



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

FACR (Facilities and Administrative Cost Recoveries)

Source and Use

University Controller's Office

What is FACR?

FACR (facilities and administrative cost recoveries) is the revenue generated from the indirect cost charged to sponsored programs (grants, contracts and other sponsored agreements).

VCU earns roughly 38 million in FACR revenue each year. FACR revenue directly supports internal research and research-related activities at the University.



What is indirect cost?

Indirect Cost is an overhead rate that is applied to the direct costs associated with the administration of a grant, contract or sponsored agreement to recover a portion of the facilities and administrative costs associated with conducting and managing sponsored projects.



What is indirect cost?

- “Facilities” is defined as depreciation on buildings, equipment and capital improvements, interest on debt associated with certain buildings, libraries, and the cost of operating and maintaining facilities.
- “Administration” is defined as general administration of the university. This includes executive management, sponsored programs administration, departmental administration, and central administrative units. These costs are capped at 26%.

Who decides the indirect cost rate?

Approximately every four years, VCU negotiates with DHHS (Federal Department of Health and Human Services) to determine the FACR rate to use for the next four year period for most awards from federal agencies.

Current and prior year DHHS rate agreements can be found on our website at:

controller.vcu.edu/cost/DHHSrates.htm

How is the rate calculated?

- VCU uses the Comprehensive Rate Information System (CRIS) software developed by Maximus to calculate our rates.
- Starting point is the annual audited financial statements
- The first step is to remove any exclusions and unallowable expenses
- Develop cost pools based on system attributes
- Results of Space Study are used to allocate the majority of the cost pools

How is the rate calculated?

- Building depreciation – allocated based on space survey
- Equipment depreciation allocated based space for room equipment is located in
- Interest – allocated based on building space from survey
- Library – special study is done by consultant
- O&M – develop cost pools for utilities, physical plant charges, rent, EHS, insurance, renovations, department paid O&M, and FMD central costs

How is the rate calculated?

- Detailed proposal is submitted to the federal government.
- After their initial review, they will send a list of questions and identify several departments where they want more detail on the costs.
- Usually, they schedule an on-site visit for some, or all, of the departments identified. They walk the space and meet with PIs.
- Results of that visit help inform the negotiation process.

What are the rate components?

Building depreciation	4.3
Equipment depreciation	3.5
Interest expense	1.6
O&M	13.0
Library	2.8
Administrative component	26.0
Utility cost adjustment	<u>1.3</u>
Total	52.5

How is the rate applied?

As specified in the State Appropriations Act, VCU is required to apply the full federally negotiated rate to ALL grants, contracts and other agreements proposed and/or accepted unless an exemption has been granted.



Exemptions can be found on the Office of Sponsored Programs website,

research.vcu.edu/osp/costrecoveryguidelines.htm

What is the current rate?

The specific rate applied to a sponsored program depends on the type of activity (organized research, instruction or other) and whether it is conducted on or off-campus.

Current rates for FY17 range between 26 to 52.5 percent. You can find the current rates/categories on our website, controller.vcu.edu/cost/farates.htm

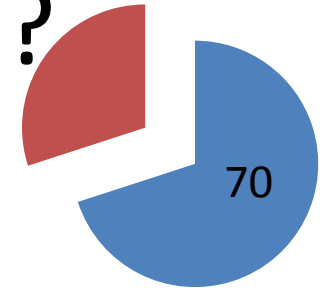
OSP (Office of Sponsored Programs) explains the categories here, research.vcu.edu/osp/whattrate.htm

How is FACR revenue distributed?

The State Appropriations Act stipulates that **30%** of the funds recovered from sponsored activity be transferred to the Educational and General revenues of the institution and the remaining **70%** be used by the institution to foster, conduct and enhance research and research-related activities or to pay the principal and interest on bonds issued by or for the institution (debt service).



How is FACR distributed?



70% allocation is divided among specific areas:

Academic VPs and Schools generating the income (23%)

20.7% School

2.3% VPR

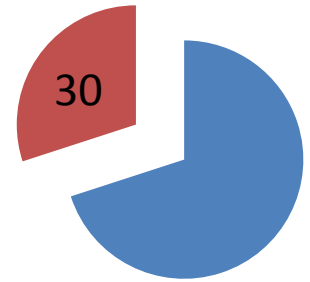
New faculty hires who are the principal investigators get an additional 30% on new awards

Central Operations (47%)

Principally used to fund debt service payments, graduate scholarships, and research operations

How is FACR distributed?

