

The University of Alabama in Huntsville

Facilities & Administrative Cost Recovery Summary

March 2012



Basic Research Terminology

A-21	Cost Principles for Educational Institutions, a circular published by the federal Office of Management & Budget (OMB) that establishes the principles for determining the costs applicable to grants and contracts with Universities.
A-133	Audits of states, local governments, and non-profit organizations; a circular published by the federal OMB.
Awards	Funds that have been obligated by a funding agency for a particular project, over a particular period.
Direct Cost	Clearly identifiable costs related to a specific project.
Effort	The total activity or work for which an individual is compensated by the University. Expressed as a percentage of the full-time equivalence (FTE).
Indirect Costs	Costs related to expenses incurred in conducting or supporting research but not directly attributable to a specific project. Examples are general administration, sponsored project administration, facilities, library expenses, departmental expenses, and depreciation for building & equipment.
Expenditures	Funds expended over a particular period, usually a fiscal year.



Basic Research Terminology

F&A/ICR Rate	Established by negotiation with the federal agency on the basis of the institution's projected costs for the year.
Key Personnel	Personnel considered to be of primary importance to the successful conduct of a research project, usually applies to the senior members of the project staff.
Principal Investigator	The individual responsible for the conduct of research described in a proposal for an award. The PI is responsible for all programmatic and administrative aspects of a project.
Proposal	An application for funding that contains all information necessary to describe project plans, staff capabilities, and funds requested.
Sponsored Research	Research conducted by the University employees using any University space, facilities, materials, equipment, or property, and which is financed by contract payments, grants, or gifts from any source other than University funds.

University of Alabama in Huntsville
Facilities and Administrative Cost Recovery
Summary - FYE 9/30/2011 Actuals per Audited Financial Statements

F&A Rate Component	Actual Rate Per Proposal Calculation	Negotiated Rate	Recovery Rate	Actual Rate Less Recovery Rate	Actual Overhead Costs Incurred	Actual Overhead Recovery	Net
<u>ON-CAMPUS RATE</u>							
Building Depreciation	3.9%	3.3%	2.7%	-1.2%	\$810,520	\$568,525	(\$241,995)
Equipment Depreciation	6.8%	3.7%	3.1%	-3.7%	\$1,413,214	\$637,437	(\$775,777)
Interest	1.5%	1.5%	1.2%	-0.3%	\$311,738	\$258,421	(\$53,318)
Plant Operations and Maint	11.3%	11.3%	9.4%	-1.9%	\$2,348,429	\$1,946,768	(\$401,661)
Library	2.1%	1.5%	1.2%	-0.9%	\$436,434	\$258,421	(\$178,013)
Administration	29.3%	26.0%	21.6%	-7.7%	\$6,089,290	\$4,479,290	(\$1,610,000)
TOTAL ON-CAMPUS RATE	54.9%	47.3%	39.2%	-15.7%	\$11,409,625	\$8,148,862	(\$3,260,763)
<u>OFF-CAMPUS VICINITY RATE</u>							
	31.4%	27.5%	27.5%	-3.9%	\$7,260,220	\$6,358,473	(\$901,747)
<u>OFF-CAMPUS REMOTE RATE</u>							
	29.3%	26.0%	26.0%	-3.3%	\$1,149,290	\$1,019,847	(\$129,442)
TOTALS					\$19,819,135	\$15,527,183	(\$4,291,952)

Notes:

Modified Total Direct Cost: On-Campus	\$20,782,559
Modified Total Direct Cost: Off-Campus Vicinity	\$23,121,721
Modified Total Direct Cost: Off-Campus Remote	\$3,922,490
	<u>\$47,826,770</u>



Summary of FY 2011 Audited Financial Statements

REVENUES

State Appropriations	\$	42,703,771
Net Tuition and Fees		45,030,169
Contracts and Grants - Direct Cost		65,977,484
F&A Cost Recovery for Research Contracts and Grants		15,527,183
Other Sources		18,835,034
Gifts, including Capital Gifts		4,868,491
Auxiliary Enterprises		<u>8,172,943</u>
TOTAL	\$	<u>201,115,075</u>

EXPENDITURES

Educational and General - excluding Contracts & Grants, F&A	\$	101,524,601
Contracts and Grants - Direct Cost		65,977,484
F&A Costs for Research Contracts and Grants		19,819,135
Auxiliary Enterprises - including interest on debt		6,542,025
E&G Interest on Debt		1,371,771
Other		<u>139,164</u>
TOTAL	\$	<u>195,374,180</u>

Increase in Net Assets	\$	<u><u>5,740,895</u></u>
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Detail of Increase in Net Assets

FY 2011

<u>Unrestricted Funds - Operating</u>		<u>Millions</u>
University General Fund, Plant Maintenance Funds	\$	4.96
Departmental and Research Accounts		2.18
Auxiliary Enterprises		0.67
Endowment and Loan Funds		<u>(0.08)</u>
	\$	7.73
Other - Capital Gifts, Depreciation, etc.	\$	<u>(1.99)</u>
	\$	<u><u>5.74</u></u>



Summary of F&A FY 2011-12 Budget \$13.4 Million

	<u>Percent</u>	<u>Budgeted Amount</u>
General Fund	47.0%	\$6.3 M
VP Research	23.2%	\$3.1 M
Academic Affairs	10.6%	\$1.4 M
Performing Organization	15.2%	\$2.0 M
Principal Investigators	<u>4.0%</u>	<u>\$0.6 M</u>
Total	100.0%	\$13.4 M

Note: The 15.2% Performing Organization distributions to the academic departments go to the Deans.



Summary of F&A FY 2011-12 Budget \$13.4 Million

General Fund (\$6.3 M)	Incorporated as part of the University unrestricted general fund revenue base (including state appropriations and tuition revenues).
VP Research (\$3.1 M)	Included in VP Research budget base. No restrictions on how VP Research is allowed to spend the money (Must adhere to University spending policy).
Academic Affairs (\$1.4 M)	Original distribution included in Academic Affairs budget base. Subsequently, any adjustment, increase or decrease, is absorbed by unrestricted general fund.
Performing Org. (\$2.0 M)	If no labor is charged, the entire 15.2% is allocated to the fiscally responsible units (research centers or academic departments). If labor is charged, the 15.2% is allocated to the home labor of the employees being charged. The distributions to academic departments go to the Deans.
Principal Investigators (\$0.6 M)	Allocated to the principal investigators. The budget can be used for anything pertaining to University business (Must adhere to University spending policy).



Summary of Research Budget Funded From Unrestricted General Fund (Ledger 2)

	<u>FY 2011-12</u>
F&A Distributions	
VP Research	\$3.1 M
Performing Organizations (Centers)	\$1.7 M
State Appropriation Allocation	
VP Research	\$1.5 M
Performing Organizations (Centers)	<u>\$2.7 M</u>
Total Research Budget Funded From Ledger 2	\$9.0 M *

* The \$9.0 million is operated like any other unrestricted ledger 2 account on campus.