



UNIVERSITY OF CALIFORNIA, SANTA CRUZ SPACE SURVEY

UC SANTA CRUZ

**FY2019 FACILITIES &
ADMINISTRATIVE RATE
CALCULATION**

AGENDA

1

Introduction

2

F&A Rate Overview

3

Selected Survey Departments

4

Space Survey Overview

5

Timeline and Planning

6

Next Steps

7

Appendix

1

F&A RATE OVERVIEW

F&A RATE OVERVIEW

WHAT ARE F&A COSTS?

All sponsored projects require two categories of cost be expended:

- Direct Costs
- F&A Costs (Also known as Indirect or Overhead Costs)



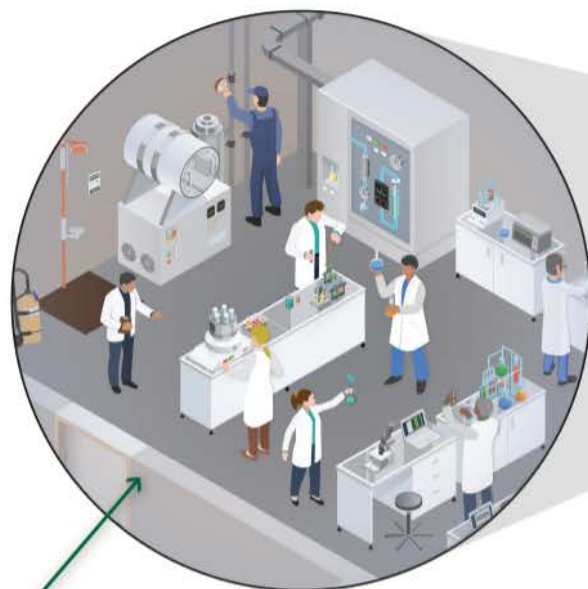
Source: Council On Governmental Relations (COGR)

F&A RATE OVERVIEW

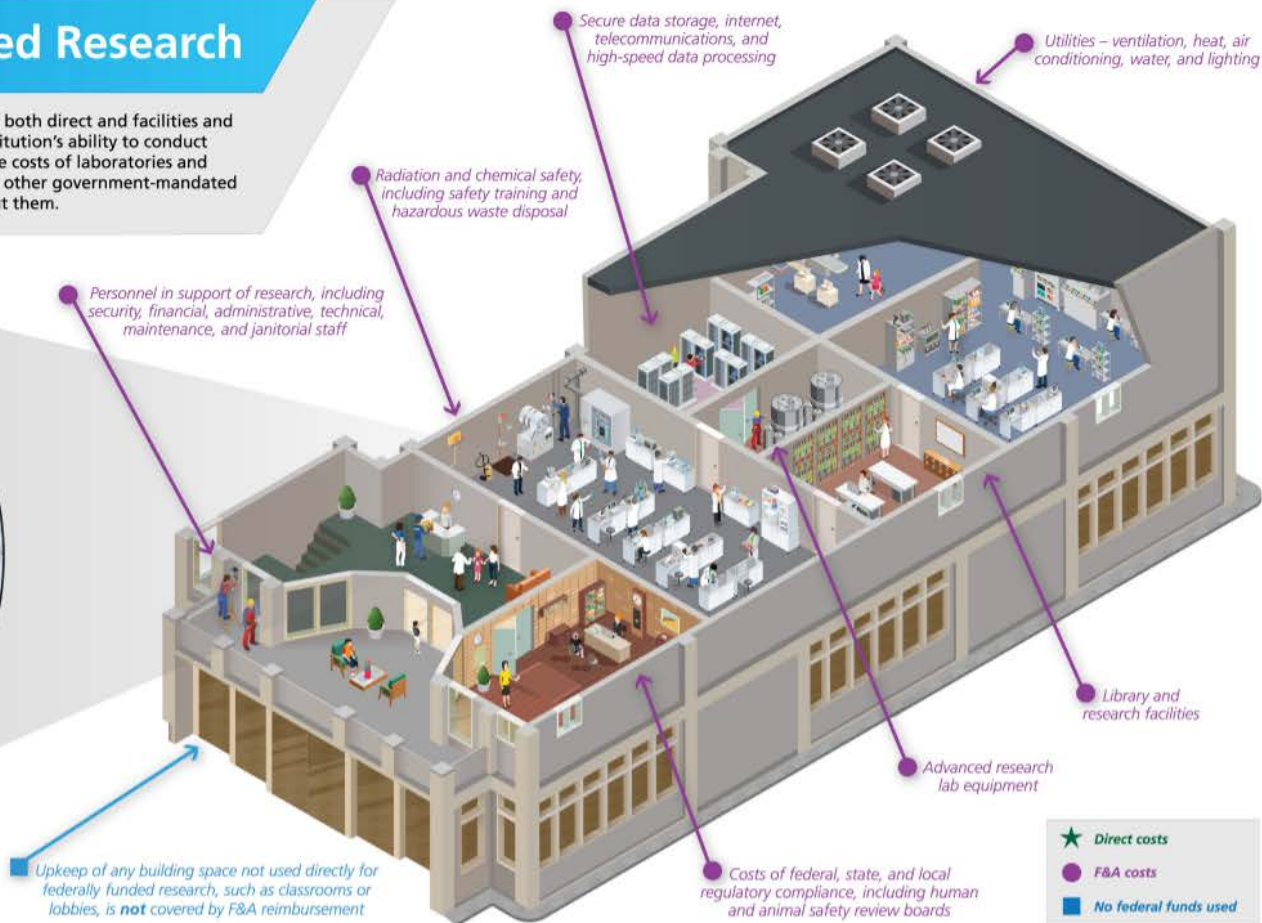
WHAT ARE F&A COSTS?

