Current Policy

The current policy for cross-unit collaboration, described in the document *Sharing Facilities and Administrative Cost Recovery Revenue*, assumes that the unit through which the grant is assigned provides the unit-level administrative support for the grant. Exceptions to this rule should be assessed on a case-by-case basis.\(^1\)

According to the *Tracking Investigator Award and Expenditure Credit for Sponsored Programs* policy, for laboratory-based research grants, F&A recoveries are attributed to the unit providing the facilities (typically the space) and administrative support for the grant. In the case of grants involving multiple investigators, sub-project accounts are used to track F&A recoveries.\(^2\)

Current Practice

The current practice for Sharing F&A Cost Recovery Revenue (for cross-unit collaboration) is: F&A recovery generally is split between units (departments, University Research Centers (URCs), schools, campuses) based on agreements between investigators, often on an ad-hoc basis. There is no consistent practice across the University that governs F&A recovery attribution across units. There is also a general lack of understanding of how NU Financials can support allocation agreements.

New Process Guidelines

For cross-unit collaboration, the current practices for F&A recovery attribution are inconsistent with current policy as demonstrated in the interview summary report. The lack of consistency between units in attributing F&A recovery creates administrative inefficiencies and the potential for attributing F&A recovery in a way that does not accurately and effectively reflect expenses and activities. The new financial system is not utilized optimally to facilitate cross-school collaboration.

Therefore, the goal of the new process guidelines is to standardize and bring transparency to the process for sharing F&A cost recovery revenue. Specifically the new process guidelines attempt to facilitate (a) the decision-making process for attributing F&A recovery across units and (b) the efficient utilization of the financial systems (NU Financials/InfoEd) based on a coherent set of guidelines. Furthermore, the process guidelines aim to enable schools and the Office for Research to attribute F&A recovery by unit (department, center).

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\(^1\) The portion of the *Sharing Facilities and Administrative Cost Recovery Revenue* policy that addresses F&A recovery across units states: “The F&A recovery revenue-sharing program assumes that the administration of sponsored projects is provided by the areas to which accounts are assigned in the University's general ledger system. To the extent that responsibilities are borne in a different area, the respective area managers must work out an equitable arrangement to assign both the administrative responsibilities and the F&A recovery.”

\(^2\) The portion of the *Tracking Investigator Award and Expenditure Credit for Sponsored Programs* policy that addresses F&A recovery across units states: “For laboratory grants, the basic premise of this policy is that expenditure credit is to be attributed to the unit whose resources and facilities are being used for the research project. The facilities are normally research laboratories. In the case of program projects, center grants, and similarly complex awards in which multiple investigators are engaged, the establishment of separate sub-project accounts will be mandatory. These sub-project accounts will be the mechanism both for tracking expenditure credit and for attributing F&A costs.”
Process Guideline A. Decision Points for F&A Recovery Attribution

**Decision Point #1**: Indicate whether F&A will be split across multiple units within one project. Options include:
- Set up one project (associated with 1 unit)
- Set up one project (associated/split across multiple units). NU Financials has the ability to attribute F&A recovery between multiple units within one project

Multiple projects should only be considered if one or more of the following is true:
- The grant is on the scope of an NSF Science and Technology Center or NIH program project grant (with distinct budgets by project)
- There are unique financial reporting requirements that require separate budgets
- The grant is very large (great than $1.0 million dollars in total costs per year)
- Multiple projects are required for project management purposes (subject to OSR approval)

**Decision Point #2**: Identify the F&A recovery attribution among units (for awards with multiple units).

For awards with multiple units, if F&A recovery on the award will NOT be attributed proportionately to the direct costs, then the following considerations should be taken into account when attributing F&A recovery across units:
- Where the work (the research) on the grant will take place (This should especially be considered if some or all of the work takes place on the Chicago campus.)
- Which unit will serve as the lead administrative unit
- Whether some administrative support is carried out by a unit other than the one in which the grant is run
- Whether the PI has multiple appointments
- Whether there are multiple departments on the award (Awards within a single department should be assigned through the department.)

If this is an award with multiple units, attribute the expected direct costs that carry F&A recovery between the schools such that the total is 100% (to nearest 5%):

<table>
<thead>
<tr>
<th>Unit</th>
<th>School/URC</th>
<th>% of Total Direct Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit</td>
<td>School/URC</td>
<td>% of Total Direct Costs</td>
</tr>
<tr>
<td>TOTAL = 100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Examples of attributing F&A recovery across units: (These examples are provided for illustrative purposes only and do not suggest actual attribution across units.)

**Grant between two schools on Evanston campus**
- The units/investigators decide to split F&A recovery such that WCAS receives 80% and MCC receives 20% (according to the F&A Recovery Sharing Program*):

<table>
<thead>
<tr>
<th>Unit</th>
<th>School/URC</th>
<th>% of Total Direct Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemistry</td>
<td>WCAS</td>
<td>80%</td>
</tr>
<tr>
<td>BME</td>
<td>MCC</td>
<td>20%</td>
</tr>
</tbody>
</table>
Grant between a school and a URC on Evanston campus
• The units/investigators decide to split F&A recovery such that the URC receives 90% and WCAS receives 10% (according to the F&A Recovery Sharing Program*):

<table>
<thead>
<tr>
<th>Unit</th>
<th>School/URC</th>
<th>% of Total Direct Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBNAM</td>
<td>URC</td>
<td>90%</td>
</tr>
<tr>
<td>Physics</td>
<td>WCAS</td>
<td>10%</td>
</tr>
</tbody>
</table>

Grant between a school in Evanston and FSM
• The units/investigators decide to split the F&A recovery such that FSM receives 70% (of which 60% goes to the dept and 40% to the dean’s office), and MCC receives 30% (according to the F&A Recovery Sharing Program*).

<table>
<thead>
<tr>
<th>Unit</th>
<th>School/URC</th>
<th>% of Total Direct Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro-Immuno</td>
<td>FSM</td>
<td>70%</td>
</tr>
<tr>
<td>BME</td>
<td>MCC</td>
<td>30%</td>
</tr>
</tbody>
</table>

*McCormick, Weinberg, and the University Research Center’s participate in the F&A Recovery Sharing Program. The School of Communication and School of Education and Social Policy currently do not participate in this program and support for their school’s research administrative infrastructure is included in their budget allocation.

At the proposal stage, investigators should identify whether F&A recovery will be split between multiple units and indicate a preliminary F&A recovery split on the OSR-1 form. (These new options would be provided on the paper form, the electronic form, and in InfoEd.)

At the proposal stage investigators will develop a recommendation for the F&A recovery breakdown in coordination with their chair(s)/center director(s) and dean(s)/Vice President for Research.

At the time of the award, investigators should confirm the F&A recovery split, as outlined in Process Guideline A, on the OSR-2 form, or an additional form created to guide the decision.

These outcomes would be required for all proposals submitted after the established deadline.

In order to appropriately track F&A recovery by unit, separate central resource ID’s have been created for each department housing research for schools participating in the F&A Recovery Sharing Program. (Currently all revenue is credited to a single central resource ID for the School.) This option credits the revenue directly to a central department ID associated with the unit’s department ID. The additional unit-level ID’s enable reporting to identify F&A recovery by department/unit.

Process Guideline D. F&A Recovery Attribution Agreements Across Schools and Between Departments.
It is encouraged to set up agreements between schools and between departments/units (if necessary) that regularly collaborate with one another. Departments may find it useful to create a template / agreement for departments/units that they collaborate with most.