

## MIRA Magnified: Facilities and Administrative Costs and Distributions

### What are Facilities and Administration Costs?

Facilities and Administrative Costs (F&A Costs), previously known as Indirect Costs, are the real costs associated with the administration of sponsored project activities at UND. F&A Costs are not based on what it costs to administer or house a specific sponsored project, but rather what it costs the University to administer and house all of its sponsored project activities. *The distribution of F&A is the reimbursement to the university for the costs that have already been incurred and paid in the conduct of research.*

### How are the F&A Costs and Distributions handled in MIRA?

F&A distributions for sponsored revenue (grants & contracts) will flow to the unit that is awarded the grant/contract. Since all of the revenue for the research activity is being allocated to the unit that generated it, the administrative costs associated with the activity is allocated to the primary unit through the support unit cost pools impacted by that research activity. For example, the research cost pool budget is allocated to the unit generating research revenue as a percentage of total primary unit research revenue.

Originally, EPSCoR F&A was modeled in MIRA to flow to the unit receiving the award from the EPSCoR office; however, after further review by administration, EPSCoR has been determined to be administered by the Office of Vice President for Research & Economic Development (VPRED) resulting in the F&A for EPSCoR being distributed to VPRED as was done historically.

### Impact

In FY18, F&A collected on grants and contracts will be distributed back at 100% to the primary unit **in the year earned**. This process is a change from the distribution calculation that has occurred since 2007. Under the previous model, F&A was distributed based on the value of F&A earned in the previous fiscal year. The actual amount distributed was split amongst the primary unit, central administration (including presidential initiatives) and units providing research services.

Colleges and schools may continue to distribute F&A based on the earnings from the previous fiscal year. In the case that FY18 dollars are less than the FY17 F&A earnings, colleges will need to do what central administration has done in the past, identify other funding within the college budget to cover this gap.

F&A distributions will be processed quarterly. The Central Budget Office is no longer requesting or monitoring F&A distribution memos.

### Use of F&A Distribution


Since F&A distributed to primary units are reimbursements of facility and administrative costs incurred in the conduct of research and other sponsored activities, distributions can and should be used to pay research-related primary unit costs and support unit allocation costs. Unit plans for F&A distributions should be documented to reflect the 100% distribution and brought into alignment with the unit and university research strategies.

## Resources

The query and report below allow a unit to review F&A expenses charged to grants & contracts in real time.

1. PeopleSoft Finance Query NDU\_GL61\_TRIALBAL\_SUMS\_ACCTG\_TB Fnd Dept Sum by Per Fr/Th
  - a. This query will provide F&A expenses that have been charged to projects for a range of department numbers.
  - b. Parameters:


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Business Unit  

Accounting Period From


Accounting Period Through


Fiscal Year


Fund From  

Fund Through  

Dept From   
Dept Through

Account From  

Account Through  

Ledger Like (%=All)  

*Enter dept range*

- c. Remove EPSCoR funds (41200, 43700, 46200 and 48700), and this amount should match F&A revenue to be distributed back to the primary unit.
2. PeopleSoft Finance HE PI Report
  - a. The HE PI Report will summarize the budget, current expenditures, encumbrances and cumulative expenditures, including F&A, for a project and/or an award. A PI Report can be run by project, award, department or Principal Investigator (PI).

For more information regarding Facilities and Administration Costs and Distributions, please contact the Office of the Vice President for Research & Economic Development.