30% allocation to E&G is used to meet the University's administrative/overhead costs associated with sponsored programs.



For more detailed information on how FACR revenues are utilized at VCU, see the University's Budget Plan: budget.vcu.edu/plans.html

FACR allocations to Academic VPs and Schools

Allocations are based on a set percentage of total indirect costs generated by specific schools and departments. The academic VPs determine the percentage share which determines specific allocations to departments.

The allocations are intended to encourage research by providing incentives for expanding research in areas generating the direct Sponsored Programs activity.

Departmental FACR funds

FACR orgs (indexes) are treated the same as E&G and grant funds. The same State rules apply. State funds may not be used for expenditures such as gifts, alcohol or social memberships.

It is critical to stay within the adjusted budget. Unexpended budget balances may carry over to the next fiscal year, but only at the discretion of the executive level Vice President.



How is FACR recorded in Banner Finance?

FACR revenue is processed in Banner automatically and will post several times a month in the 2 ledger Banner orgs using account 407003.

COA	Fiscal Year	Index	Fund	Organization	Account	Program	Activity	Location	Period	Commit Type
V	14	292568	3030HD	292568	407003	2610				Both

Account	Organization	Program	Activity Date	Type	Document	Field	Amount	Increase	
								Decreases	
407003	292568	2610	05-NOV-2013	GRIR	J0368371	YTD	-0.20	-	
407003	292568	2610	04-NOV-2013	GRIR	G0017802	YTD	61,314.32	+	
407003	292568	2610	31-OCT-2013	GRIR	G0017795	YTD	14,981.64	+	
407003	292568	2610	23-OCT-2013	GRIR	J0366523	YTD	-100.41	-	
407003	292568	2610	17-OCT-2013	GRIR	G0017772	YTD	54,835.08	+	
407003	292568	2610	15-OCT-2013	GRIR	J0365362	YTD	452.90	+	
407003	292568	2610	14-OCT-2013	GRIR	J0365186	YTD	-220.24	-	
407003	292568	2610	30-SEP-2013	GRIR	G0017659	YTD	70,025.50	+	
407003	292568	2610	17-SEP-2013	GRIR	G0017641	YTD	66,762.64	+	
407003	292568	2610	12-SEP-2013	GRIR	J0361156	YTD	0.01	+	
407003	292568	2610	10-SEP-2013	GRIR	J0360701	YTD	-0.04	-	

Indirect cost information in Banner

For specific grant information, go to Banner form **FTMFUND**. Click on the Enter Query icon on the toolbar. Type in the Grant number. Click on the Execute Query icon on the toolbar. Details of grant will display.

Oracle Fusion Middleware Forms Services: Open > FTMFUND

File Edit Options Block Item Record Query Tools Help

Fund Code Maintenance FTMFUND 8.4 (PROD)

Chart of Accounts: [V] (dropdown) Active Status Last Activity Date

Grant: 410039FD (dropdown) DMR 0207560

Proposal: []

Fund: 23279S (dropdown) Title: DMR 0207560 Home

Effective Date: 18-MAY-2009 (calendar) Termination Date: 31-JUL-2009 (calendar) Next Change Date

Expenditure End Date: 01-AUG-2009 (calendar) Data Entry

Fund Type: 28 (dropdown) Sponsored Grant Requires Effort

Predecessor Fund: 31000 (dropdown) National Science Fdn Fund Requires Effort

Financial Manager: FA5540000 (dropdown) William M Bulbrook - Fiscal Admin

Indirect cost information in Banner

Navigate to **FRMFUND** by Options>I/C C/S Code Information on the toolbar.

