

OMB CIRCULAR A-21 DOCUMENTATION REQUIREMENTS
FOR FACILITIES AND ADMINISTRATIVE (F&A) RATE PROPOSALS
CLAIMING COSTS UNDER THE REGULAR METHOD

The documentation requirements for F&A rate proposals consist of two parts. Part I provides a schedule of summary data on the institution's F&A cost pools and their allocations, and the proposed F&A rates. For illustration, an example of a completed Part I is included. Part II describes the standard documentation to be submitted with the institution's F&A rate proposal.

OMB Approval Number: **0348-0058**

Part I
Summary Data Elements for F&A Rate Proposal - Schedule A

Name of Institution: _____ Organization Number: (Federal Use Only)
 Address: _____

- a. Cognizant Federal Agency Rate Setting: ____ Audit: ____
 b. Type of Institution Private () Public/State ()
 c. Fiscal Year _____
 d. Institution Population (FTE) _____ Students: _____ Faculty: _____ Staff: _____
 e. Status of Disclosure Statement Required to Submit (Y/N)? ____
 Due Dates: Initial: _____ Revised: _____
 Date Submitted _____
 Approved () Yes () No Date: _____
 f. Most Current F&A Rates (i.e., final, predetermined, fixed) (Last three fiscal years)

| Type of Rate | Fiscal Year covered | Date of Rate Agreement | On-Campus Instruction | On-Campus Organized Research | On-Campus OSA* | Off-Campus Instruction | Off-Campus Organized Research | Off-Campus OSA* |
|--------------|---------------------|------------------------|-----------------------|------------------------------|----------------|------------------------|-------------------------------|-----------------|
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

(*OSA= Other Sponsored Activities)

- g. Base year costs associated with new buildings placed into service within the last five years (i.e., base year and four preceding years) by major functions proposed (in thousands).

| | <u>Instruction</u> | <u>Organized Research</u> | <u>OSA</u> |
|--|--------------------|---------------------------|------------|
| Building Depreciation or Use Allowance | _____ | _____ | _____ |
| Interest Expense | _____ | _____ | _____ |
| Operation and Maintenance | _____ | _____ | _____ |

Part I
Summary Data Elements for F&A Rate Proposal - Schedule B

Name of Institution: _____

Historical Base Year: _____

Base Year Rate Calculation Summary by Major Function (dollars in thousands)

| | <u>Instruction</u> | | <u>Organized Research</u> | | <u>OSA</u> |
|---|--------------------|------|---------------------------|------|----------------|
| FACILITIES GROUP | | | | | |
| Depreciation/Use Allowance | | | | | |
| . Buildings | \$_____ | ___% | \$_____ | ___% | \$_____ |
| . Equipment | \$_____ | ___% | \$_____ | ___% | \$_____ |
| . Land Improvements | \$_____ | ___% | \$_____ | ___% | \$_____ |
| Interest Expense | \$_____ | ___% | \$_____ | ___% | \$_____ |
| Operation & Maintenance | \$_____ | ___% | \$_____ | ___% | \$_____ |
| Utility Cost Adjustment | \$_____ | ___% | \$_____ | ___% | \$_____ |
| Library | \$_____ | ___% | \$_____ | ___% | \$_____ |
| ADMINISTRATIVE GROUP | | | | | |
| General | \$_____ | ___% | \$_____ | ___% | \$_____ |
| Departmental | \$_____ | ___% | \$_____ | ___% | \$_____ |
| Sponsored Projects | \$_____ | ___% | \$_____ | ___% | \$_____ |
| Student Services | \$_____ | ___% | \$_____ | ___% | \$_____ |
| Adjustment for 26% Limitation | | ___% | | ___% | |
| MODIFIED TOTAL DIRECT COST and F&A RATES | | | | | |
| On-Campus | \$_____ | ___% | \$_____ | ___% | \$_____ |
| Off-Campus | \$_____ | ___% | \$_____ | ___% | \$_____ |
| Other | \$_____ | ___% | \$_____ | ___% | \$_____ |
| Total MTDC | <u>\$_____</u> | | <u>\$_____</u> | | <u>\$_____</u> |
| COMPOSITION OF RATE BASE | | | | | |
| Federal Awards | | | | | |
| On-Campus (negotiated rates) | \$_____ | | \$_____ | | \$_____ |
| Off-Campus (negotiated rates) | \$_____ | | \$_____ | | \$_____ |
| Research Training Awards | \$_____ | | \$_____ | | \$_____ |
| Other Awards (not based on negotiated rates) | \$_____ | | \$_____ | | \$_____ |
| Non-Federal Sources | \$_____ | | \$_____ | | \$_____ |
| Total | <u>\$_____</u> | | <u>\$_____</u> | | <u>\$_____</u> |
| MISCELLANEOUS STATISTICS | | | | | |
| Cost Sharing in Rate Base | \$_____ | | \$_____ | | \$_____ |
| Assignable Square Feet (ASF) by Major Function | _____ | | _____ | | _____ |
| Percent of ASF Financed (1) | _____% | | _____% | | _____% |

Note (1): Ratio of ASF subject to financing divided by total ASF. If 20% of a building's acquisition cost is financed, then 20% of the ASF is considered ASF financed. This information is not required if the institution does not claim any interest costs on its F&A proposal.

