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 32 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.   
Overhead costs are associated with the   
infrastructure of the institution (buildings,   
maintenance, libraries, etc.)

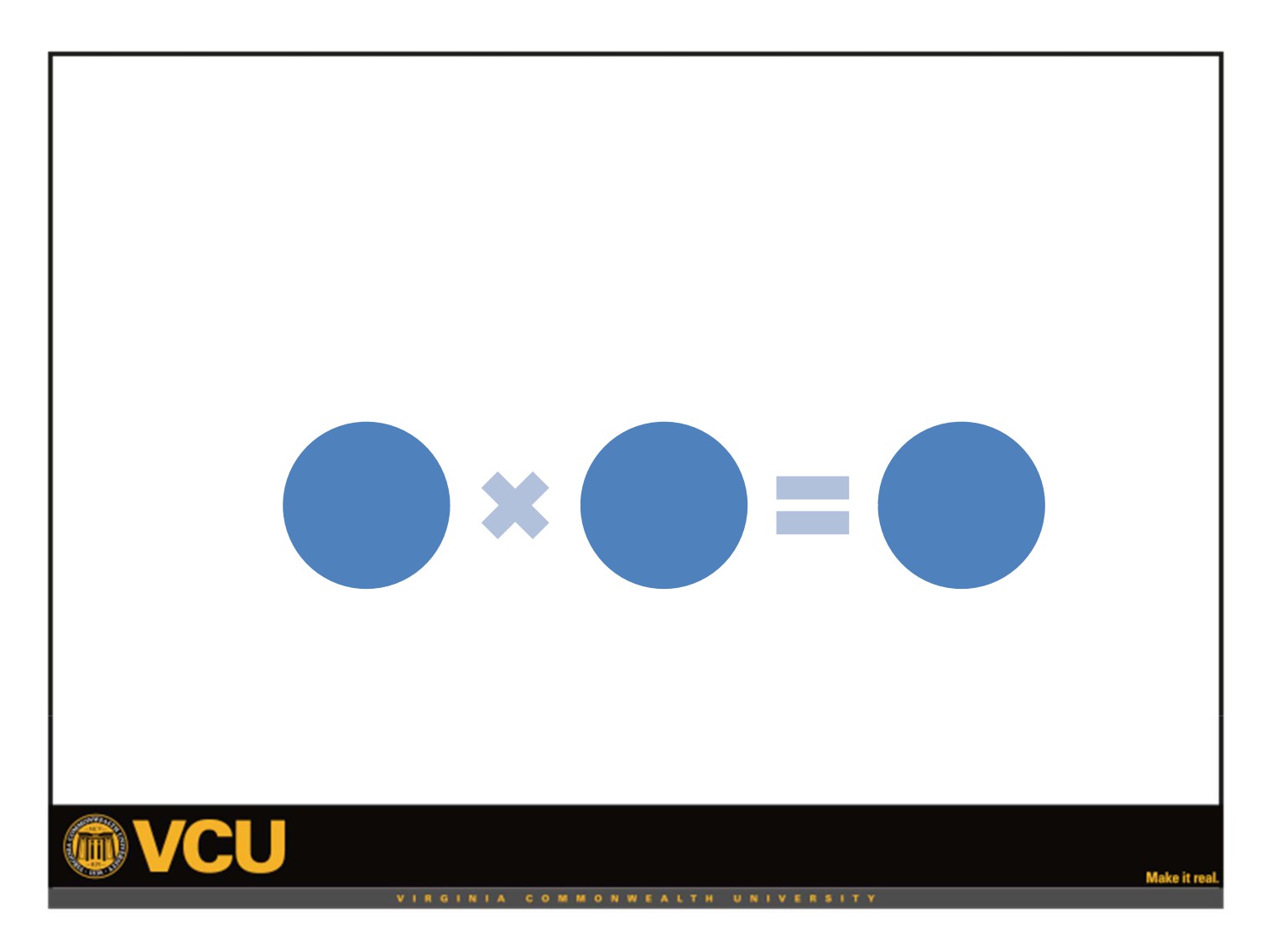
Did you know? VCU is among the top 50 American public research Institutions.

Who decides the indirect cost rate?

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,

controller.vcu.edu/cost/DHHSrates.htm

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.

