

To: Campus Community

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Subject: FAQs Regarding Facilities & Administrative Cost Recovery Proposal

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The UA is currently in middle of the fiscal year on which the next the Facilities & Administrative (F&A, also known as indirect costs, or IDC) cost recovery proposal will be based. The F&A cost recovery proposal is complex, involving reports of research-related expenditures which must be calculated based on expenditures and their relationships to research-related space across the campus. One area of particular significance, due to the compounding effect on our rate, is the University space study. Many of you are currently engaged in a space-use study of your units, which will help to identify which space is research-related for this purpose.

As part of our institutional approach to maximizing our F&A cost recovery in the future, we formed a committee, chaired by Dick Davis and including representatives from academic colleges and central administrative units, to identify areas that can impact the F&A rate proposal. They have assembled a list of the most frequently asked questions (FAQs) relating to the preparation of the F&A cost proposal. We are pleased post their answers at the following websites:

Vice President for Research site <http://www.vpr.arizona.edu>
Click on "FAQs related to the Facilities and Administration cost analysis"

Real Estate Administration site <http://www.realestateadmin.arizona.edu>
Click on "Physical Space Inventory/FAST FAQ"

We thank the full committee for their efforts, and extend special thanks Gary Esham (Optical Sciences), Amy McClure (Cancer Center), Rick Bishop (Comptroller's Office), and Mercy Valencia (Real Estate Administration) for their critical involvement in producing this FAQ document. We bring to your attention that the document is "living," in that Mr. Esham has agreed to find and post answers to questions on an ongoing basis. Questions can be sent to him at gesham@optics.arizona.edu.

The F&A rate negotiation will have an impact on all of us, so it is important that the assessment of research-related expenditures captures accurately expenses for the full realm of research activities. The FAQs contain information on important subjects

such as how the F&A rate is calculated, the importance of an accurate space survey, and how activities in colleges and departments influence the rate. We hope that you will use our websites as questions arise concerning the F&A process.