Part I - Example
Summary Data Elements for F&A Rate Proposal - Schedule B

Name of Institution: University of XYZ
Historical Base Year: 07/01/97 to 06/30/98

Base Year Rate Calculation Summary by Major Function (dollars in thousands)

| | <u>Instruction</u> | | <u>Organized Research</u> | | <u>OSA</u> | |
|---|--------------------|-------|---------------------------|-------|---------------|-------|
| FACILITIES GROUP | (\$) | (%) | (\$) | (%) | (\$) | (%) |
| Depreciation/Use Allowance | | | | | | |
| . Buildings | 4,861 | 9.6% | 5,278 | 6.9% | 306 | 2.6% |
| . Equipment | 3,082 | 6.1% | 2,496 | 3.3% | 194 | 1.7% |
| . Land Improvements | 1,992 | 4.0% | 133 | 0.2% | 17 | 0.1% |
| Interest Expense | 1,944 | 3.9% | 2,111 | 2.8% | 122 | 1.0% |
| Operation & Maintenance | 8,532 | 16.9% | 9,264 | 12.1% | 536 | 4.6% |
| Utility Cost Adjustment | 0 | 0.0% | 994 | 1.3% | 0 | 0.0% |
| Library | 7,910 | 15.7% | 1,146 | 1.5% | 96 | 0.8% |
| ADMINISTRATIVE GROUP | | | | | | |
| General | 1,535 | 2.7% | 2,330 | 2.7% | 356 | 2.7% |
| Departmental | 11,991 | 21.4% | 17,239 | 20.3% | 2,797 | 21.5% |
| Sponsored Projects | 89 | 0.2% | 2,693 | 3.2% | 412 | 3.2% |
| Student Services | 4,166 | 7.4% | 0 | 0.0% | 0 | 0.0% |
| Adjustment for 26% Limitation | | -5.7% | | -0.2% | | -1.4% |
| MODIFIED TOTAL DIRECT COST and F&A RATES | | | | | | |
| On-Campus | 50,400 | 82.2% | 76,500 | 54.2% | 11,700 | 36.8% |
| Off-Campus | 5,600 | 26.0% | 8,500 | 26.0% | 1,300 | 26.0% |
| Other | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Total MTDC | <u>56,000</u> | | <u>85,000</u> | | <u>13,000</u> | |
| COMPOSITION OF RATE BASE | | | | | | |
| Federal Awards | | | | | | |
| On-Campus (negotiated rates) | 1,000 | | 46,000 | | 900 | |
| Off-Campus (negotiated rates) | 120 | | 5,000 | | 400 | |
| Research Training Awards | 0 | | 0 | | 0 | |
| Other Awards (not based on negotiated rates) | 1,680 | | 8,500 | | 2,600 | |
| Non-Federal Sources | <u>53,200</u> | | <u>25,500</u> | | <u>9,100</u> | |
| Total | <u>56,000</u> | | <u>85,000</u> | | <u>13,000</u> | |
| MISCELLANEOUS STATISTICS | | | | | | |
| Cost Sharing in Rate Base | (10,000) | | 10,000 | | 0 | |
| Assignable Square Feet (ASF) | | | | | | |
| by Major Function | 83,611 ASF | | 90,778 ASF | | 5,256 ASF | |
| Percent of ASF Financed (1) | 7.0% | | 20.0% | | 30.0% | |

Note (1): Ratio of ASF subject to financing divided by total ASF. If 20% of a building's acquisition cost is financed, then 20% of the ASF is considered ASF financed. This information is not required if the institution does not claim any interest costs on its F&A rate proposal.

Part II

INTRODUCTION

This Part contains the standard documentation requirements that are needed by your cognizant agency to perform a review of your institution's F&A rate proposal. This documentation supports the development of proposed rates shown in Part I and will be submitted with your F&A rate proposal.

This listing contains minimum documentation requirements. Additional documentation may be needed by your cognizant agency before completing a proposal review. If there are any questions about these requirements, please contact your cognizant agency.

Documentation requirements would be cross-referenced to appropriate schedule(s) within the submitted F&A rate proposal.

