

FY17 Facilities & Administrative (F&A) Rate Proposal/Negotiation and ASRSP Staff Update

Jennifer Mitchell
Associate Executive Director
Financial Research Administration

F&A (Indirect Costs) Rate Negotiation



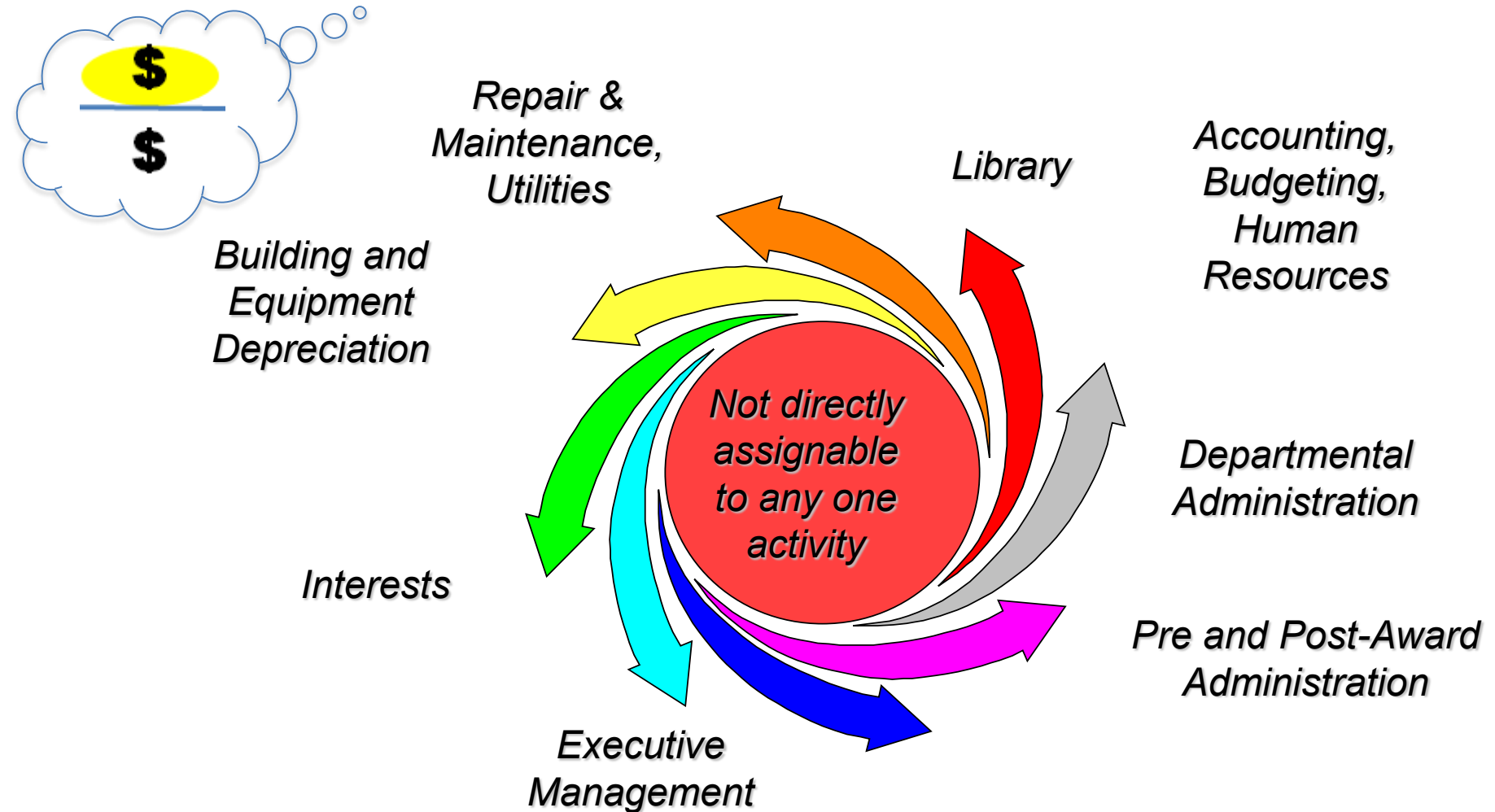
Before We start – What is F&A?

