10.1 “B” Unit Facilities & Administrative Recovery Assessment

Policy Statement
Other organized fund groups known as “B” units will be assessed an annual facilities and administrative (F&A) recovery assessment for the University’s Resident Instruction budget to recover a portion of the F&A costs associated with the overhead support that various UGA administrative units provide to UGA’s “B” units’ sponsored activities.

Reason for policy
The University “B” units receive the full amount recovered by UGA for the contract and grant facilities & administrative (indirect) costs each month during the fiscal year. A significant portion of these funds are recovered for general administration, sponsored projects administration, and some facilities costs for which UGA’s Resident Instruction budget funds the central operations that supply this support and for which the “B” units bears no expense. This policy provides a mechanism for UGA’s Resident Instruction budget to recover a portion of these costs associated with the overhead support that various UGA administrative units provide to UGA’s “B” units.

Procedures
The administrative process to charge the overhead assessment to each “B” unit takes place once per year. The annual recovery assessment is then calculated using the steps below.

Step 1. Determine the amount of contract and grant facilities and administrative costs (F&A) that were recovered by each “B” Unit during the previous fiscal year.

Step 2. Determine how much of the F&A recovery in Step 1 was retained by the “B” Unit (UGA portion separated from UGARF portion).

Step 3. Determine how much of the “B” Unit’s F&A rate is comprised of factors to recover costs associated with general administration (GA), sponsored projects administration (SPA) and operating and maintaining Resident Instruction facilities where applicable, costs that are borne by UGA’s Resident Instruction general budget.

Step 4. Multiply the amount in Step 2 by the percentage in Step 3 to determine how much of the previous fiscal years F&A recovery should have been retained by UGA’s Resident Instruction general budget.

Step 5. The amount calculated in Step 4 will be the amount that each “B” Unit will be assessed in the current fiscal year.

The calculations and amounts are reviewed for reasonableness. Each unit is notified of its annual assessment and provided time to review for reasonableness. The assessment is facilitated via a journal voucher process.

Policy definitions
Facilities & Administrative (overhead, indirect) costs are necessary to support research and other sponsored projects, but which cannot be readily or easily assigned to individual projects. These include costs related to facilities operations (depreciation, utilities, maintenance, security, etc.), libraries, departmental administration, and general administration (like OSP and C&G). UGA recovers F&A costs by applying a percentage rate to the direct cost expenditures charged to sponsored project accounts.

Responsibilities
**Responsible University Senior Administrator:** Vice President for Finance & Administration
**Responsible University Administrator:** Associate Vice President for University Business and Accounting Services
Policy Owner: Accounting
Policy Contact: Chad Cleveland
Policy Contact Phone Number: 706-542-1197

Record Retention

Citation or Reference: Accounting Records
Number: 0472-03-001

This series includes bank statements, purchase requests, purchase orders, requisitions, financial reports, accounts payable and receivable records, write-off records, discrepancy, payment schedules, operating statements, year-end projections, reconciliation and expenditure reports, cancelled checks, check stubs, moving expenses records, cost accounting reports, refund/disbursement request records, returned checks, deposit slips, travel records, credit voucher requisition records, cash balances and reconciliations, sales and cash reconciliation records, journal entries, outstanding obligations, refund/disbursement requests, receipts, and invoices

Retention: Monthly and quarterly reports: 1 year; All other records: 5 years.

Policy Dates
Effective Date:

Date Last Updated: 12/15/2016
Date of Last Review:
Date of Approval:
Previous Version of Policy: