

## **COUNCIL ON GOVERNMENTAL RELATIONS**

One Dupont Circle, Suite 425 Washington, D.C. 20036 (202) 331-1803 FAX: (202) 331-8483

July 24, 1992

TO: Primary Representatives of Participating Universities  
FROM: Milton Goldberg *MG*  
SUBJECT: Cost of Research Study

The enclosed material will inform you about a cost study which a COGR/AAU task force conducted at twenty one universities. Given the time constraints and the government's preoccupation with revising Circular A-21, the study focused principally on indirect costs that are in support of research.

The study was conducted between March and July 1992, with the cooperation of the Office of Management and Budget and the Office of Science and Technology Policy. The intent of the study is to inform the debate which currently centers on university reimbursement for indirect costs, and which we believe may result in further modifications to OMB Circular A-21 by September 1992.

COGR has not performed a great deal of quantitative analyses of the collected data, but the material clearly allows for extensive review. COGR has however offered preliminary observations on the data. Those observations are set out in the enclosed material. They are:

1. Indirect costs are not easily understood because those costs are recorded differently from university to university.
2. Comparisons based on rates do not reflect accurately differences in costs.
3. Universities share significantly in the costs of research.
4. Universities bear the major share of their indirect costs and, therefore, have a significant incentive to control or reduce those costs.
5. Supporting costs of research are identified in more than forty areas. These costs are neither frivolous, nor optional. Changes to the indirect cost system should not be made by denying the existence of these costs.

If you desire more than the enclosed material, the data is stored on a diskette, which is available at your request. Please write and request COGR/AAU Study on Cost of Research, 1992.

Enclosure



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July 11, 1992

## COGR/AAU COST OF RESEARCH STUDY

### Purpose of the Study

This study, based on a sample group of universities, focuses on the supporting cost of research funded by the federal government. The review of research opportunities and management of total costs of research is an ongoing challenge for both the federal government as the sponsor of research and the universities as recipients of federal funds. Support costs of research are frequently misunderstood and their significance to research is trivialized. We believe that this study will provide data to inform the ongoing debate about the cost of academic research.

The total cost of research consists of direct expenditures and of support costs, variously identified as indirect costs or overhead. Although the federally negotiated indirect costs rates are frequently used as a measure of expenditures, they do not reflect the true cost of research. Therefore, this study is based on historical expenditures, rather than negotiated rates.

Universities are complex entities, and they carry obligations for accountability in fiscal, environmental, socio-economic and legal areas. This study provides a comprehensive picture of total support costs by identifying and arraying forty individual cost categories.

In compliance with OMB Circular A-21, support costs of research are to be aggregated in broad cost pools; they are: Departmental Administration; General Administration; Sponsored Project Administration; Operations and Maintenance; Depreciation/Use Allowance on Facilities and Equipment; Library; and Student Services. Due to organizational structure, which is different from university to university, not all universities currently group their costs in the same pools. This study indicates where a representative sample of universities charges their support costs.

There are several major goals of this study. One is that it facilitates the review that might result from narrowing the variance in recording and reporting costs among universities; another is to articulate the importance of support costs to research. One could assume that recording costs more uniformly would lead to a better understanding of support cost. This exercise is increasingly important in view of plans to simplify the cost recovery system. The study is intended to provide a data base from which more thoughtful discussion may begin and a benchmark against which policy alternatives ought to be tested.

### Design of the Study

#### A) Study Design:

The study was designed by a working group of members of the Council on Governmental Relations and the Association of American Universities. Their efforts were supported by the Association of American Medical Colleges and

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the National Association of State Universities and Land-Grant Colleges. As the design was progressing, advice was sought from four major accounting firms: KPMG, Peat Marwick; Arthur Andersen; Coopers and Lybrand; Deloitte-Touche and participation of the federal government was secured.

Final modifications were made after two sessions with representatives of major federal funding agencies under the auspices of the Office of Management and Budget and the Office of Science and Technology Policy.

B) Sample Selection:

The following selection criteria were carefully weighed in order to create a representative mix: public or private status of participating universities; high versus low research volume; high or low negotiated indirect cost rates (defined as above 64% or below 45% respectively); regional distribution; and extensive medical research activity.

C) Sample Size:

Twenty-one universities were selected for this study. Their federal expenditures for research amount to \$2.4 billion. Since total federal national expenditures for academic research totaled approximately \$9.2 billion in FY 1990, the sample represents 26% of total expenditures for university research.

Methodology

The survey seeks to collect functional costs in fine grained categories. Although more descriptive to the general reader than the usual broad cost pools, these categories are nevertheless still aggregate of costs typically incurred within a major function such as finance, safety and risk management, campus security, personnel, etc. At the same time, the study indicates where these functional costs are allocated in each university system. (Part III).

The study allows insight into the degree to which the total direct cost base is modified. Because indirect costs are assessed on the basis of Modified Total Direct Cost (MTDC) pursuant to government rules rather than Total Direct Cost (TDC), the study yields information as to the degree of uniformity among universities in the sample with regard to their research base. (Part II).

The study also examines direct and indirect costs incurred and reimbursed. Three algorithms define the different amount of cost recovery that might be achieved if the university's proposed rate were used, or if the negotiated rates were used or if actual billing rate were used. All of these are compared to what is actually recovered which is less than any of the three algorithms. (Part IV)

Preliminary studies regarding research space are undertaken, but call for further refinement (Parts V - VIII)

Observations Based on the Study

Based on information supplied by the study participants, at this time we offer qualitative, though not quantitative observations: (1) there is

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substantial variation among universities in the base on which the rate is computed; (2) there is variability among institutions in the particular pools to which certain cost items are assigned; (3) specific indirect costs in support of research are identified; (4) each university bears the major share of its indirect costs; and (5) universities do not receive reimbursement for a substantial fraction of the identified costs of research, and, therefore, are engaged to a significant degree in sharing of those costs with external sponsors.

1. There is substantial variation among universities in the base on which the rate is computed. Circular A-21 describes the Modified Total Direct Cost (MTDC) base as consisting of salaries and wages, fringe benefits, materials and supplies, services, travel, subgrants and subcontracts up to \$25,000 each. However, both the government and the universities find other bases more equitable and, therefore, negotiate different exclusions from Total Direct Cost. For example, two universities with the same research volume could have different amounts of equipment acquisition, due to different emphasis on scientific disciplines. Since the cost of capital equipment is excluded from the MTDC base, the schools would have different MTDC bases, but the same Total Direct Costs base. Their total indirect costs would be the same, but their indirect rates would differ.

A brief examination of Part II of the Survey indicates that in the interest of equity, each school has found it necessary to negotiate a different MTDC with the result that a certain cost item which may be included in the base at one institution may be excluded at another. In each case, the indirect cost negotiation and this survey has included a specification of the precise items making up the base. One concludes that comparisons based on rates do not reflect accurately differences in costs.

However, it is important to note that even if each school included in the research base precisely the same items as every other school, one would still see a range of rates. This range reflects real differences in costs, not accounting artifacts.

2. There is variability among institutions in the particular pools to which certain cost items are assigned. Certain of the individual cost items identified in Part III of the survey appear in the same cost pools in each institution. Other items, however, may appear in an administrative pool in one school and in a facilities pool, in another. An example of this is provided by the costs of hazardous waste disposal. These costs appear in the Operations and Maintenance pool in five schools, in General Administration in three schools, in Sponsored Projects Administration in three schools, and are either directly charged to research grants, to instruction or to patient care accounts by the remaining universities in the sample. Other examples would include items such as campus security, facilities planning, and safety and risk management.

While some of these variations may be the result of arbitrary assignments of the costs items to the various pools, others reflect real differences in the organization of the institutions involved. In such cases uniformity in the treatment of particular cost items could be obtained by an organizational change or budgetary restructuring at the university.

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It is also worth noting that in certain cases, some of the participating schools may not separate two related cost items. There are thus limits to the fineness of detail regarding the assignment of costs which can be obtained without considerable additional effort and cost studies by the participants.