Sponsored

Program

Direct

Costs

Indirect

Cost Rate

%

FACR

Revenue

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 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/whatrate.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. A portion of   
the remaining 70% is also used for 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   
Research Operation Support (VP Research)   
Research Centers and Institutes

Research Park Support

Debt Service related to research space

Graduate Scholarships and Fellowships   
Special Allocations & Contingency Funds

70

How is FACR distributed?

30% allocation is used to meet the University’s   
administrative/overhead costs associated with   
sponsored programs.

30

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.

What are depreciation reserves?

Part of the allocation to Academic VPs and schools   
includes a component for depreciation reserves.

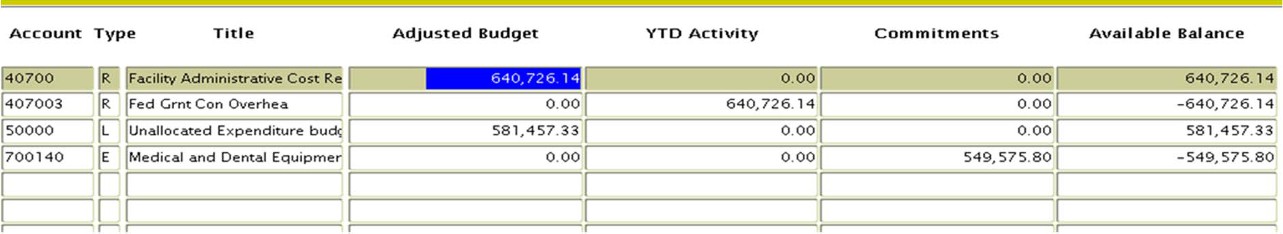
Depreciation reserves are used to make principal

payments of debt incurred to acquire assets that are   
used directly for organized research activities or to   
acquire, repair, renovate or improve buildings or   
equipment directly used for organized research.

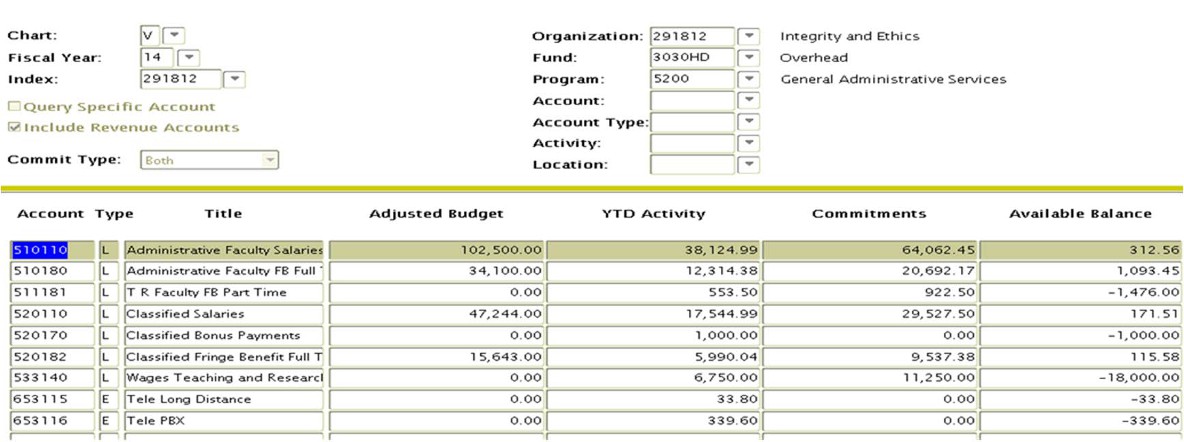
If the building and equipment are not exclusively   
used for organized research, only the appropriate   
portion can be funded with the reserve.

How is FACR recorded in Banner Finance?

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

How is FACR recorded in Banner Finance?

This creates revenue and expenditure budget entries   
as well as year to date actual revenue.

How is FACR recorded in Banner Finance?

Other FACR revenue is budgeted similar to

Educational & General Funds (E&G) with only an   
expenditure budget. These orgs are generally for a   
specific project.

Departmental FACR funds

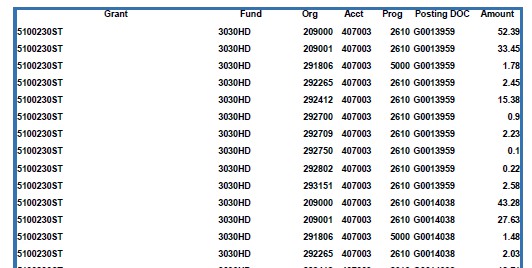
FACR orgs (indexes) are treated the same as E&G   
and grant funds. The same State rules apply. State   
funds may not be used for expenditures such as   
gifts, alcohol or social memberships.