The screenshot displays the Oracle Fusion Middleware Forms Services interface for the FRMFUND form. The 'Options' menu is open, highlighting 'I/C, C/S Code Information'. The form fields include:

- Header Information:** Project Text, Attribute Information, Budget Information, Pro-Rata Allocation Information, Fixed Asset Information, Document Text, Grant Information, View Hierarchy, Cancel.
- Financial Manager:** FA5540000, William M Bulbrook, Fiscal Admin
- Unbilled AR Account:** 130340, Unbilled AR Federal
- Revenue Account:** 400200, Federal Grants Contracts
- Bank:** GD, General Disbursement
- Cash Receipt Bank Code:** ED, Electronic Deposit
- Capitalization Fund Indicator:** Cap Different or No Cap
- Capitalization Equity Account:** [Empty]
- Capitalization Fund:** [Empty]
- Multiple Fund Balance Indicator:** Fund
- Restriction Indicator:** Temporarily Restricted
- Active Status:** Active Status
- Last Activity Date:** 18-MAY-2009
- Title:** DMR 0207560 Home
- Termination Date:** 31-JUL-2009
- Next Change Date:** [Empty]
- Data Entry:** Data Entry
- Grant Requires Effort Certification:**
- Fund Requires Effort Allocation:**

Defaults: Organization [Empty], Program [Empty], Activity [Empty], Location [Empty]

Indirect cost Information in Banner

Displays the budget period and indirect cost setup for the specific grant.

The screenshot displays the Banner Research Accounting Fund Maintenance (FRMFUND 8.0) interface. The window title is "Research Accounting Fund Maintenance FRMFUND 8.0 (PROD)". The menu bar includes "File", "Edit", "Options", "Block", "Item", "Record", "Query", "Tools", and "Help". The toolbar contains various icons for file operations and navigation.

Chart of Accounts: M (dropdown)
Fund: 23279S (text) DMR 0207560 H (dropdown) **Grant:** 410039FD (text) DMR 0207560 (text)

Effective Date: 21-MAR-2008 (text) **Termination Date:** (empty text) **Next** (text)
Budget Period Start Date: 01-MAY-2002 (text) **Budget Period End Date:** 30-APR-2009 (text)