3. Specific indirect costs in support of research are identified. The survey provides data on specific indirect cost items and demonstrates that the broad label of "administration" is misleading because it includes many essential compliance functions to which research universities are subjected either by federal regulation or law. The costs consist of insurance, campus security, accounting, animal care and use committees, human subjects use committees, biohazard safety committees, radiation safety, occupational safety, administration, hazardous waste disposal, computing, etc. They are expenditures that must be met; they are neither frivolous charges nor optional costs.

4. Each university bears the major share of its indirect costs. Part III of the survey shows that universities allocate only a small percentage of their indirect costs to organized research, rather university funds pay the largest share of institutional indirect costs. Taking the General and Administrative indirect cost pool for example, the total \*allocable costs for all 21 institutions were approximately \$654 million. Out of this total, \$113 million, or approximately 17% was allocated to organized research. As shown by Part IV, still less was actually reimbursed by outside sponsors. \*(Allocable costs refers to what is left after the removal of costs, which under Circular A-21 are considered ineligible for inclusion in an organized research indirect cost pool.)

The study shows that only a small percentage of these costs is actually allocated to research. The major portion of these costs is born by institutional resources; therefore universities have strong incentives to hold costs down.

5. Universities do not receive reimbursement for a substantial fraction of identified costs of research, and, therefore, are engaged to a significant degree in sharing of those costs with external sponsors. An examination of Part IV of the study reveals that for most universities indirect cost recovery is considerably less than either the institutions' own calculation of their indirect costs (Algorithm A), or the federally negotiated indirect costs (Algorithm B), or the billing rate (Algorithm C).

This underrecovery is a consequence both of restrictions on indirect costs placed by the sponsors of the research (both federal and non-federal), as well as the presence of organized but not sponsored research. In the latter case the institution does not charge itself for the indirect costs, although a portion of these costs are allocated to such non-sponsored research. We noted that several universities have not accounted for unsponsored organized research activity and, correspondingly, have not included indirect costs associated with unsponsored activities in the indirect costs pools.

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This study has focused principally on indirect costs. However, data from the National Science Foundation annual Survey of Scientific and Engineering Expenditures at Universities and Colleges identifies substantial amounts of institutional contributions to the direct costs of research. This institutional support takes the form of both cost sharing, either mandatory or voluntary, on sponsored projects, and also, institutionally supported research projects, frequently characterized as organized but not sponsored research.







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One Dupont Circle, N.W., Suite 425  
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**an organization of research universities**

March 10, 1992

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KATHARINA PHILLIPS

The Council on Governmental Relations, jointly with the associations of higher education listed, has developed a survey instrument designed to answer several important questions about the indirect cost of research in universities. The questions focus on the precise nature of costs, their relevance and how they are allocated. Your university has been selected to participate.

This survey is particularly urgent and a report based on this survey data must be completed by July 1, 1992, because proposals to reform the indirect cost system are on a fast track. The Congressional Budget Office, General Accounting Office, Department of Health and Human Services and Office of Management and Budget, in conjunction with the Office of Science and Technology Policy, are all expected to have recommendations or proposed alternatives ready by July 1992. You may recall that last year the Congress and OMB each moved to reform indirect cost practices at universities. None of the bills introduced passed, rather OMB prevailed when it published new rules effective October 1, 1991. Similar efforts are expected this year and regardless of who prevails, it is important to inform the debate. An analysis of this survey data can do that.

This survey will ask respondents to record and report cost in a systematic way that will both facilitate comparisons and identify those costs that comprise indirect costs. Toward this end, the survey will enumerate indirect costs of research by functional grouping for almost forty functions such as campus security, legal costs, hazardous waste disposal, disaster preparedness, housekeeping, etc. Special studies will be examined as a method for determining costs.

In order to assure that the data collected is as precise as possible and that the assignment of costs is relevant to research, we ask you to designate two persons with whom we may communicate for this purpose. Both of them must be available for at least one meeting at a site to be selected, where the participants would gather to explain anomalies, differences that are not apparent, relevance to research, use of special study methodologies, cost sharing policies, etc. This necessitates that one designee have

first hand knowledge of the university's indirect cost calculation and the other familiar with and responsible for research policy decisions at the university. It is likely the first meeting and analysis will begin after the survey is completed, probably in mid-April 1992. Please appoint your designees in the next several days and let Milton Goldberg know who they are. The data produced from this survey will be aggregated, but it is likely that it will have to be individually identified to enhance the survey's credibility.