It is critical to stay within the adjusted budget.

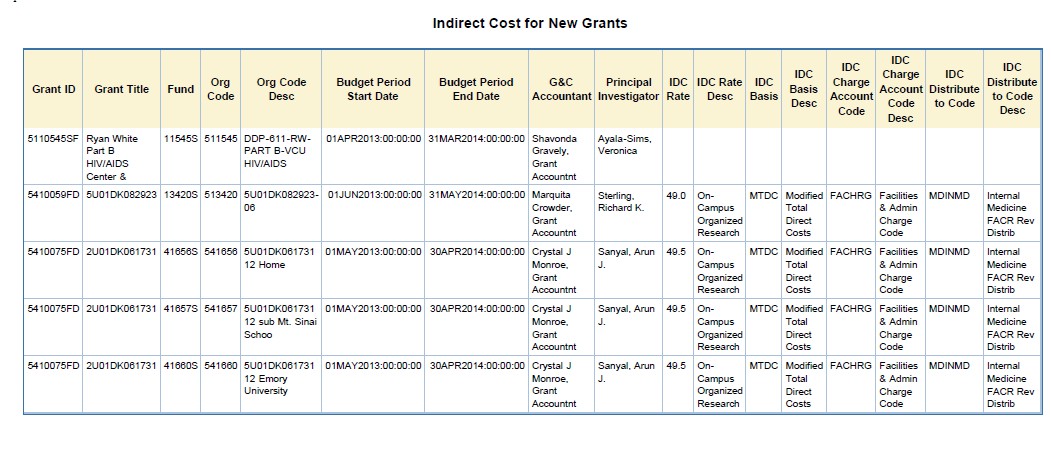
Unexpended budget balances may carry over to the   
next fiscal year, but only at the discretion of the   
executive level Vice President.

Departmental FACR/Indirect Cost   
 Information

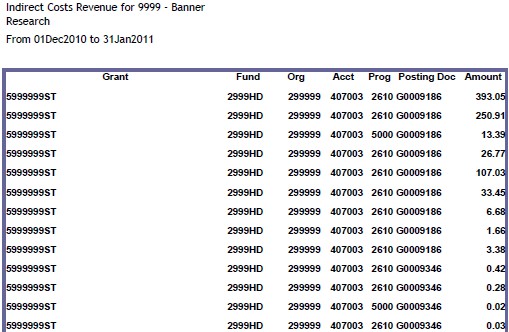
3 reports on VCU Reporting Center deal with   
Indirect Cost and/or FACR revenue.

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 recover FACR   
revenues. Runs by department or sub-department.

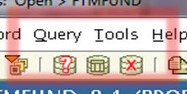
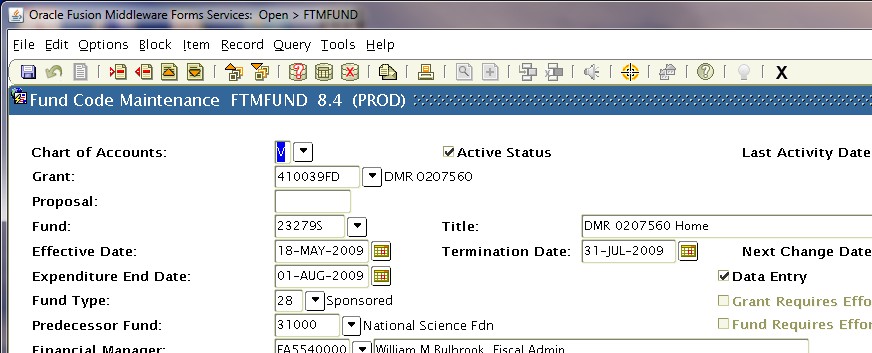
Indirect Cost for New Grants Report