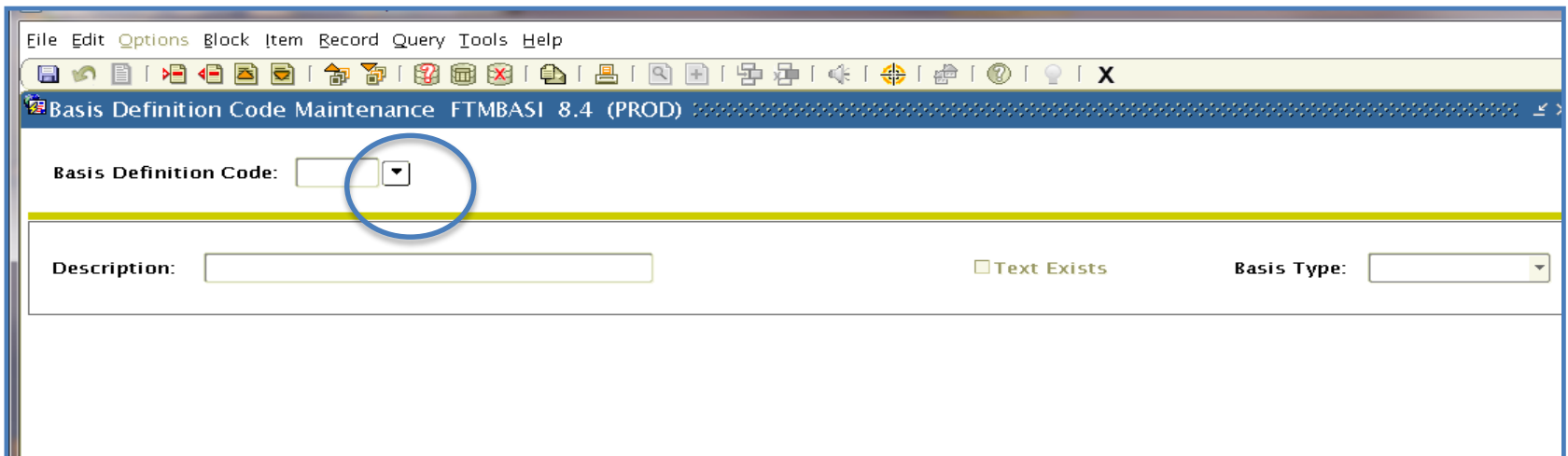
Encumber Multi Year Labor

Cost Codes

Indirect Cost Basis: MTDC (dropdown) Modified Total Direct Costs
Indirect Cost Rate Code: 50.0 (dropdown) On-Campus Organized Research
Indirect Cost Charge Account Code: FACHRG (dropdown) Facilities & Admin Charge Code
Indirect Cost Distribute To Code: ENGINE (dropdown) Sch of Engineering FACR Rev Distrib
Cost Share Basis: (empty dropdown)
Cost Share Rate Code: (empty dropdown)
Cost Share Credit Account Code: (empty dropdown)
Cost Share Distribute From Code: (empty dropdown)

Indirect cost information in Banner

FTMBASI-explains which accounts are used to determine the indirect cost basis for modified total direct costs (MTDC). Use the search arrow at the beginning of form to view the list of codes and effective dates.

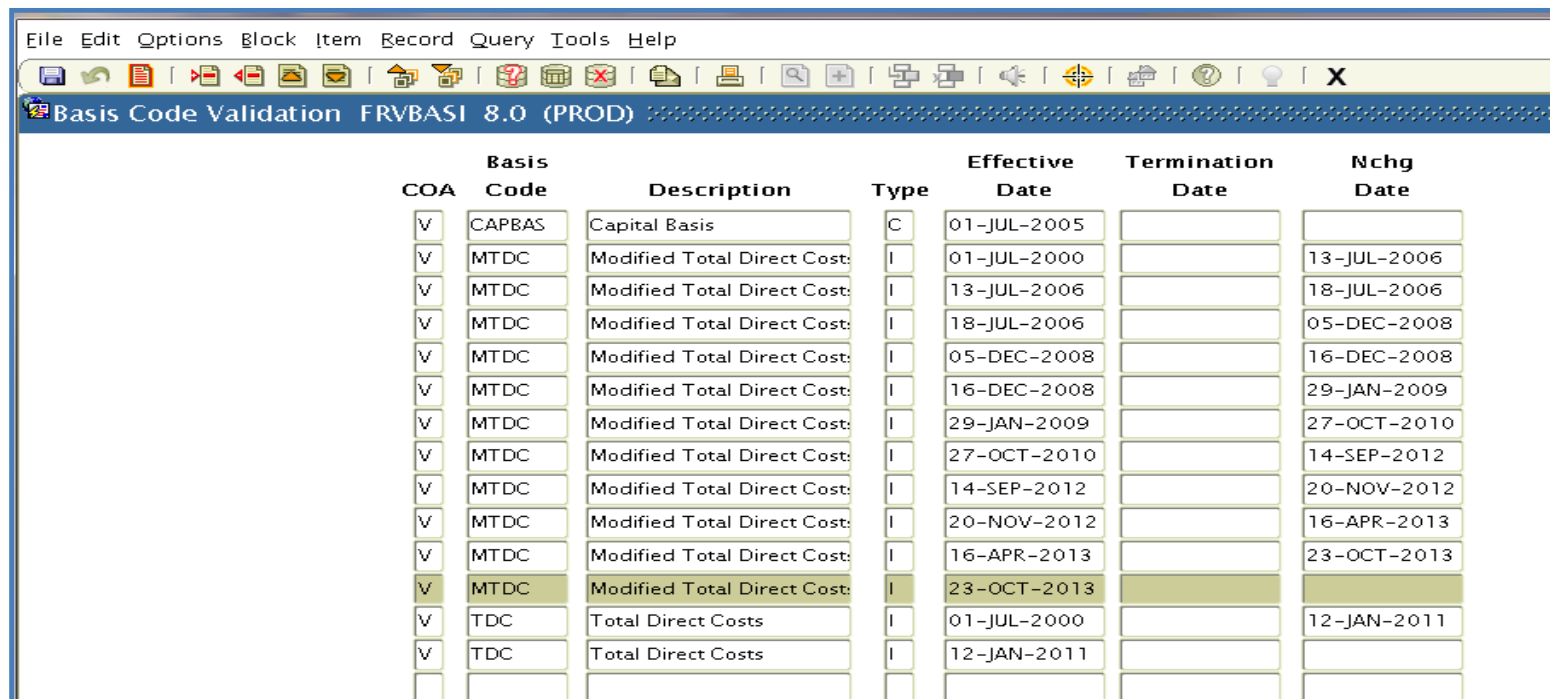


The screenshot shows the Banner FTMBASI 8.4 (PROD) Basis Definition Code Maintenance form. The form includes a menu bar with options like File, Edit, Options, Block, Item, Record, Query, Tools, and Help. Below the menu bar is a toolbar with various icons. The main form area contains the following fields and controls:

- Basis Definition Code:** A dropdown menu with a search arrow icon, which is circled in blue.
- Description:** A text input field.
- Text Exists:** A checkbox.
- Basis Type:** A dropdown menu.

Indirect cost information in Banner

Double click on the basis code you would like to view. Click on the next block icon.



The screenshot shows the Banner Basis Code Validation window. The window title is "Basis Code Validation FRVBASI 8.0 (PROD)". The table below lists various basis codes with their descriptions, types, effective dates, termination dates, and change dates.

COA	Basis Code	Description	Type	Effective Date	Termination Date	Nchg Date
V	CAPBAS	Capital Basis	C	01-JUL-2005		
V	MTDC	Modified Total Direct Cost:	I	01-JUL-2000		13-JUL-2006
V	MTDC	Modified Total Direct Cost:	I	13-JUL-2006		18-JUL-2006
V	MTDC	Modified Total Direct Cost:	I	18-JUL-2006		05-DEC-2008
V	MTDC	Modified Total Direct Cost:	I	05-DEC-2008		16-DEC-2008
V	MTDC	Modified Total Direct Cost:	I	16-DEC-2008		29-JAN-2009
V	MTDC	Modified Total Direct Cost:	I	29-JAN-2009		27-OCT-2010
V	MTDC	Modified Total Direct Cost:	I	27-OCT-2010		14-SEP-2012
V	MTDC	Modified Total Direct Cost:	I	14-SEP-2012		20-NOV-2012
V	MTDC	Modified Total Direct Cost:	I	20-NOV-2012		16-APR-2013
V	MTDC	Modified Total Direct Cost:	I	16-APR-2013		23-OCT-2013
V	MTDC	Modified Total Direct Cost:	I	23-OCT-2013		
V	TDC	Total Direct Costs	I	01-JUL-2000		12-JAN-2011
V	TDC	Total Direct Costs	I	12-JAN-2011		

Indirect cost information in Banner

Form displays which accounts are included or excluded from this definition (MTDC).

The screenshot shows the Banner Basis Definition Code Maintenance form for MTDC. The form includes a menu bar (File, Edit, Options, Block, Item, Record, Query, Tools, Help), a toolbar, and a title bar (Basis Definition Code Maintenance FTMBASI 8.4 (PROD)). The main form area contains the following fields and sections:

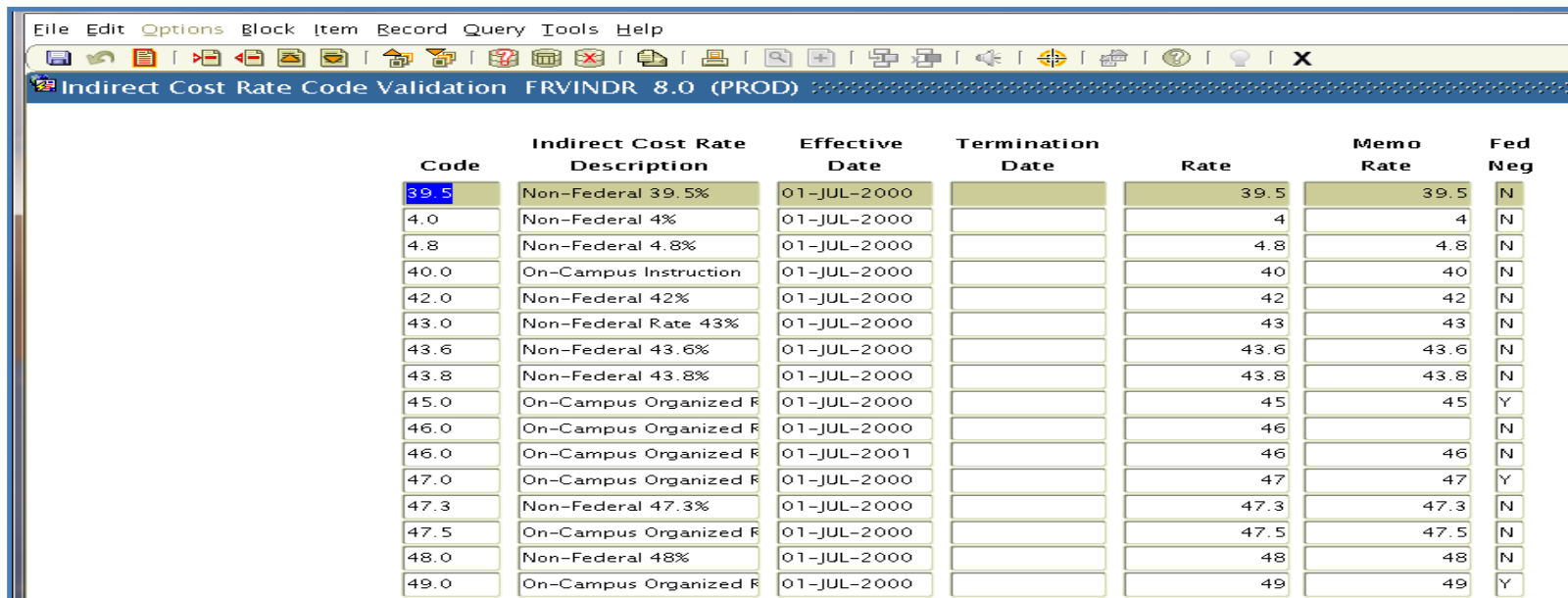
- Basis Definition Code:** MTDC
- Description:** Modified Total Direct Costs
- Text Exists:**
- Basis Type:** Indirect Cost
- Apply To Information:** FTMBASI 8.4 (PROD)
- Chart of Accounts:**
- Effective Date:** 23-OCT-2013
- Termination Date:**
- Next Change Date:**

The main data table is as follows:

Account Type	Account Code From	Account Code To	Location Code From	Location Code To	Exclude	Overrides Rate	Memo	Maximum Amount
<input type="checkbox"/>	600027	600062			<input checked="" type="checkbox"/>			
<input type="checkbox"/>	620048	620048			<input checked="" type="checkbox"/>			
<input type="checkbox"/>	620122	620125			<input checked="" type="checkbox"/>			
<input type="checkbox"/>	636000	636008			<input type="checkbox"/>			25,000.00
<input type="checkbox"/>	636022	636028			<input checked="" type="checkbox"/>			
<input type="checkbox"/>	637047	637058			<input checked="" type="checkbox"/>			
<input type="checkbox"/>	638104	638144			<input checked="" type="checkbox"/>			
<input type="checkbox"/>	638302	638372			<input checked="" type="checkbox"/>			
<input type="checkbox"/>	638383	638386			<input checked="" type="checkbox"/>			
<input type="checkbox"/>	638388	639998			<input checked="" type="checkbox"/>			
<input type="checkbox"/>	700000	709999			<input checked="" type="checkbox"/>			
<input type="checkbox"/>	750000	759999			<input checked="" type="checkbox"/>			

Indirect cost information in Banner

FTMINDR-information on indirect costs rates, percentages, effective dates and whether rate was federally negotiated. Navigate the same as FTMBASI: search arrow, double click rate, next block icon.



Code	Indirect Cost Rate Description	Effective Date	Termination Date	Rate	Memo Rate	Fed Neg
39.5	Non-Federal 39.5%	01-JUL-2000		39.5	39.5	N
4.0	Non-Federal 4%	01-JUL-2000		4	4	N
4.8	Non-Federal 4.8%	01-JUL-2000		4.8	4.8	N
40.0	On-Campus Instruction	01-JUL-2000		40	40	N
42.0	Non-Federal 42%	01-JUL-2000		42	42	N
43.0	Non-Federal Rate 43%	01-JUL-2000		43	43	N
43.6	Non-Federal 43.6%	01-JUL-2000		43.6	43.6	N
43.8	Non-Federal 43.8%	01-JUL-2000		43.8	43.8	N
45.0	On-Campus Organized R	01-JUL-2000		45	45	Y
46.0	On-Campus Organized R	01-JUL-2000		46		N
46.0	On-Campus Organized R	01-JUL-2001		46	46	N
47.0	On-Campus Organized R	01-JUL-2000		47	47	Y
47.3	Non-Federal 47.3%	01-JUL-2000		47.3	47.3	N
47.5	On-Campus Organized R	01-JUL-2000		47.5	47.5	N
48.0	Non-Federal 48%	01-JUL-2000		48	48	N
49.0	On-Campus Organized R	01-JUL-2000		49	49	Y