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



F&A RATE OVERVIEW

THE F&A EQUATION

- A Facilities & Administration (F&A) rate is essentially an equation which shows the facilities and administrative costs associated with research (numerator) as a percentage of the direct expenditures on sponsored research grants during the fiscal year (denominator).

$$\frac{\left(\begin{array}{c} \text{Facilities Cost of} \\ \text{Organized} \\ \text{Research Activities} \\ \text{(Uncapped)} \end{array} + \begin{array}{c} \text{Administrative} \\ \text{Costs of Organized} \\ \text{Research Activities} \\ \text{(Capped at 26\%)} \end{array} \right)}{\text{Annual Spending on Organized Research Grants}} = 54\%$$

- This rate is negotiated with the Federal Government and allows UCSC to recover the on-campus costs associated with supporting the research mission.

F&A RATE OVERVIEW

WHAT ARE F&A COSTS?

**Allocated
by Space
Survey
Statistics**

Facilities Costs (Indirect Costs)

- Building Depreciation
- Equipment Depreciation
- Interest
- Operations & Maintenance
- Library



Administrative Cost (Indirect Costs)

- President's Office
- Legal
- Human Resources
- Sponsored Programs
- Pre-award
- Department Administrators
- Clerical and Support Staff



Total F&A Cost

Annual Facilities and Administrative costs are aggregated and known as "Pool" costs. They are the numerator in the F&A formula.

Total Base Costs (Direct Costs)

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

The Facilities component is the biggest driver of the F&A rate calculation and is highly dependent on the results of the space survey.

WHY IT'S IMPORTANT



The University negotiates a Facilities and Administrative (F&A) cost rate with the Cost Allocation Services (CAS) division of the US Department of Health and Human Services.



This rate allows UCSC to recover the costs associated with supporting the research mission.



The recovery of these costs is critical to the University's ability to continue to engage in high quality research.