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

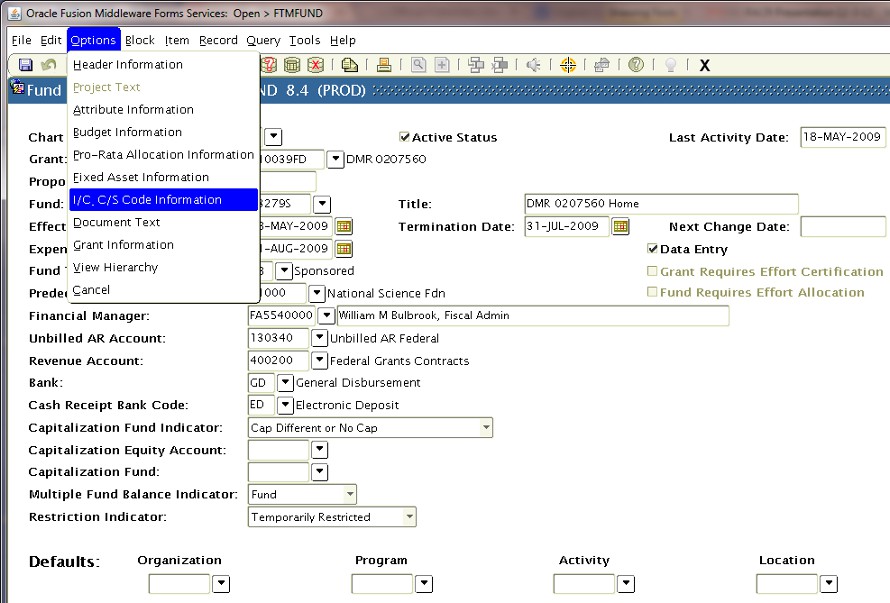
Indirect Cost Revenue Report

Report provides the revenue generated through

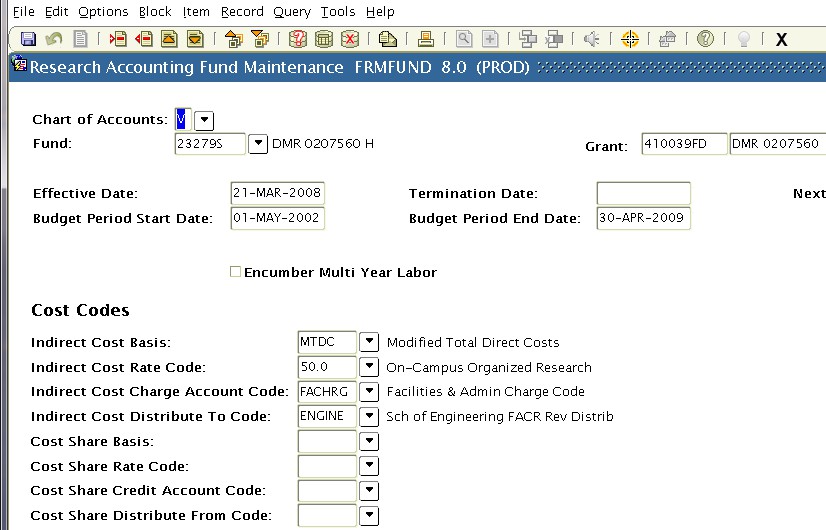
indirect cost by grant ID. Does not include expense   
detail. Runs by department and sub-department.

Indirect cost information in Banner

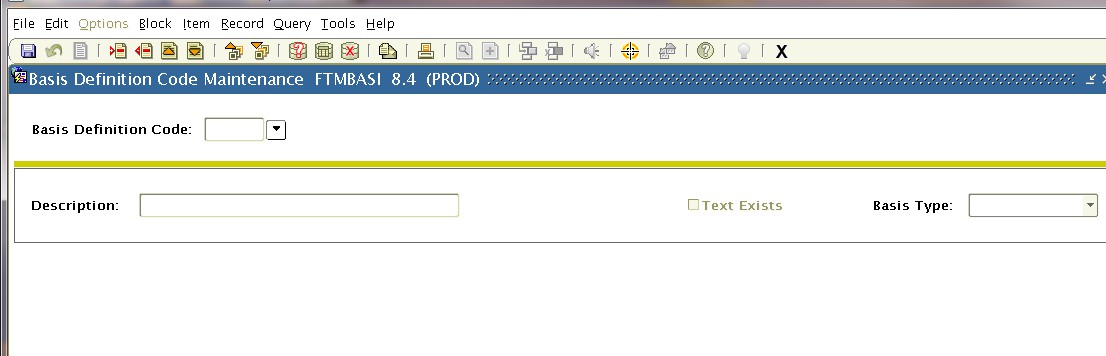
For specific grant information, go to Banner form   
FTMFUND. Click on the Enter Query icon on the   
toolbar. Type in the Grant number. Click on the   
Execute Query icon on the toolbar. Details of grant   
will display.