Indirect cost information in Banner

FTMINDA-list of Banner accounts used to charge indirect cost to orgs (indexes). Search arrow>double click on code>next block icon.

The screenshot shows the Banner Indirect Cost Charge Code Maintenance interface. The main window title is "Indirect Cost Charge Code Maintenance FTMINDA 8.4 (PROD)". The "Indirect Cost Charge Code" is set to "FACHRG". The "Description" is "Facilities & Admin Charge Code". Below this, there is a "Charge Accounts Information" section with a "Chart of Accounts" dropdown set to "M", an "Effective Date" of "01-JUL-2000", and empty fields for "Termination Date" and "Next Change".

Charge Account	Account Title	Percent
639997	Fac Admin Cost Grant	100

Indirect cost information in Banner

FTMINDD-provides information on Banner orgs used for indirect cost revenue distribution. Search arrow>double click on code/date>next block icon.

Indirect Cost Distribution Code: AHVCOA

Description: VA Center on Aging FACR Rev Distrib Text: N

Chart of Accounts: M Effective Date: 22-SEP-2011 Termination Date: Next Change:

Distribute Results To	Organization	Account	Program	Activity	Location	Percent
209000	209000	407003	2610			47.0000
209001	209001	407003	2610			30.0000
291806	291806	407003	5000			1.6000
291810	291810	407003	2610			12.8000
292100	292100	407003	2610			3.2000
292150	292150	407003	2610			2.0000
292700	292700	407003	2610			.8000
292750	292750	407003	2610			.1000
292802	292802	407003	2610			.2000
293151	293151	407003	2610			2.3000

Total Percent: 100.0000

Departmental FACR/Indirect Cost Information

3 reports on VCU Reporting Center deal with Indirect Cost and/or FACR revenue.



Grant Unallowable Transactions Review	Stored process
Grants and Principal Investigators	Stored process
Grants Budget and PTD Actual	Stored process
Indirect Cost Expense Report	Stored process
Indirect Cost for New Grants	Stored process
Indirect Cost Revenue Report	Stored process
Invalid Transactions	Stored process
Monthly Purchase Order and Invoice Activity Detail	Stored process
Non Grant Organization Deficit Report	Stored process
Open Encumbrances	Stored process
Permanent Budget Transactions	Stored process
Personnel and Operating Expenditures Analysis	Stored process
Purchase Card Monitoring Report	Stored process

Indirect Cost Expense Report

Provides information on the automatic entries for indirect cost. Includes the associated grants and expenditures used for the calculation as well as the orgs used to record FACR revenues. The report can be run by department or sub-department.

	Grant	Fund	Org	Acct	Prog	Posting DOC	Amount
5100230ST		3030HD	209000	407003	2610	G0013959	52.39
5100230ST		3030HD	209001	407003	2610	G0013959	33.45
5100230ST		3030HD	291806	407003	5000	G0013959	1.78
5100230ST		3030HD	292265	407003	2610	G0013959	2.45
5100230ST		3030HD	292412	407003	2610	G0013959	15.38
5100230ST		3030HD	292700	407003	2610	G0013959	0.9
5100230ST		3030HD	292709	407003	2610	G0013959	2.23
5100230ST		3030HD	292750	407003	2610	G0013959	0.1
5100230ST		3030HD	292802	407003	2610	G0013959	0.22
5100230ST		3030HD	293151	407003	2610	G0013959	2.58
5100230ST		3030HD	209000	407003	2610	G0014038	43.28
5100230ST		3030HD	209001	407003	2610	G0014038	27.63
5100230ST		3030HD	291806	407003	5000	G0014038	1.48
5100230ST		3030HD	292265	407003	2610	G0014038	2.03

Indirect Cost for New Grants Report

Identifies indirect cost information associated with new grants. Includes PI and indirect cost rates. Runs by MBU, department or sub-department.