GENERAL INFORMATION

Reference:

- _____ 1. Copy of audited financial statements including any affiliated organizations.
The statements must be reconciled to the F&A base year cost calculation.
Copy of most recently issued Circular A-133 audit reports

- _____ 2. Copy of relevant data supporting the financial statement, including a reconciliation schedule for each cost pool and rate base in the F&A base year cost calculation. A reconciliation schedule will show each reclassification and adjustment to the financial statements to arrive at the cost pools and rate bases in F&A base year cost calculation. Each reclassification and adjustment must be explained in notes to the reconciliation schedule

- _____ 3. Cost step-down schedule showing allocation of each F&A cost pool to the Major Functions and other cost pools

- _____ 4. Explanation for each proposed organized research rate component which exceeds the prior negotiated rate component by 10%

- _____ 5. Schedules clearly detailing composition and allocation base(s) of each F&A cost pool in base year cost calculation. If the institution has filed a Disclosure Statement (DS-2) submission, specific references (rather than narrative descriptions) from the DS-2 may be used

- _____ 6. Narrative description of composition of each F&A cost pool and allocation methodology. If the institution has filed a DS-2 submission, specific references (rather than narrative descriptions) from the DS-2 may be used

- _____ 7. Narrative description of changes in accounting or cost allocation methods made since the institution's last F&A submission. If the institution has filed a DS-2 submission, specific references (rather than narrative descriptions) from the DS-2 may be used

- _____ 8. Copy of reports on the conduct and results of special studies performed under Section E.2.d, when applicable

- _____ 9. Copy of the following:
 - (a) The Certificate of F&A Costs
 - (b) Lobbying Certification
 - (c) Description of procedures used to ensure that awards issued by the

Federal Government do not subsidize the F&A costs allocable to awards made by non-Federal sources (e.g., industry, foreign governments)

(d) Assurance Certification - for those institutions listed on Exhibit A - concerning disposition of Federal reimbursements associated with claims for depreciation/use allowances

(e) Assurance statement that institution is in compliance with Federal awarding agency limitations on compensation (e.g., NIH salary limitation, executive compensation)

_____ 10. If applicable, reconciliation of carry-forward amounts from prior years used in the current proposal

_____ 11. Transmittal letter stipulating the type(s) of rates proposed, the fiscal year(s) covered by the proposal and the base year used

RATE PROPOSAL SUMMARY BY MAJOR FUNCTION

_____ 1. Summary of F&A base year rates calculated by Major Function and special rates (e.g., vessel rates) if applicable by component. These would be grouped by Administrative Components and Facilities Components. Total base year calculated rates would be disclosed, as well as allowable rates

after the 26 percent limitation on Administrative Components

- _____ 2. A breakout of Modified Total Direct Cost (MTDC) rate base figures for each major function (and special rates, if applicable) by:
 - (a) On-Campus and Off-Campus amounts
 - (b) Federal awards
 - Based on Negotiated Rates - On-Campus
 - Based on Negotiated Rates - Off-Campus
 - Research Training Awards
 - Other Awards (not based on negotiated rates)
 - (c) Non-Federal Sources

- _____ 3. Miscellaneous Statistics including:
 - (a) Cost Sharing in the Rate Base
 - (b) Assignable Square Feet (ASF) by Major Function
 - (c) Percentage of ASF which is financed (by Major Function)
 - (d) A breakout of MTDC by Direct Salaries and Wages/ fringe benefits and non-labor costs by major functions

- _____ 4. Future rate adjustments, if necessary, related to material changes since the base year. A clear description of the justification for each of the following:
 - (a) Changes by cost pool by year

- (b) Changes in MTDC base by year
- (c) Changes in F&A rates for future years

- _____ 5. Summary of future F&A rates, if necessary, by Major Function and special rates (e.g., vessel rates) which lists each administrative and facilities component by year

BUILDING USE ALLOWANCE AND/OR DEPRECIATION

- _____ 1. Reconciliation of building cost used to compute use allowance and/or depreciation with the financial statements. If depreciation is claimed in the F&A proposal and disclosed on the financial statements, provide a reconciliation of depreciation amounts with the financial statements

NOTE: If an institution's financial statements do not disclose depreciation expense (e.g., those subject to GASB), a reconciliation of claimed depreciation expense to the financial statements is not possible.