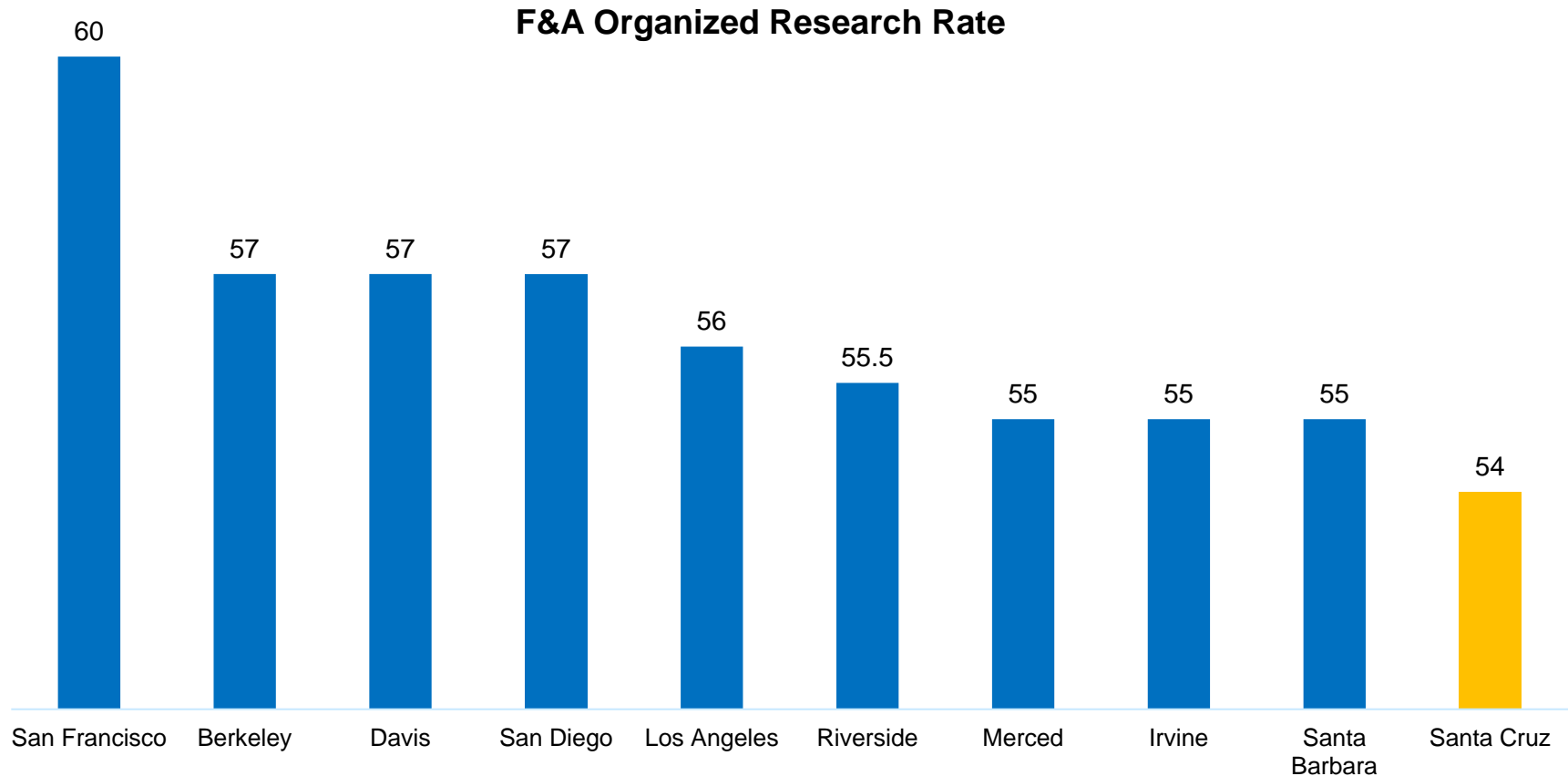
F&A cost reimbursement at UCSC was \$22M in FY2019

CURRENT NEGOTIATED RATES

Rate Type	FY2019-FY2020 Rate (Finalized)
Organized Research (OR)	54.0%
Instruction (IDR)	60.0%
Off Campus (OR, IDR)	26.0%
Other Sponsored Activities (OSA)	25.1%
Off Campus (OSA)	13.7%
Intergovernmental/Personnel Act Agreement (IPA)	9.0%

Source: UC Santa Cruz Indirect Cost Rate Agreement dated 11/27/2017
<https://officeofresearch.ucsc.edu/osp/files-osp/signed-ucsc17-20-rate-agreement.pdf>