Indirect Cost for New Grants

Grant ID	Grant Title	Fund	Org Code	Org Code Desc	Budget Period Start Date	Budget Period End Date	G&C Accountant	Principal Investigator	IDC Rate	IDC Rate Desc	IDC Basis	IDC Basis Desc	IDC Charge Account Code	IDC Charge Account Code Desc	IDC Distribute to Code	IDC Distribute to Code Desc
5110545SF	Ryan White Part B HIV/AIDS Center &	11545S	511545	DDP-611-RW-PART B-VCU HIV/AIDS	01APR2013:00:00:00	31MAR2014:00:00:00	Shavonda Gravely, Grant Accountnt	Ayala-Sims, Veronica								
5410059FD	5U01DK082923	13420S	513420	5U01DK082923-06	01JUN2013:00:00:00	31MAY2014:00:00:00	Marquita Crowder, Grant Accountnt	Sterling, Richard K.	49.0	On-Campus Organized Research	MTDC	Modified Total Direct Costs	FACHRG	Facilities & Admin Charge Code	MDINMD	Internal Medicine FACR Rev Distrib
5410075FD	2U01DK061731	41656S	541656	5U01DK061731 12 Home	01MAY2013:00:00:00	30APR2014:00:00:00	Crystal J Monroe, Grant Accountnt	Sanyal, Arun J.	49.5	On-Campus Organized Research	MTDC	Modified Total Direct Costs	FACHRG	Facilities & Admin Charge Code	MDINMD	Internal Medicine FACR Rev Distrib
5410075FD	2U01DK061731	41657S	541657	5U01DK061731 12 sub Mt. Sinai Schoo	01MAY2013:00:00:00	30APR2014:00:00:00	Crystal J Monroe, Grant Accountnt	Sanyal, Arun J.	49.5	On-Campus Organized Research	MTDC	Modified Total Direct Costs	FACHRG	Facilities & Admin Charge Code	MDINMD	Internal Medicine FACR Rev Distrib
5410075FD	2U01DK061731	41660S	541660	5U01DK061731 12 Emory University	01MAY2013:00:00:00	30APR2014:00:00:00	Crystal J Monroe, Grant Accountnt	Sanyal, Arun J.	49.5	On-Campus Organized Research	MTDC	Modified Total Direct Costs	FACHRG	Facilities & Admin Charge Code	MDINMD	Internal Medicine FACR Rev Distrib

Indirect Cost for New Grants

It is very important for grant administrators to verify the IDC distribute to code on all new grants. This determines how the revenue is allocated. You can either use this report or the FRMFUND form in Banner. Do not rely on the information on the FRAGRNT form, as this is not the data used in making the entries. Once calculations are processed, no retroactive adjustments will be made to revenue distributions due to coding errors.

Indirect Cost Revenue Report

Report provides the revenue generated through indirect cost by grant ID. Does not include expense detail. Runs by department and sub-department.

Indirect Costs Revenue for 9999 - Banner
Research
From 01Dec2010 to 31Jan2011

Grant	Fund	Org	Acct	Prog	Posting Doc	Amount
5999999ST	2999HD	299999	407003	2610	G0009186	393.05
5999999ST	2999HD	299999	407003	2610	G0009186	250.91
5999999ST	2999HD	299999	407003	5000	G0009186	13.39
5999999ST	2999HD	299999	407003	2610	G0009186	26.77
5999999ST	2999HD	299999	407003	2610	G0009186	107.03
5999999ST	2999HD	299999	407003	2610	G0009186	33.45
5999999ST	2999HD	299999	407003	2610	G0009186	6.68
5999999ST	2999HD	299999	407003	2610	G0009186	1.66
5999999ST	2999HD	299999	407003	2610	G0009186	3.38
5999999ST	2999HD	299999	407003	2610	G0009346	0.42
5999999ST	2999HD	299999	407003	2610	G0009346	0.28
5999999ST	2999HD	299999	407003	5000	G0009346	0.02
5999999ST	2999HD	299999	407003	2610	G0009346	0.03

Questions

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