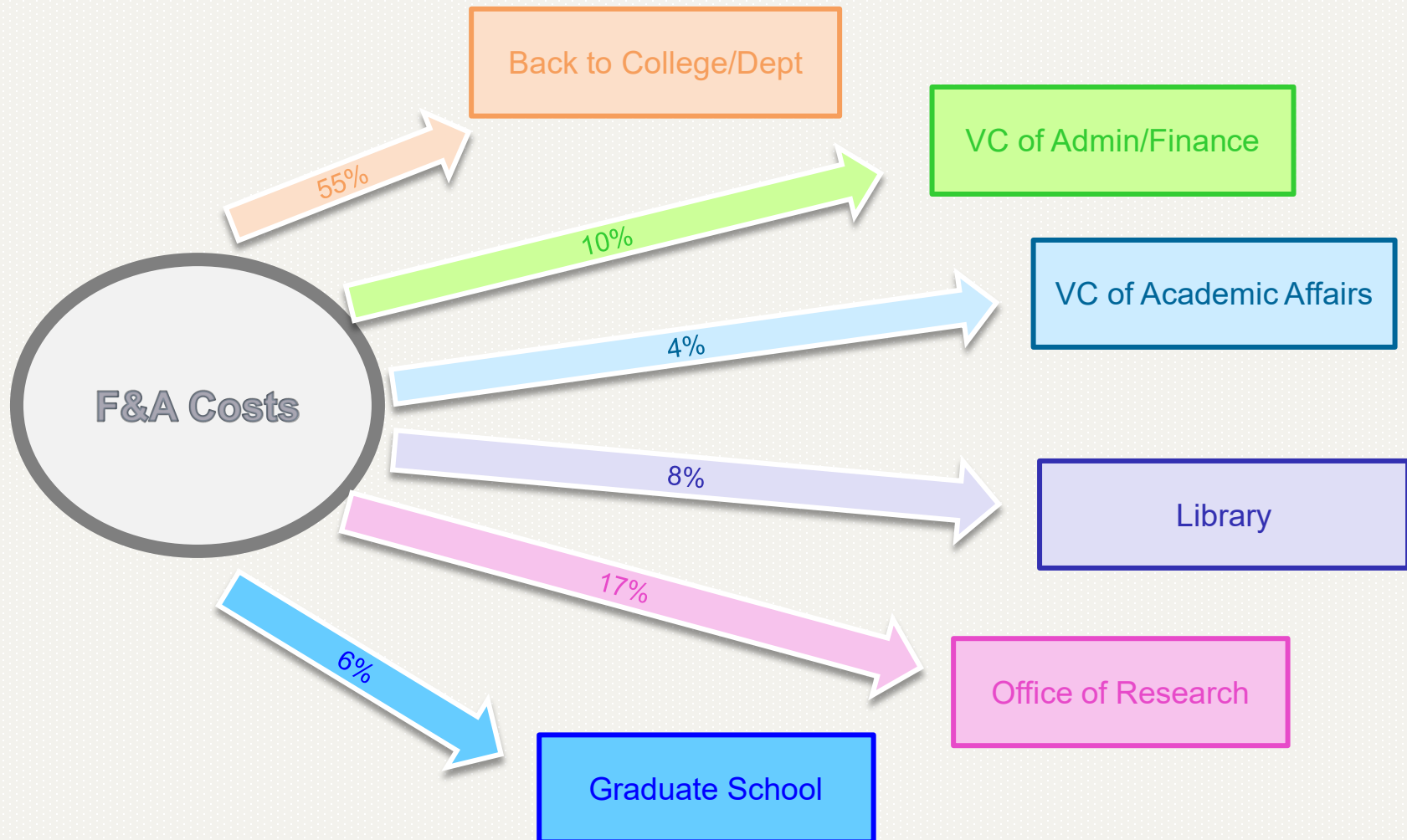
# Acronyms

- 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

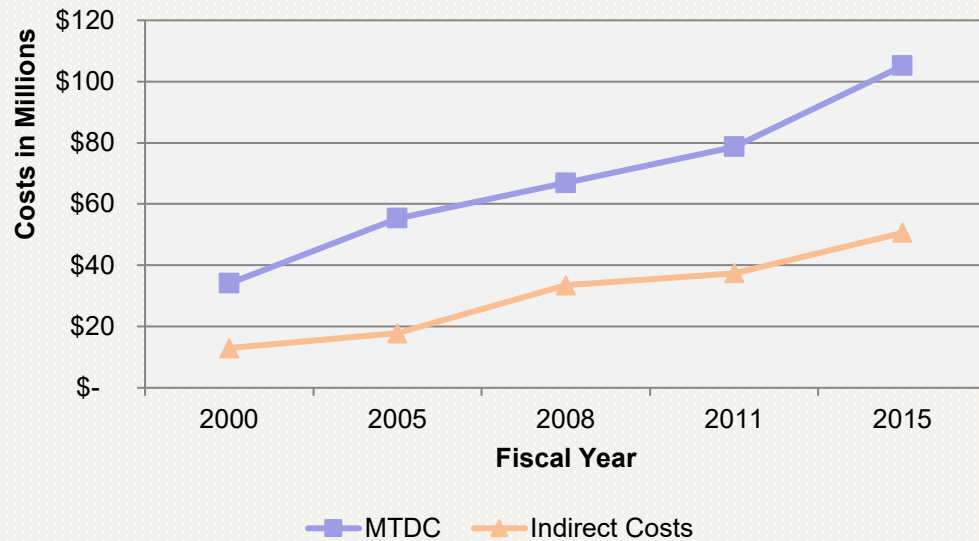
# How Do We Compare in FY16?