UNIV. OF CALIFORNIA FY2019 RATES



Source: Various UC Campuses Indirect Cost Rate Agreement

2



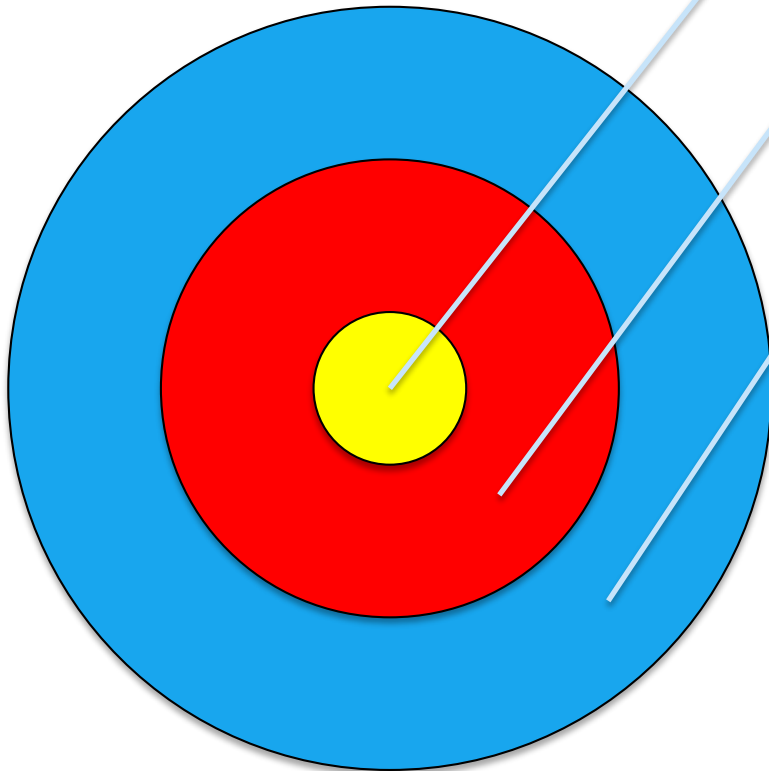
SELECTED SURVEY DEPARTMENTS

SPACE SURVEY DEPARTMENT SELECTION PROCESS FOR

Research-intensive rooms and
departments (2019 approach)

All rooms, research
intensive departments

All rooms, all departments
(2010 approach)



FY2019 SPACE SURVEY

SELECTED SURVEY DEPARTMENTS

Org Code Level 3 Title	Org Code Level	Org Code Level 4 Title	Institutes / Sub-Departments Included for Survey Purpose
ENGINEERING	4053	ELECTRICAL & COMPUTER ENGINEERING	
ENGINEERING	4054	COMPUTER SCIENCE & ENGINEERING	
ENGINEERING	1601	BIOMOLECULAR ENGINEERING DEPT	
ENGINEERING	3572	GENOMICS INSTITUTE	
PHYSICAL & BIOLOGICAL SCIENCES	1718	OCEAN SCIENCES	Institute of Marine Sciences
PHYSICAL & BIOLOGICAL SCIENCES	1530	MOLECULAR & CELL DEVELOPMNT BIOLOGY	
PHYSICAL & BIOLOGICAL SCIENCES	1570	CHEMISTRY AND BIOCHEMISTRY	
PHYSICAL & BIOLOGICAL SCIENCES	1631	EARTH & PLANETARY SCIENCES	Institute for Geophysics & Planet Physics
PHYSICAL & BIOLOGICAL SCIENCES	1751	PHYSICS	Santa Cruz Institute For Particle Physics
PHYSICAL & BIOLOGICAL SCIENCES	1525	ECOLOGY & EVOLUTIONARY BIOLOGY	
PHYSICAL & BIOLOGICAL SCIENCES	1516	ASTRONOMY & ASTROPHYSICS	
PHYSICAL & BIOLOGICAL SCIENCES	1650	MICROBIOLOGY & ENVIRONMENTAL TOX.	
UC OBSERVATORIES	2138	UCO RESEARCH	All UCO Research sub departments (Thirty Meter Telescope, UC Observatories, Center for Adaptive Optics Research, Mt. Hamilton, Theory Research, UCO Projects - External)

3



SPACE SURVEY OVERVIEW

SPACE SURVEY OVERVIEW

TIME FRAME COVERED BY SURVEY

The purpose of space survey activities is to record the function (use) the space.

The space survey covers the fiscal year period:

July 1, 2018 to June 30, 2019

- Give your best estimate for how the space was used during this fiscal year.
- The last space survey was conducted in 2010, which helped UCSC achieve an increase in the F&A rate from 51.5% to 54%.