- _____ 2. A schedule showing amount by building of use allowance and/or depreciation distributed to all functions

- _____ 3. If a method different from the standard allocation method, described in section F.2.b, was used, describe method. Provide justification for its use and a schedule of allocation. If the institution has filed a DS-2 submission, claimed allocation methodology may be referenced to specific section of the DS-2
- _____ 4. If depreciation is claimed, describe what useful lives by group and component have been used

EQUIPMENT USE ALLOWANCE AND/OR DEPRECIATION

- _____ 1. Reconciliation of equipment cost used to compute use allowance and/or depreciation with the financial statements. If depreciation is claimed in the F&A proposal and disclosed on the financial statements, provide a reconciliation of depreciation amounts with the financial statements

NOTE: If an institution's financial statements do not disclose depreciation expense (e.g., those subject to GASB), a reconciliation of claimed depreciation expense to the financial statements is not possible

- _____ 2. A schedule showing amount by building of use allowance and/or

depreciation distributed to all functions

- _____ 3. If a method different from the standard allocation method, described in section F.2.b, was used, describe the method. Provide a justification for its use and a schedule of allocation. If the institution has filed a DS-2 submission, claimed allocation methodology may be referenced to specific section of the DS-2

- _____ 4. If depreciation is claimed, describe what useful lives by asset class and component have been used

INTEREST

- _____ 1. Reconciliation of interest cost used in the F&A base year calculation to the financial statements

- _____ 2. A schedule showing amount of interest cost assigned to each building and a distribution to all benefitting functions within each building for each proposed “Major Function”

SPACE SURVEY

- _____ 1. A summary schedule of square footage by school, department, building and function

- _____ 2. The same schedule should then be sorted by school, building, department, and function

- _____ 3. Copies of space inventory instructions, forms, and definitions

OPERATION AND MAINTENANCE (O&M)

- _____ 1. A summary schedule of each major activity (or subpool) in O&M cost pool. It must show the costs by S&W/fringe benefits and all non-labor cost categories

- _____ 2. A schedule showing amount of O&M costs distributed to all functions

GENERAL ADMINISTRATION (G&A)

- _____ 1. A summary schedule of each activity (or subpool) in the G&A cost pool

- _____ 2. A schedule of costs in the modified total costs (MTC) allocation base

- _____ 3. If a method different from the standard MTC allocation method was used, describe the method. Provide a justification for its use and a schedule of allocation. If the institution filed a DS-2 submission, claimed allocation methodology may be referenced to specific section of the DS-2

DEPARTMENTAL ADMINISTRATION (DA)

- _____ 1. Schedules of the DA summary by school, department and allocated to Major Functions by department

- _____ 2. Schedule identifying costs by S&W/fringe benefits and non-labor costs by department for the following functions:
 - (a) Direct (Major Functions)
 - Instruction

- Organized Research
 - Other Sponsored Activities
 - Other
- (b) Departmental Administration (excluding Deans)
- (c) Dean's office
- (d) Other, as appropriate

S&W/fringe benefits shall be further identified as follows:

- (a) Faculty and other professional
- (b) Administrative (e.g., business officers, accountants, budget analysts, budget officers)
- (c) Technicians (e.g., lab technicians, glass washers)
- (d) Secretaries and clerical

- _____ 3. Complete description of allocation method, bases and allocation sequences (e.g., direct charge equivalent, 3.6 percent allowance). If a method different from the standard MTC allocation method was used, describe the method. Provide a justification for its use and a schedule of allocation. If the institution filed a DS-2 submission, claimed allocation methodology may be referenced to specific section of the DS-2
- _____ 4. Show a detailed example (i.e., illustration of your Direct Charge Equivalent

(DCE) methodology) of the allocation process used for one department which has Instruction and Organized Research functions from each of the following schools: Medicine, Arts & Sciences and Engineering, as applicable

SPONSORED PROJECTS ADMINISTRATION (SPA)

- _____ 1. A summary schedule for each activity (or subpool) included in SPA cost pool

- _____ 2. A schedule of the sponsored projects direct costs in the MTC allocation base

- _____ 3. If a method different from the standard sponsored projects MTC allocation method was used, describe method. Provide justification for its use and a schedule of allocation. If the institution filed a DS-2 submission, claimed allocation methodology may be referenced to specific section of the DS-2

LIBRARY

- _____ 1. A summary schedule for each activity included in library cost pool. It would show costs by salaries and wages, books, periodicals, and all other non-labor cost categories

- _____ 2. Schedule listing all credits to library costs

- _____ 3. A schedule of Full Time Equivalents (FTE) and salaries and wages in the bases used to allocate library costs to users of library services

- _____ 4. If the standard allocation methodology was not used, describe the alternative method and provide justification for its use. Provide schedules of allocation statistics by function. If the institution filed a DS-2 submission, claimed allocation methodology may be referenced to specific section of the DS-2

STUDENT SERVICES

- _____ 1. If the proposed allocation base(s) differs from the stipulated standard allocation methodology provide:

- (a) Justification for use of a nonstandard allocation methodology;
- (b) Description of allocation procedure; and
- (c) Statistical data to support proposed distribution process

If the institution filed a DS-2 submission, claimed allocation methodology may be referenced to specific section of DS-2