

Materials linked from the October 28, 2016 Research Council agenda.



F&A Rates at OSU

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Research expenditures determine F&A

- Facilities and Administrative costs. AKA “overhead”, “indirect cost recovery”, “IDC”
 - Separate from “Returned overhead”, which is what goes back to a unit.
- F&A costs = expenditures on research not attributable to a particular project
- *Our expenditures on research determine F&A rate:*

$$\text{F\&A Rate} = \frac{\text{Total F\&A Costs}}{\text{Modified Total Direct Costs}}$$

F&A details

- Total F&A Costs = Total amount of the nine specific F&A cost pools assigned to organized, sponsored research
 - 4 Administrative pools (capped at 26%)
 - 5 Facilities pools
- Modified Total Direct Costs =
(Direct Salaries and Wages) **plus** *(All Other Direct Costs)*
minus *(Equipment, renovations, off-campus bldg rental, tuition, contracts > \$25k)*

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- Facilities pools

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

- Administrative pools

- General Administration and General Expenses
- Departmental Administration
- Sponsored Projects Administration
- Graduate Student Administration and Services*

OSU's F&A by the numbers

- OSU F&A rate = 47%
- FY16 F&A was \$39.8M
- total expenditures of \$217M
- MTDC = \$141.6M
- Note effective F&A rate = 28%, *not* 47%
- Foregone F&A (OSU research subsidy) \approx \$25M

OSU's F&A Rate

- F&A rate is set every 4 years, extendable to 5 or more
- Data for F&A rate come from the year before the F&A rate is set (“base year”)
- *Again, our expenditures on research determine the F&A rate*

Components of F&A @ OSU

F&A Rate Components



July 1,2016 onwards	Fract Rate	Total Rate
Building	3.0%	6.4%
Equipment	1.8%	3.8%
Interest	1.7%	3.6%
Operations and Maintenance	11.8%	25.1%
Library	2.7%	5.7%
General Admin	12.3%	26.2%
Departmental Admin	9.9%	21.1%
Sponsored Project Admin	3.8%	8.1%
Student Services	0.0%	0.0%
Total	47.0%	100.0%

Where the F&A gets spent @ OSU

FY16 mapping of F&A reimbursement categories to OSU Budget lines



F&A Reimbursement Category	% of Total F&A	OSU Budget Category:	OSU Actual Initial FY16 Budget Line	% of Budget
Building allowance (3.0%)	6.4%	BUC	600,000	1.6%
		Facilities	900,000	2.4%
Equipment Allowance (1.8%)	3.8%	RERF Equipment	2,300,000	6.1%
Interest (1.7%)	3.6%	Finance&Admin, Disallowance, other	400,000	1.1%
O&M (11.8%)	25.1%	Facilities	3,825,000	10.2%
		Energy Ops	3,825,000	10.2%
		Information Svcs	1,750,000	4.7%
General Admin (12.3%)	26.2%	General Admin (Former OUS Function	1,427,000	3.8%
		Gen Admin Provost	637,000	1.7%
		F&A operations	924,000	2.5%
		Research Admin	637,000	1.7%
Sponsored Project Admin (3.8%)	8.1%	Research General Admin	700,000	1.9%
		Research (OPAA)	1,190,000	3.2%
Departmental Admin (9.9%)	21.1%	ROH to Colleges	9,398,420	25.1%
		Centers/Institutes ROH	470,000	1.3%
		Centers/Institutes Other Funding	3,556,905	9.5%
Library (2.7%)	5.7%	Library	2,060,000	5.5%
Total (47.0%)	100.0%	FY15 TOTAL:	34,600,325	92.3%
		Reserve to settle up colleges to actuals and RERF h	2,899,675	7.7%
			37,500,000	100.0%

The BUC and disallowance are actually budgeted as a reduction to revenue



OSU's F&A rate is very low

On-Campus F&A of 155 US Major Research Universities
 (2015 data)

