



**UCCS CAMPUS POLICY**

**Policy Title:** Distribution of Facilities and Administrative (F&A) Recovery from Externally Sponsored Programs

**Policy Number:** 900-003

**Policy Functional Area:** Sponsored Programs and Research

**Effective:** August 2, 2022

**Approved by:** Venkat Reddy, Chancellor

**Responsible Vice Chancellor:** Executive Vice Chancellor of Academic Affairs (EVCAA)

**Office of Primary Responsibility:** Research

**Policy Primary Contact:** AVC Research, (719)255-3963

**Supersedes:** June 6, 2019

**Last Reviewed/Updated:** June 29, 2022

**Applies to:** Faculty, Staff, Administration

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**Reason for Policy:** The intention of this policy is to set forth the distribution formula for Facilities and Administrative (F&A) Recoveries (sometimes referred to as indirect cost recoveries, ICR), and to reiterate the guidelines for the use of these funds.

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## I. INTRODUCTION

The *Facilities and Administrative (F&A)* rate is the mechanism used to reimburse the University for the infrastructure support costs associated with sponsored research and other sponsored projects. The *F&A* rate is essentially an overhead rate. It is calculated as a percentage of overhead associated with, and allocable to, sponsored research and other activities. *F&A* cost recovery is a reimbursement to the University for past expenditures.

## II. POLICY STATEMENT

### 1. Purpose

The primary purpose of *F&A* recoveries is to invest in the development and maintenance of an infrastructure for research and sponsored programs including, but not limited to:

- a. Operational costs in the Office of Research and the Office of Sponsored Programs and Research Integrity.
- b. Adequate personnel in support of sponsored research and other sponsored projects, including financial, administrative, technical, security, maintenance, and janitorial staff.
- c. Library and research facilities.
- d. Utilities - ventilation, heat, air conditioning, water, and lighting.
- e. Secure data storage, telecommunications, and high-speed internet.
- f. Costs of regulatory compliance, such as human subject review boards and export controls.
- g. Technology transfer and patent costs.
- h. Funding required for cost sharing associated with participation in some federal programs.
- i. Funding to support faculty and student engagement in research, and otherwise support the University research mission.
- j. Resources for performing sponsored activities and attracting sponsored awards.

### 2. Principles

- a. *F&A* recovery funds are not restricted funds and, therefore, are allocated at the discretion of the campus to support research activities.
- b. All funds must be expended in conformance with state and federal law, the laws and policies of the Board of Regents, and University administrative policies.
- c. Unless there are special circumstances, receiving *F&A* recovery funds should not justify a reduction or elimination of other resources normally allocated to the unit.

### 3. Standard *F&A* Recovery Funds Distribution

- a. 100% of the total *F&A* recovered will be distributed to the college, school, center, or institute that attracted the sponsored award and performed the work.
  1. A grant submission which crosses school, college, center, or institute boundaries requires a pre-negotiated distribution.

2. Each school, college, center, and institute is responsible for having a written statement outlining its internal percent distribution of its 100%. This statement must be on file in the Office of Sponsored Programs and Research Integrity. The statement will be consistent with the infrastructure objectives noted in the introduction. In the absence of a written statement, the *F&A* recovered will be distributed to the EVCAA's organization.

#### **4. Exceptions**

Exceptions to the standard distribution of *F&A* recovery may occur in the following situations:

- a. To be consistent with the approved charter of a center or institute.
- b. If the campus is not in a sound fiscal position, the funds must first be available to provide a balanced campus performance in a given fiscal year.
- c. When agreements have been negotiated and approved in writing by all affected parties, prior to the submission of a proposal for external funding.
- d. When a reduction in the *F&A* rate was approved and the *F&A* distribution to the generating unit was reduced (see UCCS [policy 900-002](#)).

#### **5. Reporting**

Recipients of *F&A* funds may be asked to provide a report to the AVC-R on the actual and planned use of funds.

### **III. KEY WORDS AND DEFINITIONS**

- a. *F&A (Facilities and Administrative)*
- b. *Direct Costs (MTDC)*

### **IV. RELATED POLICIES, PROCEDURES, FORMS, GUIDELINES, AND OTHER RESOURCES**

Administrative Policy Statements (APS) and Other Policies

- a. APS 1012 Sponsored Research Projects, November 2013  
<http://www.cu.edu/ope/aps/1012>
- b. APS 1005 Sponsored Project Revenues <http://www.cu.edu/ope/aps/1005>
- c. APS 1007 Misconduct in Research, Scholarship, and Creative Activities  
<http://www.cu.edu/ope/aps/1007>
- d. APS 1013 Intellectual Property Policy on Discoveries and Patents for their Protection and Commercialization <http://www.cu.edu/ope/aps/1013>

- e. APS 1023 Restricted, Proprietary and Classified Research  
<http://www.cu.edu/ope/aps/1023>
- f. APS 2006 Retention of University Records: <http://www.cu.edu/ope/aps/2006>
- g. APS 4014 Fiscal Roles and Responsibilities <http://www.cu.edu/ope/aps/4014>
- h. UCCS 900-002 Facilities and Administrative Rate Reduction and Waiver  
<https://www.uccs.edu/rmd/sites/rmd/files/inline-files/900-002.pdf>
- i. UCCS 900-006 Principal Investigator Eligibility on Sponsored Programs  
<https://www.uccs.edu/vcaf/sites/vcaf/files/inline-files/900-006.pdf>
- j. UCCS 900-001 Roles and Responsibilities for Sponsored Programs Administration  
[https://www.uccs.edu/vcaf/sites/vcaf/files/inline-files/2017\\_JUN\\_27\\_%20900-001-Roles-and-Responsibilities-for-Sponsored-Programs-A..\\_.pdf](https://www.uccs.edu/vcaf/sites/vcaf/files/inline-files/2017_JUN_27_%20900-001-Roles-and-Responsibilities-for-Sponsored-Programs-A.._.pdf)

Other Resources (i.e. training, secondary contact information)

- a. Proposal routing form can be found at <https://osp.uccs.edu/resources/forms>

Frequently Asked Questions (FAQs)

Q: What is the *F&A Rate*? How is it calculated?

A: <https://rmd.uccs.edu/uccs-controllers-office/sponsored-projects-accounting/fanda-rate>

Q: What is the difference between the F&A and Indirect Cost and Overhead and Administrative Costs?

A: None. The federal government uses the term “F&A”. The terms “indirect cost” and “F&A” and “overhead” and “administrative costs” are often used interchangeably.

Q: What is the difference between “Facilities and Administrative Cost Return” and “Facilities and Administrative Cost Recovery”?

A: None. These terms are often used interchangeably.

Q: How do I request an F&A waiver or rate reduction?

A: Follow UCCS policy 900-002 Facilities and Administrative Rate Reduction and Waivers  
<https://vcaf.uccs.edu/policies/uccs/policies>

Q: Where can I learn more about Direct and Indirect Costs at UCCS?

A: <https://rmd.uccs.edu/uccs-controllers-office/sponsored-projects-accounting/fanda-rate>

## V. HISTORY

- a. Initial policy approval February 21, 2005
- b. Revised April 6, 2006
- c. Revised June 6, 2019