- Facilities and Administrative rate
- F&A = Overhead = Indirect Costs
- Mechanism used to reimburse research costs
- Calculated F&A Rate =

$$\frac{\text{Indirect Costs of Organized Research}}{\text{Direct Costs of Organized Research}}$$

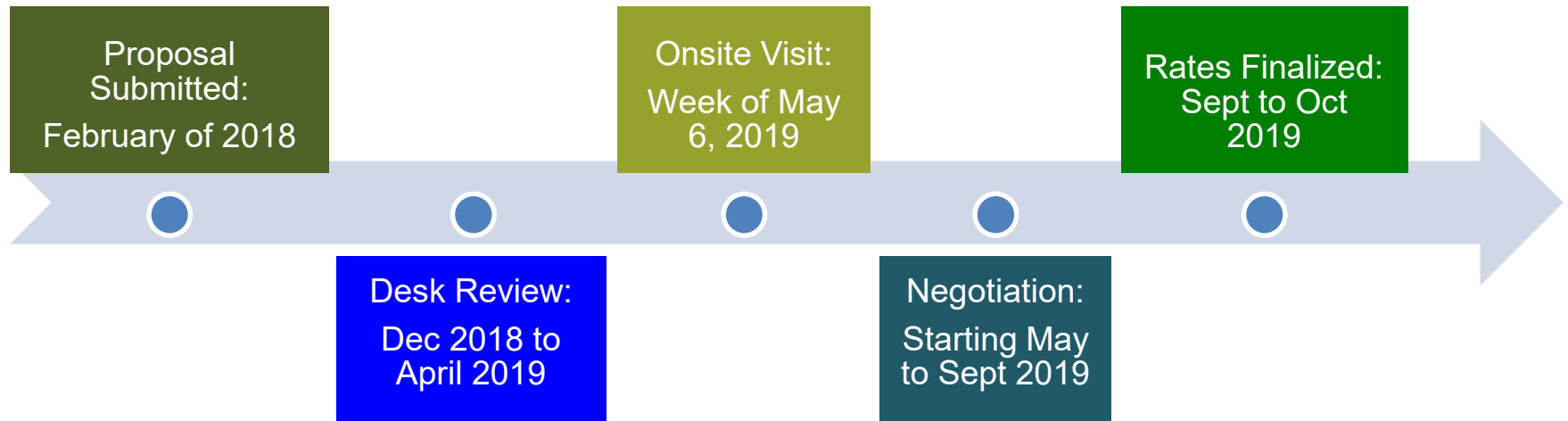
What costs are included?

The Numerator - F&A Costs



* Allowable indirect costs funded by Northwestern

FY17 F&A Rate Proposal Submission and Negotiation



- Final space and salary data submitted to DHHS/CAS April 16
- 6 departments selected for onsite space and equipment reviews the week of May 6
- Interview prep meetings with 6 departments held week of April 22
- Potential additional PI interview prep meetings week of April 29
- Negotiation May to September 2019
- Rates finalized late September

