

SAP 15.01.01.N0.01 Facilities and Administration (F&A) Recovery Distribution

Approved: November 24, 2008

Revised: October 29, 2014

Revised: March 27, 2019

Revised: February 1, 2020

Revised: January 31, 2024

Next Scheduled Review: January 31, 2029

Summary

To provide guidelines for agency recovery of Facilities and Administration (F&A) allowance and distribution of recovered F&A costs.

Definitions

Instruction means the teaching and training activities of TEEX. Instruction can be for credit or for non-credit basis and can be provided through regular academic setting or through extension. Excluded from instruction is research training. Research training is the training of individuals in research techniques where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.

Organized Research in general means the systematic investigative process employed to increase or revise current knowledge by discovering new facts. In this SAP, research means organized research that includes all research and development activities of TEEX that are separately budgeted and accounted for, i.e., sponsored research and university research.

Other Sponsored Activities means programs and projects financed by Federal and non-Federal agencies and organizations which involve the performance of work other than instruction and organized research. For TEEX, Other Sponsored Activities refers to technical assistance, such as evaluation of or development of emergency operations plans, testing of processes or products, and delivery of TEEX exercises. If TEEX is not providing training or instruction to customers, then the activity is technical assistance.

Modified Total Direct Cost means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, rental costs of offsite facilities, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a

serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

Note: The exclusion of participant support costs in the uniform guidance and the TAMU rate agreement is intended for research programs where participants receive a fee for taking a survey or when a group of research participants are sent to a conference. This exclusion of participant support costs is not intended for a training organization that is the prime provider of training.

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.

On-Campus applies to activities designated as being administered at TEEX-owned facilities.

Off-Campus means all activities performed in facilities not owned by TEEX and to which rent is directly allocated to the project(s), the off-campus rate will apply. Actual costs will be apportioned between on-campus and off-campus components. Each portion will bear the appropriate rate.

Note: TEEX does not currently have activities, i.e., programs, administered that require the application of the “off-campus” rate. If that were to change, this SAP will be updated to identify the activity(ies), i.e., program(s), to which the off-campus rate applies.

Rent is defined as a tenant’s regular payment to a landlord for the use of property or land.

Requirements

1. F&A Recovery

- 1.1. Full F&A Recovery, as negotiated U.S. Department of Health and Human Services on all cooperative agreements, grants and contracts based on type of activity.
 - 1.1.1 Reference Current Indirect Rate Agreement (Long Form Agreements - College Station Based Members F&A Rate) at: [Facilities & Administrative \(F&A\) Cost Rates – Office of Business Affairs \(tamus.edu\)](https://www.tamus.edu/business/budgets-and-accounting/accounting/facilities-administrative-costs/facilities-administrative-fa-cost-rates/) (https://www.tamus.edu/business/budgets-and-accounting/accounting/facilities-administrative-costs/facilities-administrative-fa-cost-rates/). Rates are determined through FY2026, and rates for FY2026 will hold as provisional until a new rate agreement is established.
- 1.2. Refer to Figures 1 and 2 for guidance when determining the appropriate F&A recovery rates:

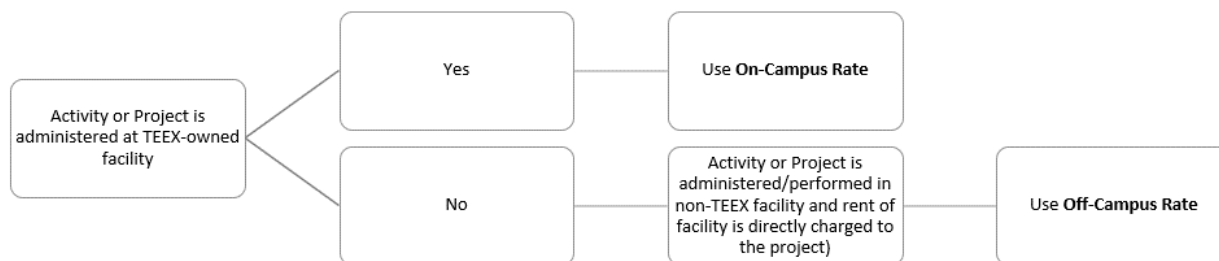


Figure 1. On-Campus versus Off-Campus Rates.

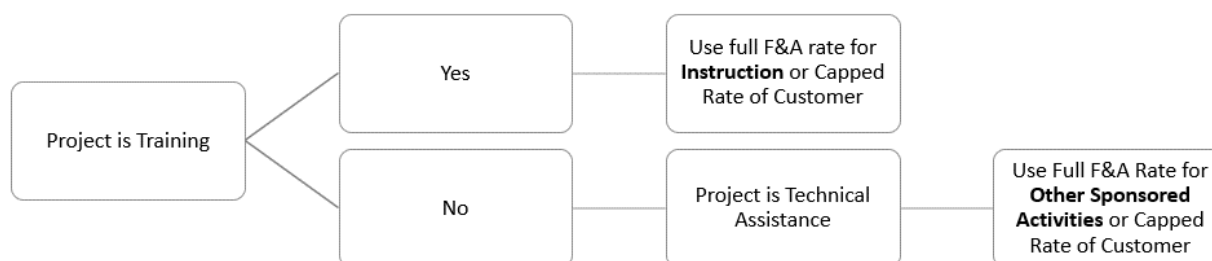


Figure 2. Instruction versus Other Sponsored Activities Rates.

2. Acceptance of less than full F&A recovery:

- 2.1. Less than full F&A recovery will be reviewed and approved on a case-by-case basis.
- 2.2.1. Justification for accepting a contract or grant that has less than full F&A will be submitted on the Less Than Full F&A Recovery Form (CS-23) with an explanation of why it is in TEEX's best interest to accept such a program.
- 2.2.2. Approval of sponsored programs with less than full F&A recovery will be in writing by the TEEX Chief Financial Officer (CFO) or the Assistant CFO/Controller and will be documented on the Proposal Review and Certification Form (CS-2).

3. Distribution of F&A

- 3.1. For the full Organizational Research* & Instruction F&A rate, the distribution is as follows:
 - 3.1.1. FY2024 Rate of 52.5%: 28.5% to Agency and 24% to Division(s)
 - 3.1.2. FY2025 Rate of 52.5%: 28.5% to Agency and 24% to Division(s)
 - 3.1.3. FY2026+ Rate of 54.0%: 30.0% to Agency and 24% to Division(s)

**Subject to change based upon potential future implementation of a TEEX research program.*

- 3.2. For less than the full F&A rate (e.g., Capped by Customer or Less Than Full requested by Division): 60% of the amount of F&A recovered to Agency and 40% to the Division(s).
- 3.3. For Other Sponsored Activities F&A rate, the distribution is as follows:
 - 3.3.1. FY2024-FY2026+ Rate of 32.0%: 19.2% to Agency and 12.8% to Division(s)
- 3.4. When the distribution is for multi-division programs: Agency portion distributed according to 3.1-3.3. Division portion distributed according to 3.1-3.3 and divided evenly among participating Divisions or a percentage split negotiated by the participating Division Directors.

Quality Assurance Measures

The Office of Contract Services informs Division Business Managers and Proposal Specialists when the new F&A rate agreement is released and provides the new rates to be used for the current Fiscal year (FY). The F&A Rate Agreement is located online as indicated in 1.1.1 and a copy is saved in the Contract Services “Contract Templates” page on SharePoint. OCS budget templates are updated each year with the new Fiscal Year F&A rate which is communicated to Division Business Managers and Proposal Specialists.

When new Business Managers and Proposal Specialists are hired, OCS provides one-on-one training to new personnel on the process, forms, and F&A rates for TEEX proposals.

For proposals routed through OCS for Headquarters approval before submission to the sponsor/customer, OCS reviews the proposal statements of work and budgets to ensure that the correct F&A rates are being proposed.

OCS continually monitors F&A rates in proposals and awards to ensure the right rate by Fiscal Year and type of activity is used. If not correct, OCS notifies the Division POCs of the incorrect F&A rate, advises correct F&A rate, and reason for the using the correct F&A rate.

Related Statutes, Policies, or Requirements

TAMUS Regulation [15.01.01 Sponsored Agreements – Research and Other](#)

Texas A&M University System [FY2022-2026 College Station-Based Members F&A Rate Agreement](#)

Office of Responsibility

TEEX Office of Contract Services

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