



# TURAC 2024<sup>+</sup>

Connection • Collaboration • Cohesion

**F&A Rate Agreement Process**

April 16<sup>th</sup>, 2024

## **Land Acknowledgement Statement**

*“Arizona State University, Northern Arizona University, and the University of Arizona collectively acknowledge that the campuses are situated on the ancestral lands of twenty-two federally recognized tribes located across Arizona. These universities collectively honor the past, present, and future generations of Native Americans, who have lived here for millennia and will forever call this place home. Committed to diversity, the institutions integrate Indigenous knowledge into their practices and strive to cultivate sustainable relationships with Native Nations through education, partnerships, and community service.”*





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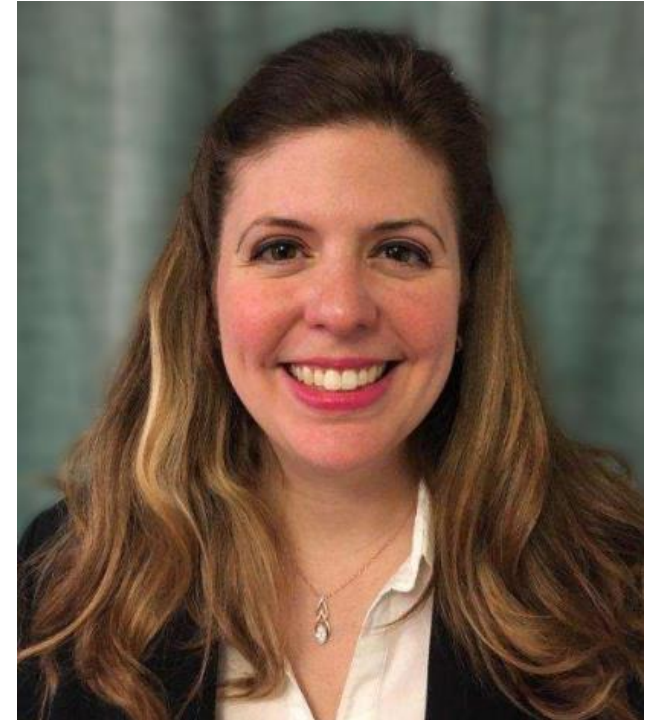
**F&A Rate Agreement Process**

April 16<sup>th</sup>, 2024

# Presenters



**Jenny Smolnik**  
Senior Manager  
Maximus



**Sarah Kern**  
Sponsored Project Agent  
Arizona State University



# Agenda

Introductions & Overview

Forms & Cost Pools

Connection & Space Survey

Negotiation

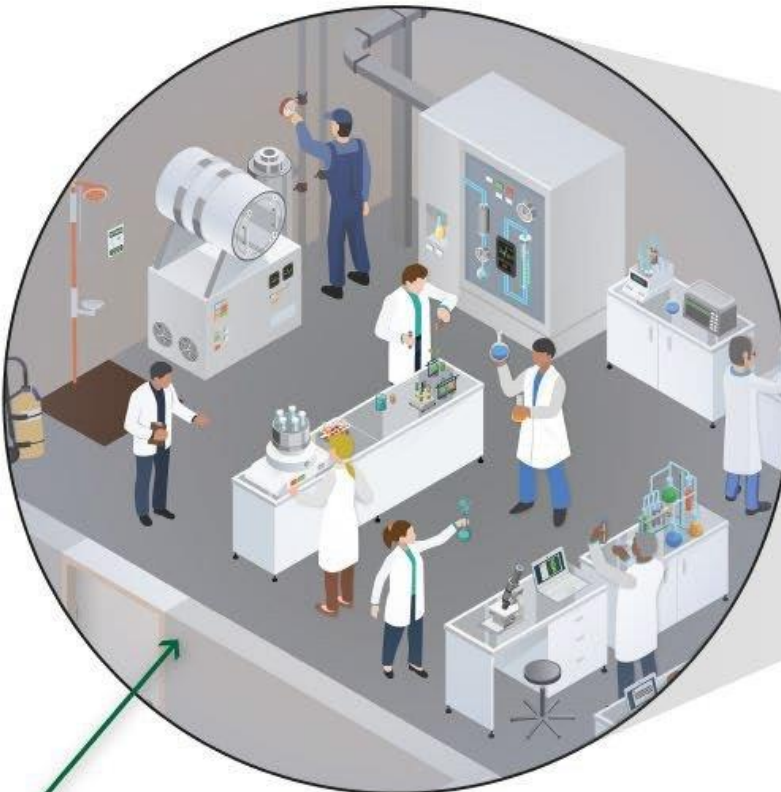
Updates & Perspective

Resources



# Costs of Federally Sponsored Research

The total cost of federally sponsored research includes a combination of both direct and facilities and administrative (F&A) costs. Both types of expenditures are key to an institution's ability to conduct cutting-edge research. F&A consists of the construction and maintenance costs of laboratories and high-tech facilities; energy and utility expenses; and safety, security, and other government-mandated expenses. These costs are real and research cannot be conducted without them.