# Where Does F&A Go?



# Historical Financial Data

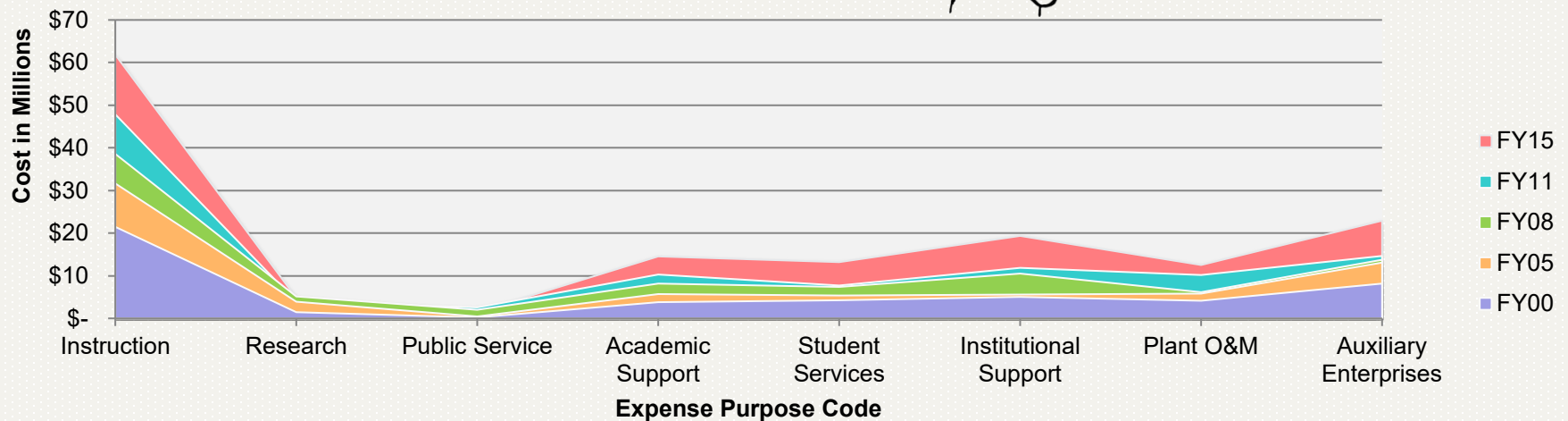


## Did You Know?

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)

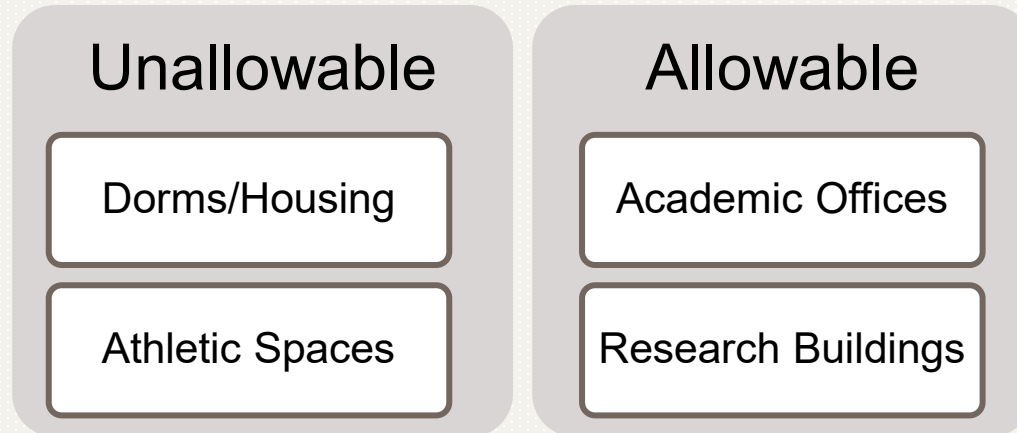
Departmental Admin  
(ex: Department Heads/Deans)

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