Indirect cost information in Banner

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

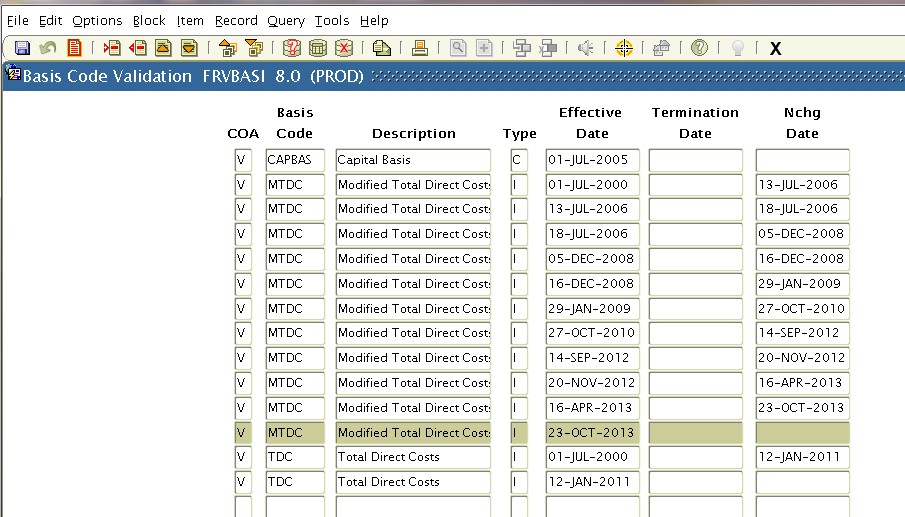
Indirect cost Information in Banner

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

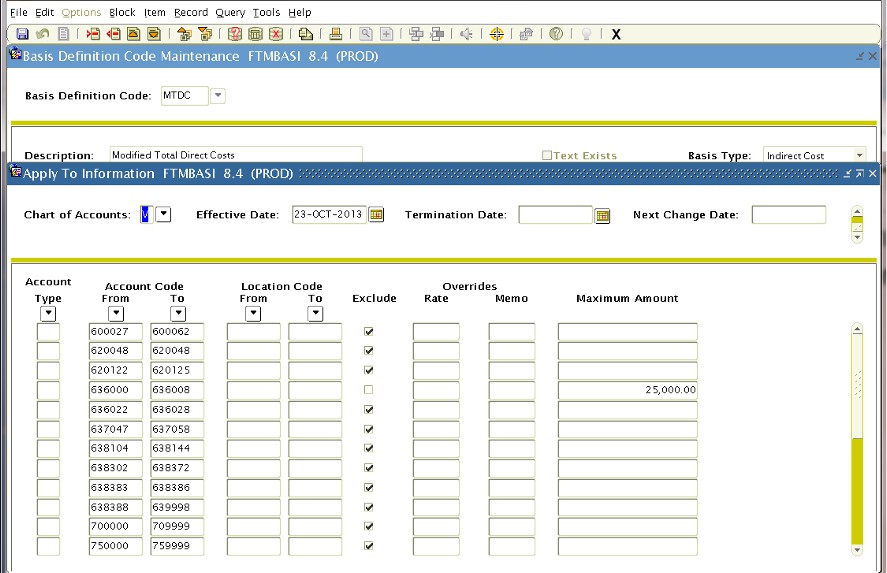
Indirect cost information in Banner

FTMBASI-explains which accounts are used to

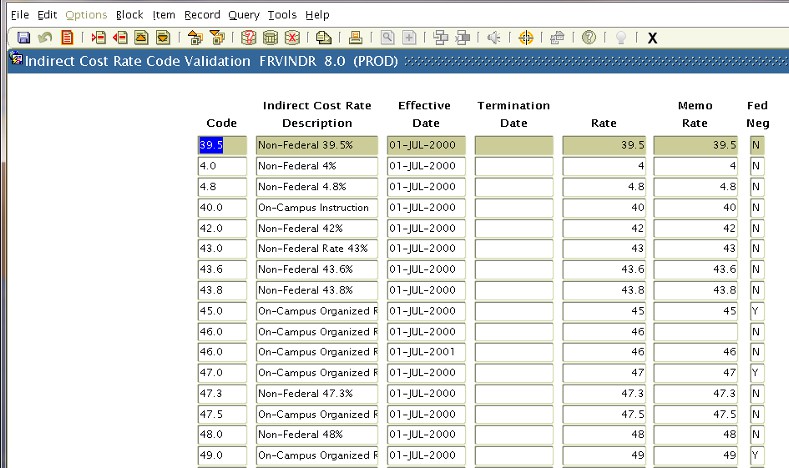
determine the indirect cost basis for modified total   
direct costs (MTDC). Use the search arrow at the   
beginning of form to view the list of codes and   
effective dates.

Indirect cost information in Banner

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

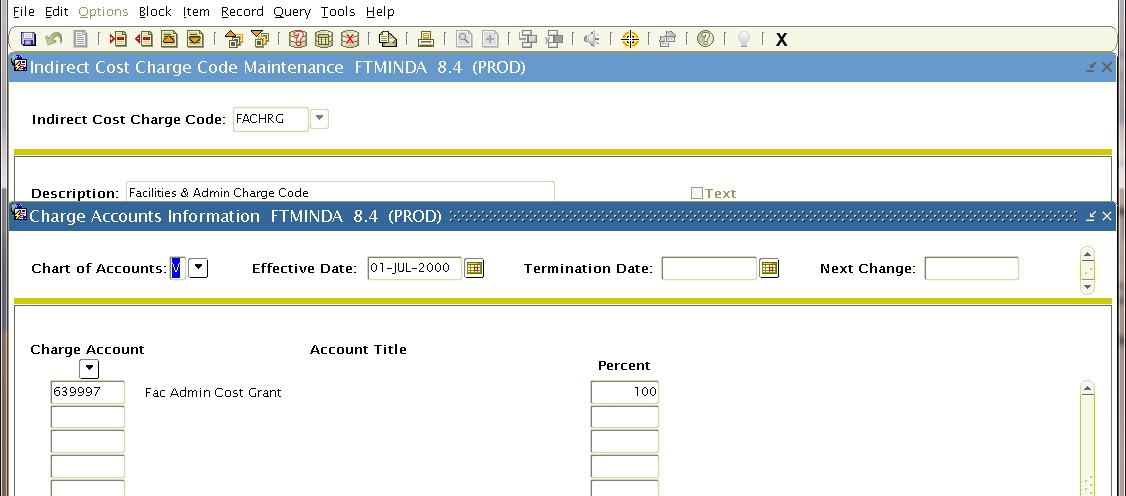
Indirect cost information in Banner

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

Indirect cost information in Banner

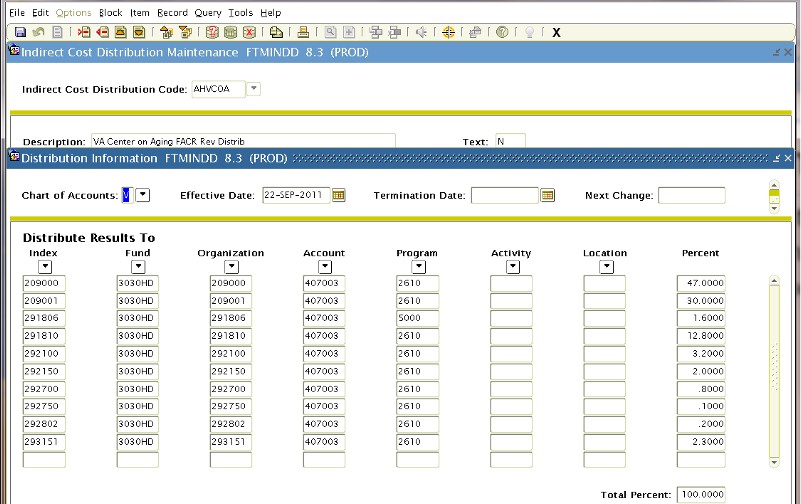
FTMINDR-information on indirect costs rates,

percentages, effective dates and whether rate was   
federally negotiated. Navigate the same as FTMBASI:   
search arrow, double click rate, next block icon.

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.

Indirect cost information in Banner

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

Research Dashboard

Research Dashboard provides investigators and   
administrators direct access to financial and   
administrative information related to sponsored   
awards.

Data in the Dashboard updates nightly and includes   
integrated data from Banner Finance, Banner HR and   
InfoEd.

Login to the Dashboard through the VCU Reporting   
Center.

My VCU>VCU Reporting Center>Research Dashboard   
tab.