



Vice Chancellor for Administrative Services

206 Administrative Services Center • P.O. Box 757900
Fairbanks, Alaska 99775-7900

MEMORANDUM

TO: Deans and Directors

FROM: Mark Neumayr, Vice Chancellor for Administrative Services
Paul McCarthy, Interim Vice Provost for Research

DATE: 07 April 2005

RE: F&A Cost Recovery and Distribution Procedures for UAF Sponsored Programs

This memo updates and replaces the previous memo "F&A Cost Recovery and Distribution for UAF Sponsored Programs," dated October 24, 2002.

Full F&A Recovery

Whenever possible, UAF applies full, negotiated F&A rates for recovery on all externally sponsored projects. For awards carrying full F&A recovery, the distribution ratio is 53.4:2:1:43.6. (53.4% to the department/unit : 2% to debt service : 1% to ORI : 43.6% to UAF/Statewide)

Reduced/Waived F&A Recovery (Mandatory or Voluntary)

The Dean/Director signature on the UAF Proposal Routing Form authorizes that the unit be assessed according to the following guidelines, unless the program is on the exemption list or a waiver of the fee is granted by OSP/VCAS (see next page).

If the F&A rate is between 0% and 9%:

- 9% of the awarded MTDC amount of the project will be paid to the VCAS to cover administrative costs.
- The source of funds will be from extramural F&A or other General Fund monies of the unit submitting the proposal.
- The assessed under-recovered F&A will be compiled at award setup and levied on a yearly basis for the life of the award.
- Any rates below 9% must make up the difference to equal the full 9% to VCAS. For example, if an award carries only 5% F&A, the unit would be charged by JV to make up the 4% difference.

If the F&A rate is between 10% and 20%, the distribution will be as follows:

- 39.0% to the parent unit
- 1.0% to the ORI
- 45.2% to the VCAS
- 2% to debt service
- 12.8% to Statewide

If the F&A rate is over 20%:

- F&A will be distributed according to the 53.4:2:1:43.6 distribution ratio.

State of Alaska Sponsored Activity F&A Recovery (Memorandum of Understanding)

- All F&A, irrespective of the rate, will be distributed according to the standard 53.4:2:1:43.6 ratio.

In any of the above *reduced or waived* F&A cases, the underrecovery assessment is capped at \$25,000 maximum over the life of the award. When the JV method is used, the assessment will be apportioned according to the number of years of the award. Example: on a two-year award, the \$25,000 will be split 50:50 for each of the program's years. For instances where F&A recovery is through a distribution code (example: FADM03) and is collected

against expenses as they occur, an appropriate F&A percentage will be levied so that recovery does not exceed \$25,000.

The \$25,000 cap will be implemented on a trial basis through the end of FY 2006, at the end of which time the impact will be evaluated.

Exemption List

The following programs are exempt from the assessed 9% under-recovery fee:

Alaska Cooperative Fish and Wildlife Research Unit (AKCFWRU):

- USGS Biological Resources Discipline (BRD) Cooperative Agreement Research Contracts
- Alaska Department of Fish & Game Base Funding and Cooperative Research Work Orders

Educational and Student Loan Programs:

- Federal Pell Grants for Undergraduate Students
- Federal Supplemental Educational Opportunity Grant (FSEOG) for Undergraduate Students
- Federal Work-Study (FWS) Program for Undergraduate and Graduate Students
- NSF Doctoral Dissertation Improvement Grants
- NSF Research Experience for Undergraduates (REU) Program
- Student Fellowships offered by a recognizable fellowship program – exemption limited to fellowship programs only, not stipend support programs or post-doctoral salaries within grants
- U.S. Department of Education Title III Programs

Internal (UA) Funding Opportunities:

- Arctic Region Supercomputing Center grants
- Center for Global Change Student Grants
- Undergraduate/Graduate Student Fellowships
 - Alaska BRIN Graduate Fellowships
 - Alaska EPSCoR Graduate Research Fellowship Program
 - Alaska Space Grant Program Research Fellowships
 - Alaska Student Rocket Project Fellowships
 - IGERT Resiliency and Adaptation Fellowship Support
 - John A. Knauss Sea Grant Marine Policy Fellowships
 - Rasmuson Fisheries Research Center Graduate Student Awards
- President's Special Projects Fund (PSPF) Program
- University of Alaska Foundation awards

KUAC Program Funding

USDA Formula Funding:

- Hatch Formula Funds
- Hatch Multistate Research Funds
- McIntire-Stennis Formula Program
- Smith-Lever Funds

Exemption Request Procedure

Complete the **F&A Policy Exemption Request Form** (available on OSP's website) and include it with your proposal to OSP for review. This form is signed by the project PI and the unit Dean/Director. It includes a section to justify the exemption request, which should outline the benefit(s) to the proposed project for waiving the fee and the contribution of the project to UAF's research mission. The request will be reviewed and a decision will be made by the Interim Director of OSP and the Vice Chancellor for Administrative Services.