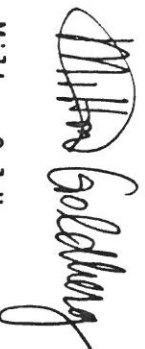
The analysis that follows from the survey data could be a starting point for reform of the indirect cost system. Cost would be more explicit and visible and this could lead to judgments about recording and reporting costs. More uniformity in recording and reporting would reduce the likelihood of abuses and inclusion of inappropriate or unallowable costs.

This survey, while under the control of the sponsoring associations, has an advisory panel from four leading independent accounting firms in the United States. Those firms are Arthur Andersen, Coopers & Lybrand, Deloitte-Touche and Peat, Marwick, Main & Co. This survey will be one of the most important conducted with respect to indirect costs which amount to more than \$2 billion annually. We hope you will assign its completion the highest priority.

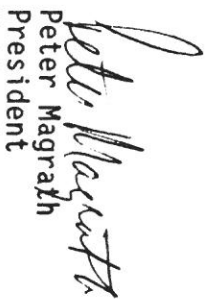
Sincerely,



Robert Rosenzweig  
President  
Association of American  
Universities



Milton Goldberg  
Executive Director  
Council on Governmental Relations



Peter Magrath  
President  
National Association of State  
Universities and Land-  
Grant Colleges



Robert Petersdorf  
President  
Association of American  
Medical Colleges



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**an organization of research universities**

^F1^

March 24, 1992

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KATHARINA PHILLIPS

The Council on Governmental Relations and the Association of American Universities supported by several other associations, are conducting a study to answer important questions about the costs of research conducted in universities. On March 11, you were sent a preliminary questionnaire with an addendum which said that our study would be most effective if we had agreement of the relevant government agencies that we are trying to answer the questions they think are most important. An agreement was reached several days ago and the Government Interagency Task Force on Indirect Costs is now cooperating with us.

The new survey instrument has been expanded, but will not require data beyond that already maintained by universities using the Long Form indirect cost calculation. We are providing computer diskettes which will lessen the burden of responding and reduce the time required for completing the survey instrument. There are twenty universities included in our sample. A list of those institutions being asked to participate in the survey is enclosed

Our March 10 letter asked you to designate two persons who would be able to provide the requested information and who would be able to participate in at least one meeting to facilitate an overall response. That meeting will be held on April 22 in Washington, D.C.

The enclosures to this letter contain the questionnaire which we ask you to substitute for the one sent on March 11, 1992. Also enclosed are instructions for completing the questionnaire. Respondents are requested to complete the survey instrument, with the help of our two experts who will answer technical questions by telephone. The questionnaires are due to be completed by April 16, 1992, after which the data will be collated and summarized. The April 22 meeting will serve to put the material in good form, answer remaining questions, and develop a format for the analysis. A second meeting may be necessary to complete the analysis. In any event, the target completion date remains June 30, 1992.

Please assign this survey instrument as soon as possible and designate two individuals to assist at the April 22 meeting. Again, thank you for your cooperation.

Sincerely,

Milton Goldberg  
Council on Governmental Relations

Robert Rosenzweig  
Association of American  
Universities



## **COUNCIL ON GOVERNMENTAL RELATIONS**

One Dupont Circle, Suite 425 Washington, D.C. 20036 (202) 331-1803 FAX: (202) 331-8483

April 23, 1992

TO: Participants COGR/AAU Cost of Research Survey  
FROM: Milton Goldberg  
SUBJECT: Revised Instructions for Completing Cost of Research Survey

Enclosed is the revised questionnaire for the COGR/AAU Cost of Research Survey. This revision results from a meeting of the participants held on April 22, 1992. As agreed the questionnaire should be completed by May 4, 1992. A new diskette is not provided and rather than sending me your completed questionnaire, please send it Federal Express to: Louis Guin, Assistant Vice President, Financial Analysis, University of Southern California, University Gardens, Suite 107, Los Angeles, California 90089-9002. A paper copy is requested, but you may send a revised diskette if you prefer.

