## F&A Rates FY-2011 Thru FY-2016

<table>
<thead>
<tr>
<th>Award Function</th>
<th>Location</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organized Research</td>
<td>On-Campus</td>
<td>54.0</td>
</tr>
<tr>
<td></td>
<td>Off-Campus</td>
<td>26.0</td>
</tr>
<tr>
<td>Instruction</td>
<td>On-Campus</td>
<td>37.0</td>
</tr>
<tr>
<td></td>
<td>Off-Campus</td>
<td>26.0</td>
</tr>
<tr>
<td>Other Sponsored Activities</td>
<td>On-Campus</td>
<td>35.0</td>
</tr>
<tr>
<td></td>
<td>Off-Campus</td>
<td>26.0</td>
</tr>
</tbody>
</table>
## Organized Research On-Campus Components

- **Facilities**
  - Building Depreciation: 5.2
  - Interest: 3.6
  - Equipment Depreciation: 3.0
  - Operations and Maintenance: 14.2
  - Library: 2.0

- **Administrative**
  - General Administration: 4.0
  - Department Administration: 17.3
  - Sponsored Projects Administration: 4.5
  - Student Services Administration: 0.2

---

**Total**: 54.0
Rate Process

- UCLA Prepares an F&A rate Proposal based on Expenditures and Functional Activities during a Fiscal Year (Base Year)
- Federal Negotiators Review & Audit Proposal
- F&A rates for Contracts and Grants are settled with Federal Negotiators for all Federal Agencies for about 3 to 5 Years
F&A Background

- Prior F&A rate proposal submitted - based on FY-2009
- Current Rates are set until June 30, 2016
- Next F&A Rate proposal is based on expenditures and space utilization from FY-2014
- UCLA’s F&A Cognizant Agency is The U.S. Department of Health & Human Services (DHHS) Cost Allocation Services (CAS)
Typical F&A Rate Timeline

- UCLA develops an F&A Rate proposal based on expenditures from a fiscal year (known as the base year)
- Proposal due to CAS six months after the base year (three month extension often requested and granted)
- CAS reviews proposal and requests additional support/clarification (2 to 4 months)
- Campus submits support/clarification to CAS (1 to 2 months)
- Campus receives second set of questions and submits back to CAS (2 to 3 months)
- CAS performs a site visit at the UCLA campus for a week. At the end of site visit, CAS presents list of adjustments from their review during a face to face meeting.
- Campus reviews adjustments and clarifies misunderstandings (1 month)
- Campus makes counter proposal for rates and settles with CAS to establish rates and rate time periods (2 to 4 weeks)
- F&A rates are typically set for 3-5 years
F&A – Federal Requirements

  
  “applicable to grants, contracts, and other agreements...The principles are designed to provide that the Federal Government bear its fair share of total costs”

- A-21 is being superseded 12/31/14 by **(CFR) Title 2: Grants and Agreements Part 200**
University Functions - Rates Developed

- Instruction/Departmental Research
- Organized Research
- Other Sponsored Activities
  - Public Service Award and Programs
  - Other Sponsored Awards – not Research or Instruction
- Other Institutional Activities
  - Auxiliaries
  - Athletics
Total Costs of Sponsored Projects

- All sponsored projects require two components of cost be expended.
  - Direct Costs
  - F&A Costs
Direct Costs are costs that can be identified to a specific project, program or activity of an institution; any cost being directly charged to a contract or grant.

- Salaries
- Benefits
- Lab Supplies
- Travel
F&A Costs

**F & A (Indirect) Costs** are costs that cannot be identified to a specific project, program or activity but will benefit the total institution; these costs are charged at a percentage of direct charges to grants & contracts.
F&A Costs (cont)

- Also Known As – Indirect Costs or Overhead
- **Actual Costs** Incurred by UCLA
- Descriptive Name Costs:
  - **Facilities Costs** – Maintenance, Building Depreciation, etc. incurred by UCLA in support of contracts & grants.
  - **Administrative Costs** – Departmental Admin, General Admin, etc. incurred by UCLA in support of contracts & grants.
Facilities Components

- Building & Equipment Depreciation
- Interest on Buildings
- Library
- Operations & Maintenance
  - Utilities (electricity, chilled water & steam)
  - Environmental Health & Safety
  - Maintenance & Custodial
Administrative Components

- Department/College Administration
- Sponsored Project Administration
  - Extramural Funds Management
  - Contract & Grant Administration
- Student Services Administration
- General University Administration
  - Payroll
  - Accounts Payable
F&A Rate Calculated

Numerator/Denominator

F&A Costs UCLA incurs to Support Research Projects

Direct Costs (MTDC) of Research Projects & Cost Sharing

= F&A Research Rate
Data and Studies to Determine F&A Costs

- Financial System Expenditure Data
- Facilities Cost Data
- Library Utilization Study
- **Space Utilization Survey**
  - Research Intense Departments
  - Percentage of Functional Use of Space (Activity)
Space Utilization Survey

- Conducted During Base Year
- Most **Critical** part of the F&A proposal – Most facilities costs are allocated by room activity
- Survey is designed to determine by University Function (Instruction, Organized Research, Departmental Admin, etc.) by percentage how space is utilized at the University
<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY-2013</td>
<td>$184,000,000</td>
</tr>
<tr>
<td>FY-2012</td>
<td>$190,000,000</td>
</tr>
<tr>
<td>FY-2011</td>
<td>$192,000,000</td>
</tr>
<tr>
<td>FY-2010</td>
<td>$183,000,000</td>
</tr>
<tr>
<td>FY-2009</td>
<td>$164,000,000</td>
</tr>
<tr>
<td>FY-2008</td>
<td>$161,000,000</td>
</tr>
</tbody>
</table>

One Research Percentage Point = $2.6 Million
Contact Information

David Beckstrom
Manager, Costing Policy & Analysis
UCLA Property Administrator, Property, Plant & Equipment Management
UCLA Corporate Financial Services
Phone: 310-983-3095
dbeckstrom@finance.ucla.edu