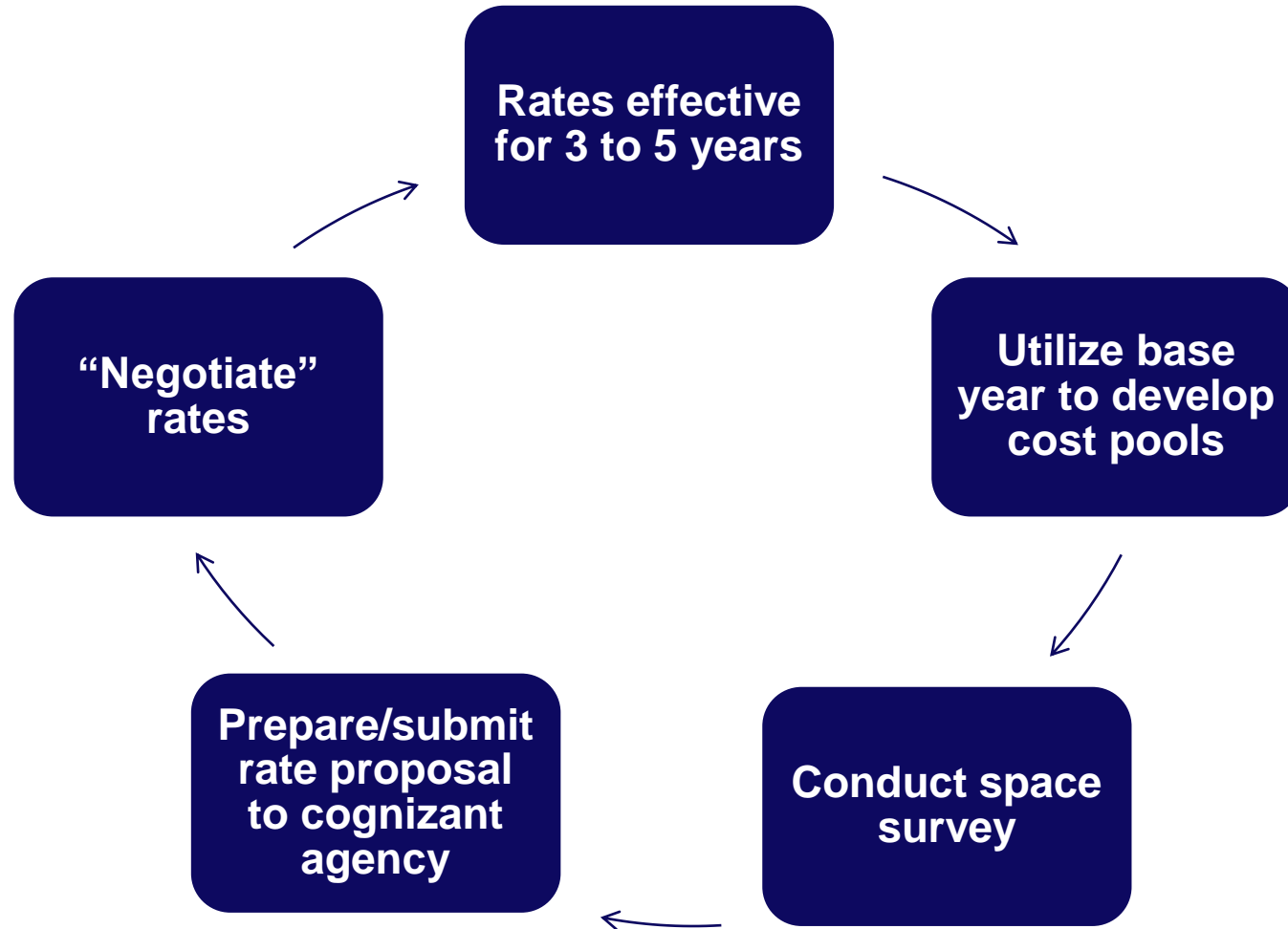


★ Direct costs - These expenses solely cover research and include lab supplies and equipment; salaries and stipends for researchers and graduate students; and travel costs for conducting and sharing research



- ★ Direct costs
- F&A costs
- No federal funds used

# Overview



# Forms

	Short Form	Long Form
Funding Level	<\$10M federal awards	>\$10M federal awards
Space	Inventory	Inventory and Survey
Rate Structure	Single Rate	Multiple Rates
Data Requirements	Financial, Building/Improvements, Equipment, Space Inventory	Same + Much, Much More!