Negotiated F&A Rates

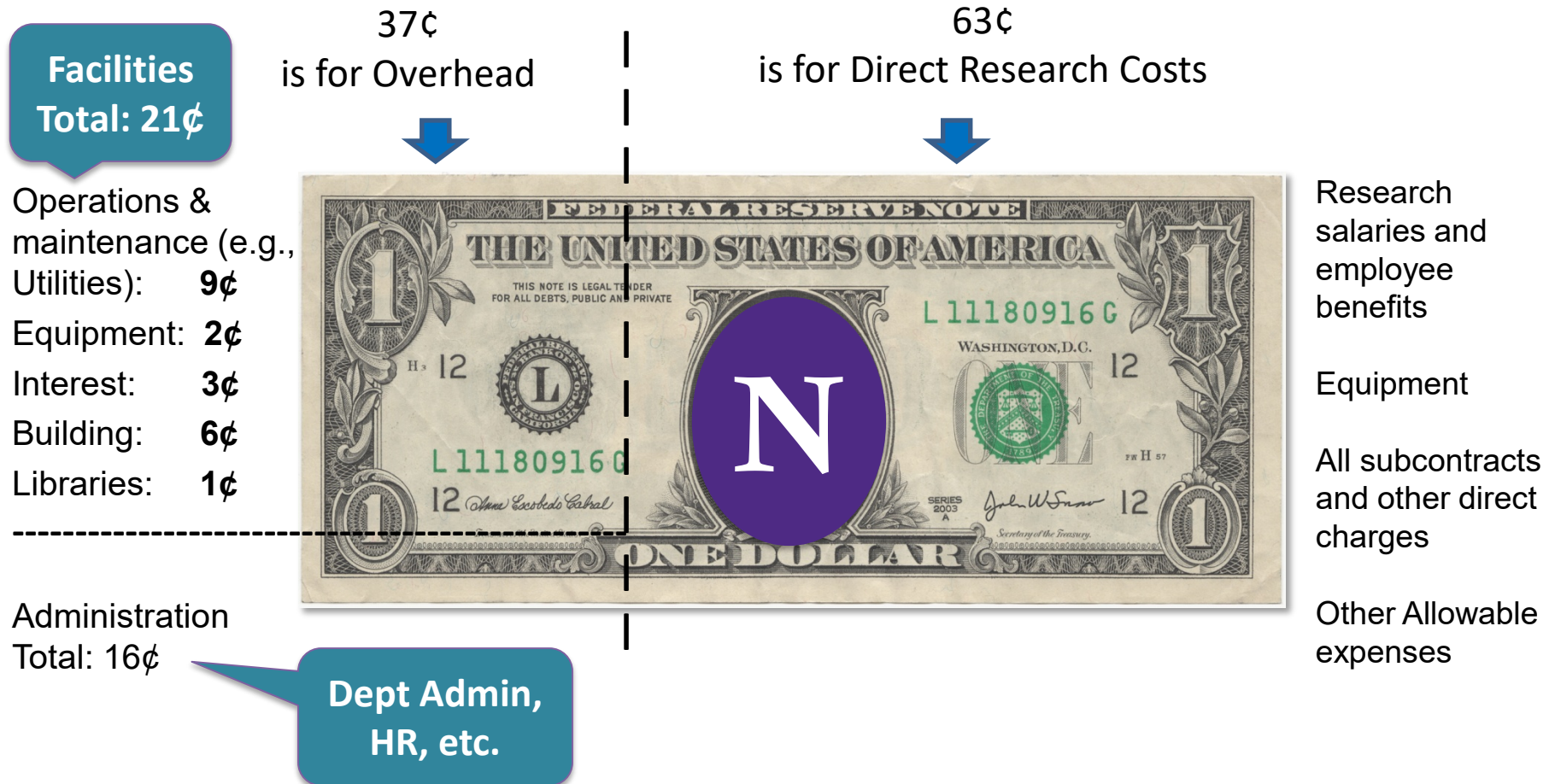
Program Type	Fiscal 2020-2021 (9/1/19-8/31/21)	Fiscal 2022 and Beyond (Starting 9/1/21)
Sponsored Research – on campus	58.00% MTDC*	60.00% MTDC*
DoD Contracts – on campus	59.00% MTDC*	61.00% MTDC*
Other Sponsored Activity – on campus	36.00% MTDC*	36.00% MTDC*
Sponsored Instruction – on campus	51.00% MTDC*	51.00% MTDC*
All Programs – off campus	26.00% MTDC*	26.00% MTDC*

- Provisional rates finalized; all rates remain the same
- FY20 and FY21: rates remain the same
- Starting FY22: On-campus Organized Research Rate increased to 60%
- Next F&A Base Year: FY22
- *A 1% increase of On-campus, Organized Research Rate generates ~\$2.1 million in unrestricted revenue*
- Rate agreement available from the Cost Studies website:

https://www.northwestern.edu/coststudies/docs/northwestern-negotiated-fa-agreement_2019.pdf

60% F&A Rate Starting FY22 – What Does It Mean?

For every one dollar received, 63% is Direct and 37% is indirect ($\$1/1.60 = \0.63)



