Facilities & Administrative (F&A) Rate Negotiations

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UCLA Corporate Financial Services
## F&A Rates Through FY-2016

<table>
<thead>
<tr>
<th>Award Function</th>
<th>Location</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organized Research</td>
<td>On-Campus</td>
<td>54.0</td>
</tr>
<tr>
<td></td>
<td>Off-Campus</td>
<td>26.0</td>
</tr>
<tr>
<td>Instruction</td>
<td>On-Campus</td>
<td>37.0</td>
</tr>
<tr>
<td></td>
<td>Off-Campus</td>
<td>26.0</td>
</tr>
<tr>
<td>Other Sponsored Activities</td>
<td>On-Campus</td>
<td>35.0</td>
</tr>
<tr>
<td></td>
<td>Off-Campus</td>
<td>26.0</td>
</tr>
</tbody>
</table>
Research On-Campus Components

• Facilities
  – Building Depreciation 5.2
  – Interest 3.6
  – Equipment Depreciation 3.0
  – Operations and Maintenance 14.2
  – Library 2.0

• Administration
  – General Administration 3.8
  – Departmental Administration 17.9
  – Sponsored Projects Administration 4.0
  – Student Services Administration .3

Total 54.0
F&A Rate Calculated Numerator/Denominator

F&A Costs UCLA incurs to Support Research Projects

Direct Costs (MTDC) of Research Projects & Cost Sharing

= F&A Rate
F&A Rate Timeline - Proposal to Negotiations

• FY 2009 - Base year for the Cost Study
  – Space Utilization Survey
  – Library Utilization Study
  – Cost Data from University Accounting Systems
• March 31, 2010 – Proposal Submitted to Feds
• Feds Review Proposal – June to Dec. 2010
• Federal on Site Review – February 2011
• Rate Agreement Signed – 05-19-11
Federal Site Review (Audit)

• US Department of Health & Human Services Division of Cost Allocation (DCA) – Visited UCLA during the Week of February 14th
  – Space Survey Data Review (7 Departments)
  – Older Research Facilities (4 Older Buildings)
  – New Research Facility (Terasaki Life Sciences Bldg.)
Rate Negotiation Issues

- ARRA Awards - $230 Million
- Building Depreciation – Useful Lives
- Equipment Depreciation
- Space Survey
- Operations & Maintenance
- Projections – New Facilities
- Cost Sharing
# F&A Recovery at UCLA

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Recovery Amount</th>
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</thead>
<tbody>
<tr>
<td>FY 2006</td>
<td>$153,000,000</td>
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<tr>
<td>FY 2007</td>
<td>$156,000,000</td>
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<tr>
<td>FY 2008</td>
<td>$161,000,000</td>
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<tr>
<td>FY 2009</td>
<td>$164,300,000</td>
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<tr>
<td>FY 2010</td>
<td>$183,000,000</td>
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</tbody>
</table>

One Research Percentage Point = $2.6 Million
Preparing for Next Rate Proposal

• FY 2014 is the next Base Year for UCLA’s F&A Rate Proposal

• Focus on Data, System, and Process Improvements for the next Rate Proposal