# Cost Pools

## Facilities (F) Cost Pools

- Building and Improvement Depreciation
- Equipment Depreciation
- Interest Expense
- Operations and Plant Maintenance
- Library Support

## Administrative (A) Cost Pools

- General Administration (GA)
- Departmental Admin (DA)
- Sponsored Projects Admin (SPA)
- Student Admin and Services (SAS)

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## Direct Cost Bases

- Instruction/Department Research (IDR)
- Organized Research (OR)
- Other Sponsored Activities (OSA)
- Other Institutional Activities (OIA)



# Connection

**While one particular office will oversee the rate proposal, entire University is needed to produce a successful one**

- **Units & Colleges, Faculty and Admin Staff**
- **Financial Services**
- **Capital Assets**
- **Research and Sponsored Projects**
- **Space Management**

**A strong project team may include:**

- **Project Manager(s)**
- **Grant data experts**
- **Communications lead**
- **Consultants**

**Role redundancy is important due to the length and complexity of project**



# Space Survey

## Inventory

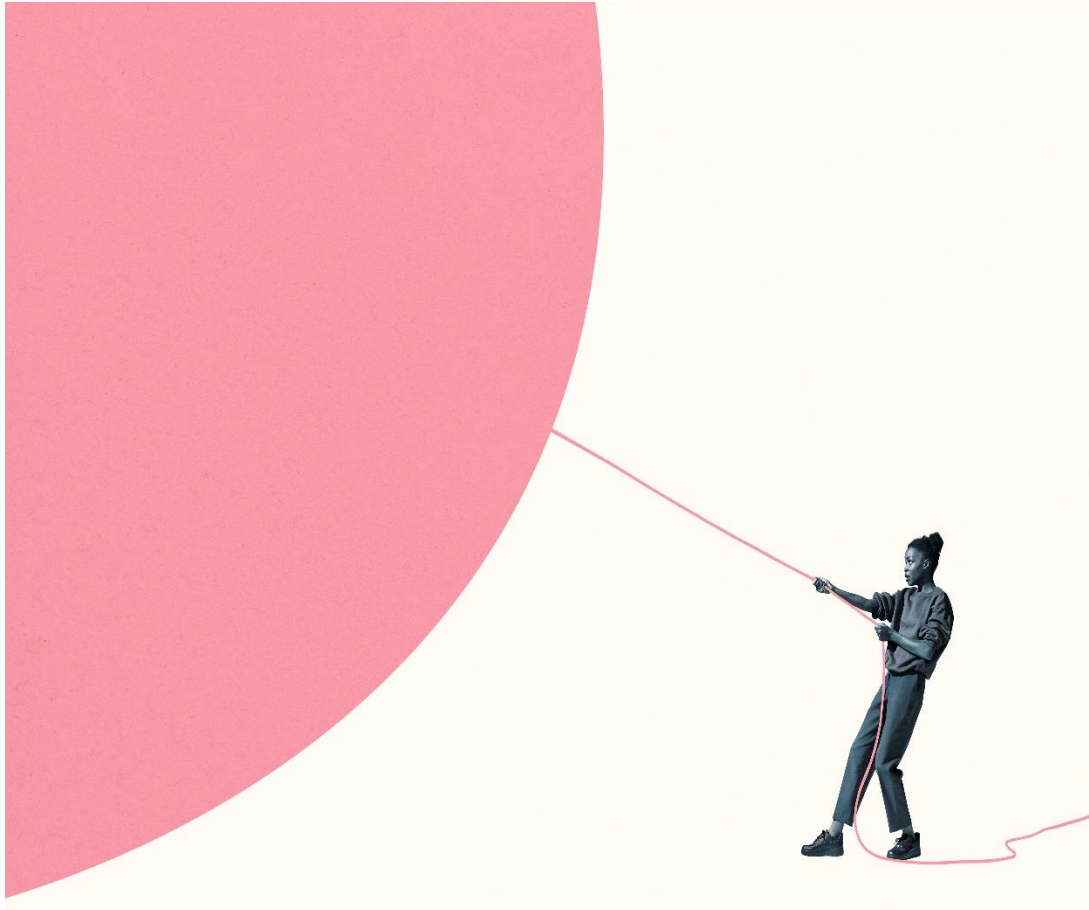
- Room Number
- Department Assignment
- Room Type
- Square Footage
- Occupants (Labs)

## Survey

- Research Room Types
- Occupant Time
- Connect Occupants to Projects/Payroll
- Calculate Utilization



# Negotiation



# Updates

**2 CFR 200 (Uniform Guidance/UG) governs the F&A rate proposal process**

**Planned changes to UG for the spring of 2024 include:**

- Increasing subaward base from \$25,000 to \$50,000
- Disclosure Statement (DS-2) no longer required
- Capital threshold increase from \$5,000 to \$10,000

**It is anticipated that to uptake these changes, institutions will need to include them in proposed and negotiated F&A rates**



# Perspective

**University investment in F&A rate proposal preparation results in several benefits, including:**

- Accurate assessment of the overhead costs required to support sponsored project portfolio
- Improved understanding of federal requirements
- Stronger working relationships between central research/financial services offices

**Elements of negotiated rates that Universities can control include:**

- How much of the F&A revenue is remitted to departments/PIs
- How F&A waivers are determined
- Effective utilization of space



# Resources

## Uniform Guidance F&A rate determination

- [Appendix III to Part 200](#)

## University-specific F&A rate guidance

- NAU: <https://in.nau.edu/osp/frequently-requested-information/>
- UofA: <https://research.arizona.edu/administration/build-budget/FA-Costs/FA-rates>
- ASU: <https://researchadmin.asu.edu/resources/fa/>



# Thank You!

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