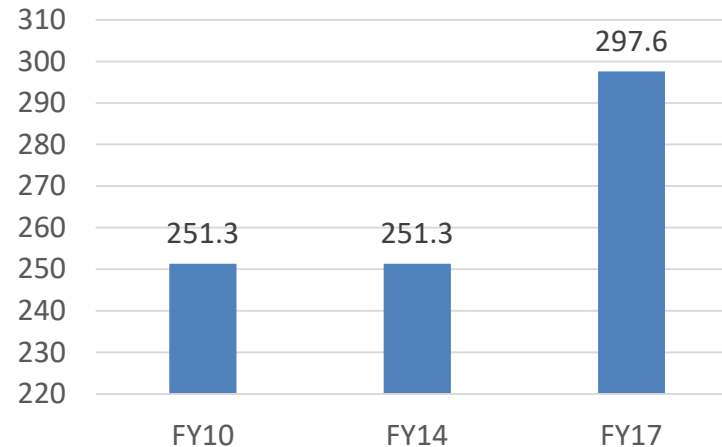
Non-Federal F&A Rates

	FY20 & Future Years On-Campus Rate/Base	FY20 & Future Years Off-Campus Rate/Base
Sponsored Research	69.64% MTDC*	34.62% MTDC*
Other Sponsored Activity	43.85% MTDC*	32.84% MTDC*
Sponsored Instruction/Training	83.81% MTDC*	58.03% MTDC*
Industry Clinical Trials	32.0% TDC**	

- What should we do if the sponsor demands to pay a lower F&A rate? Please consider if the following approach is feasible.
 - Fixed price contract
 - Use Total Direct Cost (TDC) as the Base instead of MTDC
 - Included in budget to direct charge allowable indirect cost items such as printer
- Commercial contractors and industry are not subject to the 26 percent administrative cap

FY17 Research Base Increase (in millions)

$$\text{Research Rate} = \frac{\text{Facilities \& Administrative Cost Supporting Organized Research}}{\text{Research Base* (Direct Cost + Cost Share)}}$$



	FY10	FY14	FY17*
Research Base(MTDC*)	251.3	251.3	297.6
\$ Increase		0	46.3
% Increase		0%	18.4%

* Modified Total Direct Cost excludes capital equipment, patient care, subcontracts in excess of the first \$25K, tuition/stipends, amortization, and internal telecommunication expenses.

Research Space Coding

	FY14	FY17	Space Growth from FY14	% Growth from FY14
Research Space (ASF*)	1,017,577	1,110,540	92,963	+9%
Total Space (ASF)	6,428,918	6,597,381	168,463	+3%
Percent of Total Space	15.8%	16.8%		+1%

* Assignable Square Feet

- No new research buildings in FY17
 - Mudd building and Simpson-Querrey not online in FY17
- Research space coding increased by 1% of total space (92,963 ASF)
 - Changes:
 - Thank you for your help! Cost Studies met with 49 departments to review research space and find opportunities
 - Definition of vacancy enforced; more research space was coded

Cost Share Analysis

Cost Share is the costs funded by Northwestern instead of sponsors, either mandated or voluntary committed, and is required to be included in F&A Bases such as Organized Research

<u>School or Area (\$ in millions)</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY17 vs. FY14</u> \$	<u>FY17 vs. FY14</u> %
TOTAL	16.60	19.13	23.17	26.10	9.5	57%

Fund 191 to 193:

<u>Fund (\$ in millions)</u>	<u>FY14</u>	<u>FY17</u>
191-Mandatory Cost Sharing	2.32	1.85
192-Over-the-Cap Commitment	13.60	18.41
193-Voluntary Committed	0.68	5.84
Total	16.60	26.10

** Analysis per Indirect Cost Reports*

- Federal Direct Growth per Indirect Cost Reports: **+14%** from FY14 to FY17

ASRSP Staff Updates

ASRSP Staff Updates

Welcome to ASRSP!

- Maria Jimenez, Grant & Contract Financial Administrator
- Renee Stokes, Senior Accounting Representative
- Parvez Siddiqui, Senior Accounting Representative
- Sonya Roy-Singh, Senior Accounting Representative
- Ricardo Torres Jr., Senior Accounting Representative

ASRSP Staff Updates

Promotions in ASRSP!

- Sara Baciak, Senior Grant & Contract Financial Administrator
- Jacky Sancen, Grant & Contract Financial Administrator
- Zoe Sing, Grant & Contract Financial Administrator
- Silvana Sabatino, Assistant Grant & Contract Financial Administrator
- Rosanna Sian, Expenditure Audit Coordinator

The background consists of several overlapping triangular and quadrilateral shapes in various shades of purple, ranging from a deep, dark purple to a lighter, lavender hue. The shapes are arranged in a way that creates a sense of depth and movement, with some shapes appearing to be in front of others.

Thank You