

F&A Cost Recovery Distribution: Different Models, Challenges and Opportunities

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CHALLENGES

- What are some of the biggest questions you get from faculty and administrators regarding F&A and F&A recovery?
- Does your institution have consistent policies on how you communicate F&A recovery and distribution to your campus?

CHALLENGES

- If F&A recovery is split among departments/units when is that negotiated at your institution (i.e. at time of proposal, award or other)?
- What happens when an institution changes its F&A recovery policy? How is that communicated? How is it facilitated through campus governance structures, if appropriate? What happens if one's portion of the recovery gets reduced – does it have irrecoverable consequences?

CHALLENGES

- Are any of your F&A recovery distribution models influenced by state mandates or statutes? If so, are there any particular complications that this raises?
- Institutional culture
 - Inertia
 - Recovered F&A viewed as “free money” up for grabs?

CHALLENGES

- Unfunded mandates

CONSIDERATIONS

- Why does your institution redistribute indirect cost funds?
 - Primarily to reimburse units that are part of indirect cost pool?
 - To provide a revenue stream to selected units (eg SPO, Provost, Finance & Administration)?
 - Nobody knows why it's done the way it is

CONSIDERATIONS

- What should your policy/practice accomplish?
 - Ensure consistent, equitable and transparent organizational policy
 - Try to take the ‘mystery’ out of what F&A is and how recovered funds are distributed
 - Partially recover and allocate F&A costs incurred by general /operating budget
 - Support the research enterprise

Opportunities

Can/do you use
indirect cost reimbursements
strategically?

Opportunities

- What units/offices often receive F&A Recovery?
 - Can this get too complicated, lead to money spread so widely that it has no impact?

Opportunities

- To build research/grants capacity?
 - How do you do that? What's essential?
 - Equipment, proposal development support, IRB/IACUC, other?

Opportunities

- As reward/incentive to PI's?
 - How much and who controls?
 - Is it enough to make a difference?
- Are there parameters?
 - Not used for additional salary?
 - Have to be used within same period of grant?

Opportunities

- Other ways?

Models

- Are there ideal models?
 - Almost as many models as institutions
 - Find a model that works for the specific institution
 - Models that “spread the wealth” tend to be more popular with faculty and mid-level administrators
 - If all or most funds go to general fund there is nothing wrong with showing how the institution supports the research enterprise.

Models

- CLASP
 - 93 primarily liberal arts colleges responded
 - 44 had a policy in which funds distributed support research/scholarship
 - 2 distribute on case by case basis

Models

- CLASP
 - of 66 with a broad distribution policy:
 - 18 distribute no recovered F&A to general budget
 - 10 distribute unspecified or varying amounts
 - 6 distribute 1-25%
 - 19 distribute 26-50%
 - 10 distribute 51-75%
 - 3 distribute 75-90%

Models

- CLASP
 - Of 22 that distribute to Sponsored Programs offices:
 - 9 distribute 1-25%
 - 7 distribute 26-50%
 - 3 distribute 51-75%
 - 1 fully covers sponsored programs costs
 - 1 distributes a fixed amount
 - 1 distributes a varied amount

Models

- CLASP
 - Of 28 that distribute funds to PI:
 - 23 distribute 1-25%
 - 3 distribute 26-50%
 - 1 distributes 100%
 - 1 distributes unspecified amount “by formula”
 - In some cases funds are distributed as cash awards; in others funds are placed in a fund to support research expenses

Models

- CLASP
 - Of 28 that distribute funds to PI:
 - 23 distribute 1-25%
 - 3 distribute 26-50%
 - 1 distributes 100%
 - 1 distributes unspecified amount “by formula”
 - In some cases funds are distributed as cash awards; in others funds are placed in a fund to support research expenses

Models

- CLASP
 - Of 31 that distribute funds to Deans, Provosts or a combination thereof:
 - 15 distribute 1-25%
 - 10 distribute 26-50%
 - 5 distribute 51-75%
 - 1 distributes a varied amount

Models

- CLASP
 - Of 30 that distribute funds to the PI's department:
 - 23 distribute 1-25%
 - 4 distribute 26-50%
 - 1 distributes 51-75%
 - 2 distribute an unspecified amount

Models

- CLASP
 - Other areas of distribution
 - 2 institutions distribute a percentage to student research
 - 3 institutions distribute a percentage to finance/business offices
 - 4 institutions distribute a percentage to the Chancellor
 - 1 institution distribute a percentage to the VP of Administration

Models

- CLASP
 - Other areas of distribution
 - 2 institutions distribute a percentage to a matching fund
 - 2 institutions distribute a percentage to an internal grant program for professional development
 - 1 institution distributes a percentage to library services
 - 3 institutions distribute a percentage to Student Affairs

Questions, Comments, Thoughts

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