SPACE SURVEY OVERVIEW

THE IMPORTANCE OF SPACE STATISTICS

- The rate calculation model uses space usage statistics to “allocate” facilities costs and show the percentage of the overall costs which support sponsored research.



- Most research institutions conduct a space survey to maximize indirect cost recovery.

SPACE SURVEY OVERVIEW

WHO COMPLETES THE SURVEY?

Information for the space survey comes from those who are familiar with the functional usage of the space:

- Principal investigators, lab managers, researchers, department chairs
- Building managers
- Research administrators or research accountants
- Department business/fund managers
- Others with knowledge of the use of the space

SPACE SURVEY OVERVIEW

SURVEY ROOM TYPES

The following room types will be part of the space survey:

Use Code	Use Description
210	Research Laboratory or Studio
211	Research Office
225	Research Laboratory or Studio Service
226	Research Office Service
580	Animal Quarters
585	Animal Quarters Service
590	Greenhouse
595	Greenhouse Service

All other rooms will be assigned Space Functions through a different methodology outside of the space survey.

SPACE SURVEY OVERVIEW

SURVEY ROOM TYPES DEFINITIONS

Use Code	Use Description	Examples
210	Research Laboratory or Studio A room used mostly for laboratory experimentation, research, training in research methods, or structured creative activity in a specific program and which requires specific equipment or special performance areas but does not function as an office.	Wet/Dry Lab, BSL, Clean Room, Processing Room, Procedure Room
211	Research Office A room used mostly for laboratory experimentation, research, training in research methods, or structured creative activity in a specific program and which includes office-type accommodation.	Dry Lab, Computer Room, Research Work Stations
225	Research Laboratory or Studio Service A room that directly serves one or more primary research labs or studios, and not featuring a permanent work station area.	Cold Room, Clean Room, Equipment Room, Fume Hood, Dark Room, Storage
226	Research Office Service A room that directly serves one or more primary research offices, and not featuring a permanent work station area.	Computer Server Room, Equipment Room, Storage

SPACE SURVEY OVERVIEW

INFORMATION GATHERED FOR VERIFICATION

Information to Verify	Information Gathered*
<ul style="list-style-type: none">▪ Department (space)▪ Building Number▪ Room Number▪ Room Use Code▪ Assignable Square Footage	<ul style="list-style-type: none">▪ Principal Investigator▪ Projects (certain space functions)▪ Occupants/Employees▪ <u>Space Functions</u>▪ Comments

** All PIs, Projects and Occupants are pre-loaded into the space survey system based on FY2019 general ledger and payroll details. Users can select from drop down menu or search by key word such as name or employee ID.*

4

SPACE FUNCTION DEFINITIONS

SPACE FUNCTION DEFINITIONS

COMMON USE CODES

- Organized (sponsored) Research (OR)
- Instruction and Departmental Research (IDR)
- Other Sponsored Activities (OSA)
- Recharge Activities (RA)
- Other Institutional Activities (OIA)
- Departmental Administration (DA)
- Vacant (VAC)

+**Note** - You may not need to use **all** of the codes listed above. However, the total functional % for each room should equal to 100% (Example: 50% OR 50% RA)

SPACE FUNCTION DEFINITIONS

COMMON USE CODES

Common Uniform Guidance definitions differentiate between “organized research” and “departmental research” based upon the nature of the activity and the funding source.

Organized Research (OR)

- Separately budgeted and accounted for.
- Awarded based on a competitive proposal process.
- Typically funded by third parties, both federal and non-federal.
- Includes Federal clinical trials, research training awards (T, F and K), and cost sharing on sponsored awards.

SPACE FUNCTION DEFINITIONS

COMMON USE CODES

Instruction and Department Research (IDR)

- Non-sponsored research.
- Research which **does not** require a formal application/approval process.
- Includes research funded by gifts, endowments, seed funding, start-up funding, and indirect cost recovery money.
- Teaching and training activities, whether they are offered for credit toward a degree or certificate or on a non-credit basis, either through regular academic departments or separate divisions, such as a summer school.
- Any activity supported by scholarships, fellowships and instruction training grants (sponsored instruction).
- ***This code should also be used for unpaid students or graduate students performing TA-related activities.***

Note - *The government views paid students as partial instruction even though they are paid on sponsored projects. Therefore, all rooms with students should have a percentage of the room's Space Function coded to IDR.*

SPACE FUNCTION DEFINITIONS

COMMON USE CODES

Other Sponsored Activities (OSA)	<ul style="list-style-type: none">▪ Sponsored by third parties.▪ Both federal and non-federal.▪ Involve the performance of work other than research and instruction.▪ Includes public service activity, community outreach programs, health service programs, seminars, symposiums, and conferences, etc. funded by third parties.▪ Includes sponsored activities supported by cost sharing.▪ Non-Federal Clinical Trials.
Recharge Activities (RA)	<ul style="list-style-type: none">▪ Typically used to classify self-supporting recharge activities and core facilities that provide services or use of a specialized piece of equipment to internal and external clients using approved recharge rates. Examples include DNA Sequencing Core, Mass Spectrometry Core, etc.▪ Functionalize these rooms as 100% RA, and eventually these will updates using the billing detail for FY19 once that information is available.

SPACE FUNCTION DEFINITIONS

COMMON USE CODES

Other Institutional Activities (OIA)	<ul style="list-style-type: none"> ▪ Auxiliary activities (e.g. housing, athletics, bookstore, alumni services, etc.) or Patient Care activities. ▪ Includes space used by outside parties or agencies, visiting faculty or scientists not paid by the University and emeritus professors and anyone who is not funded by UCSC. ▪ Includes any arrangement where space is being rented or leased by entity other than UCSC. ▪ Also includes activities that do not correspond to any of the other listed definitions.
Departmental Administration (DA)	<ul style="list-style-type: none"> ▪ Used for academic administrative activities that benefit common or joint departmental objectives. ▪ For example: Activity taking place in offices of deans, chairpersons, center directors, division heads, and business officers.
Vacant (VAC)	<ul style="list-style-type: none"> ▪ Assignable to a department, but was never in use during the fiscal year. ▪ 12 month rule – If a space will be vacant for less than 12 months then code the space as it was used. ▪ If a space was unusable or being renovated during the year, please make a note in the “Comment” section.

5



TIMELINE AND PLANNING

FY2019 SPACE SURVEY

TIMELINE AND PLANNING

PROJECT TASKS	2019				
	AUG	SEP	OCT	NOV	DEC
Space Survey					
<i>Preparation and Department Determination</i>					
<i>Meet with Survey Department Leaderships</i>					
<i>Space Survey Training</i>					
<i>Space Survey Meeting with Departments</i>					
<i>Review and Finalize Results</i>					

Main Goals:

- Conduct training sessions and begin survey process in October
- Conduct and conclude survey review meetings by end of November

6



NEXT STEPS

FY2019 SPACE SURVEY

NEXT STEPS

1. Assistant Deans and building managers review department's space inventory information for inclusion in survey picklists
 - Room assignments
 - Room Type
 - PI space assignments
 - Identify Space Interviewee
2. Overview/training is given at academic department meetings to faculty
3. Principal investigators or delegee (with adequate knowledge of the use of the space) sign up for individual space interview sessions
4. Principal investigators or delegees review and provide information about use of space at space interview sessions held in late October through mid-November

QUESTIONS?

CONTACT INFORMATION

- **Kimberly Register**

- Director, Budget and Resource Management
- ksregist@ucsc.edu

- **Troy E Lawson**

- Financial Analyst, Planning and Budget
- telawson@ucsc.edu

- **Eric Wang**

- Manager, Huron Consulting Group
- ewang@huronconsultinggroup.com

- **Amy Tsang**

- Associate, Huron Consulting Group
- atsang@huronconsultinggroup.com

F&A RATE OVERVIEW

APPLICABLE POLICIES & RESOURCES

- 2 CFR Part 200: Uniform Guidance
 - [Appendix III: F&A Cost Identification & Assignment, and Rate Determination for Institutions of Higher Education](#)
 - [200.419: Cost Accounting Standards \(CAS\) & Disclosure Statements \(DS-2\)](#)
- Council On Governmental Relations (COGR)
 - [F&A and the Cost of Research](#)
 - [Excellence in Research \(April 2019\)](#)
- University of California Office of the President
 - [Indirect Cost Recovery Guidelines](#)
- UC Santa Cruz Resources
 - [Indirect Cost \(IDC\) Policy](#)
 - [Indirect Rate Tables](#)