

Policy Name: Facilities and Administrative Costs Recovery and Distribution

Policy Number: F/UNTHSC/RES/OGCM-020

Scope: All Researchers

Created/Revised: Created 6/13/02, Revised 12/2007

Effective: 12/1/07

I. Purpose

To provide guidance concerning allocation of recovered facilities and administrative (F&A) costs, the capture and distribution of F&A costs and application of F&A rates.

II. Policy

The University of North Texas Health Science Center at Fort Worth applies the currently negotiated Federal Facilities and Administrative (F&A) rates to all federal, state and private funded grants, contracts and other agreements. In the event a sponsor limits or prohibits the full federal F&A recovery; the institution will recover the full amount allowable. Waivers for recovery of full F&A must be approved by the respective Dean or unit head; and by both the Senior Vice President for Finance and Administration and the Executive Vice President of Academic Affairs and Research or designee.

All funds intended for research infrastructure support will be placed in two applicable accounts; 1) "Local F&A Recovery Account", 2) "State F&A Recovery Account". Both of these accounts will be managed by the Executive Vice President of Academic Affairs and Research/Office of Research (OR) and overseen by the Senior Vice President for Finance and Administration. The source of funds placed in these two accounts will include:

"Local F&A Recovery Account"

- F&A currently recovered monthly based on expenditures in grant accounts
- F&A captured from clinical trials

"State FA& Recovery Account"

- Research Enhancement line-item in the state budget
- Indirect Cost Recovery line-item in the state budget

Both the local and state F&A recovery accounts will be in addition to the current funding of a portion of all research as a part of the mission of the institution. (I.e. current support of OR & OGCM). This process will ensure that all research related funds are used to support their intended purpose and will make for a cleaner accounting and audit trail for institution support of research related activities. In addition, this process will allow for information regarding the institutions full research costs to be gathered in a timely and accurate manner for use in future F&A rate calculations as well as internal and external audits.

F&A recovered monthly on grant accounts will be credited to the "Local F&A Recovery Account" on a monthly basis. F&A gathered from clinical trials will be credited to the "Local F&A Recovery Account" at the time of award. Research Enhancement and Indirect Costs Recovery funds will be credited to the "State F&A Recovery Account" annually. All institutional research related infrastructure expenditures would be proportionately charged to both the "Local F&A Recovery Account" and the "State F&A Recovery Account" on a monthly basis. These costs would include support for items such as facilities management, ITS, waste management, purchasing, travel, Office of Research, etc.

Funds to be returned to the appropriate Dean, Chair and Principal Investigator would be distributed from the "Local F&A Recovery Account", on a semi-annual basis. Funds being returned to these individuals will only be distributed based on the following criteria:

- Active grant accounts, which recover UNTHSC "full federal" on-campus/off-campus rate

The rate of return will be as follows:

- 92% to the Institution
- 4% to the Dean or Unit Head
- 4% to the Chair or Department Head

Principal Investigators would participate based on the following criteria:

- Active grant accounts, which recover UNTHSC “full federal” on-campus/off-campus rate
- Active grant accounts which carry the appropriate level of principal investigator salary (*30% of salary from grant sources).

The rate of return will be as follows:

- 84% to the Institution
- 4% to the Dean or Unit Head
- 4% to the Chair or Department Head
- 8% to the Principal Investigator**

All remaining funds in the “Local F&A Recovery Account” will be used to support additional research related activities, on a quarterly basis, as determined by an oversight team comprised of the following members:

- Deans
- Executive Vice President for Academic Affairs and Research
- Senior Vice President for Finance and Administration

*Policy: Faculty Salary/Incentive Pay Plan

Effective: January 1, 2003

**For collaborative investigations, the F&A cost sharing must be prespecified by the collaborators at the time of submission.