Enclosure



April 23, 1992

## INSTRUCTIONS

### AAU/COGR COST OF RESEARCH STUDY

This questionnaire is designed to answer several important questions about the costs of research. The questions focus on the precise nature of costs, their relevance to research and how costs are allocated. This questionnaire is not intended to require data beyond that already maintained for your existing indirect cost calculation.

#### PART I

Part I is a list of data which are to be submitted. Please provide the most recent negotiated indirect cost proposal information as listed. (Note change from previous instructions.) With regard to Item 4, Rate Components, provide the individual rate components of the most recent year negotiated. Your cognizant agency has agreed to provide you those rate components if they are not known.

#### PART II

This part consists of two subparts: Subpart A asks you to report the dollars in your MTDC base. Please note for this purpose, theoretical total cost is TDC+ (MTDC x indirect cost rate in effect). Subpart B asks you to identify items included in your MTDC base, but limit them to the detail reflected in your negotiation agreement. Do not include dollars here.

#### PART III

#### GENERAL

Your most recent indirect cost negotiation should be used in completing this spreadsheet. Part III principally seeks to collect functional cost data in finer-grained cost categories such as "Finance," "Personnel/Human Resources," "Electricity" and so on. This will be entered on a spreadsheet for further analysis.

#### FORMAT

The amounts you enter in the "Total \$" column should be total operating expenses, excluding equipment and other capital items and student aid. Amounts you enter in the "Total Allocable \$" column of each cost pool section should be the amounts from that functional group which were included in each of the various cost pools. Since unallowable and some other costs would have been excluded from the allocable amounts, or have been offset by applicable credits, the sum of the allocable columns will not add to the total dollars in the first column.

For the "Total \$ to Research" column, enter the amount from the total allocable column which was allocated to on-campus organized research. Please indicate only the amount allocated directly to organized research and disregard cross allocation to other indirect cost pools. Thus, the number listed for the President's Office, for instance, would only be the amount going directly to organized research, not amounts which go first to the other pools, such as DA, and then only later, in part, to organized research. If, because of the way you

do your calculation or for some other reason, a different definition is better for your institution, please use that but let us know how it differs. If you wish to provide comments on individual items of cost, please list by footnote and provide your comments on a separate page.

#### CROSS ALLOCATION

The detailed information requested for administration under Part III A should be "pure". That is, it should be the amount of the pool before any cross allocations from plant operations and maintenance, building or equipment depreciation/use allowance, or, in some instances, any cross allocations of administrative costs. Part III B provides a bridge between the "pure" costs and the total cost of each pool when cross allocations are added.

#### GROUPING OF COST ITEMS

The categories listed are intended to be broad groupings which will allow the information to be described in a functional manner more easily understood by general readers. Under each major function we have listed items of costs typically included in such a category. For any single numbered function, it is only necessary to enter a single aggregate number in the "Total \$" column, inclusive of all of your institution's costs which would fall into that category. However, should you come across items which, according to our breakdown would appear to fall into an administrative column (i.e., GA, DA or SPA), but which your institution treats otherwise, please specify exactly the costs involved, the amount of the items and the pools to which the amounts are charged. The same request applies for items which we have included as being more typically in an operations and maintenance function, but which you may categorize as administrative, etc.

#### ALTERNATIVE GROUPINGS

While we have indicated typical items to be included in each group, it is not necessary to restate your costs if, organizationally, some items fall into different functional groups of the same type. For example, in some universities General Counsel costs might be merged with the Governing Board costs, while in others these might be included with Legal Services. Either treatment is acceptable, as long as the costs are entered in the correct cost pools column; however, please indicate where these circumstances occur. The same is true for variance within Plant Operations and Maintenance functions. It is not expected that every institution will have costs which fall into every functional group. When a functional group does not apply to any of the costs for your institution, please enter a zero in the "Total \$" column.

#### EMPLOYEE BENEFIT COSTS

If a functional item is charged via an employee benefit rate or included in an employee benefits pool rather than in one of the other indirect cost pools, please enter it in the "Employee Benefits" column. In such instances, we request that you calculate an approximate percentage of the employee benefits pool which is associated with salaries charged to on-campus research.



## SERVICE CENTERS

For any administrative or other costs which your institution recovers by means of service center/direct charge rates rather than in an administrative pool, please indicate this in the "Directly Charged" column and estimate if possible the approximate amount which is charged to on-campus research. Likewise, if there are items of cost which fall into one of our functional groupings, but were not included in any of the listed indirect cost pools or directly charged, please enter these items and amounts in the "Other" columns, noting the cost item and the cost pool in which the costs may be found in your proposal. When you have completed the spreadsheet, check the "Total Allocable \$" and the "Total \$ to Research" amounts for each indirect cost pool column to ensure that it equals the totals for the cost pool in your calculation.

## MATERIALITY

Finally, in compiling this information, we rely on your judgment to determine the materiality of any cost item which might deserve special treatment or comment. In general, we hope that most of these numbers can be generated or approximated with relative ease from the cost groupings already present in your calculation and their supporting schedules. Please note in the "Comments" column any remarks that would help to explain or clarify factors which you believe are treated in an unusual fashion at your institution.

## WORKSHEET FORMAT

A Lotus 1-2-3 worksheet file has been provided for you on both 5 1/4" and 3 1/2" floppy disks. Please use whichever disk is compatible with your system. The worksheet file contains Parts II - VI and they are arranged in numerical order in Column A. When entering amounts for each column, it would be helpful if all amounts for a given functional group are put in the same row, but this is not necessary if you will be entering multiple lines with a subtotal for that group. You may add rows to the "Other" functional group if necessary; however, please do not add additional functional groups into the spreadsheet.

## PART IV

Here you are asked to record direct and indirect costs incurred and reimbursed by sponsors. Direct Costs Per Accounting Records refers to all costs incurred by the university, whether or not reimbursement by sponsors was requested or received.

## PART V

Part V asks you to provide net assignable square footage for facilities used in research. With regard to the definition of "net assignable square foot" use the definition consistently applied at your university.

## PART VI

This part seeks to find net square footage assigned on the basis of predominant use. If you do not use that method enter -0- in the appropriate spaces.

PART VII

This part seeks to find whether there are other activities performed in organized research space, but not included in organized research MTDC base. This applies principally to those universities which allocate space on a predominant use basis. As an example, if 100 percent of an area is included in organized research space because use of that space was determined to be 95 percent research and 5 percent patient care, identify the 5 percent as patient care and the MTDC of that patient care.

PART VIII

Part VIII asks that you provide other information to facilitate analysis of the data. Question 4 is open-ended and provides an opportunity to describe differences that affect the rate materially.

If you have questions regarding the survey, please telephone Luis Guin, University of Southern California at (213) 743-7343 or Bill Brophy, University of California, San Diego at (619) 534-6517.

PLEASE SEND THE MATERIALS REQUESTED IN PARTS I - VIII, INCLUDING DISKETTES, TO THE COGR OFFICE, ATTENTION MILTON GOLDBERG, ONE DUPONT CIRCLE, N. W., SUITE 425, WASHINGTON, D.C. 20036.

COGR/AAU COST OF RESEARCH STUDY  
PART I  
SUMMARY DATA TO BE SUBMITTED

1. Most recent indirect cost proposal for which negotiation has been completed.
  - a) Rate schedules (including cost projections; please identify):
  - b) Stepdown report
  - c) Individual cost pool allocation reports
  - d) General description of cost analysis studies
  - e) Functional definitions for supporting systems
    - effort reporting
    - space system
    - screening of accounts
    - equipment inventory
  - f) Reconciliation of proposal to financial statements
  - g) Proposal base year \_\_\_\_; Years covered by negotiated rates \_\_\_\_.
2. Financial statements
  - a) Proposal base year
  - b) Most recent year
3. Rate negotiation agreement
4. Rate components
  - \_\_\_\_\_
  - Please provide the individual rate components of the most recent year negotiated. If the negotiation did not identify the components in the final rate, your cognizant agency has agreed to provide them.
5. Schedule of total expenditures for research, direct and indirect, by funding agency, for the most recent fiscal year:

DHHS	_____
DOE	_____
DOD	_____
NSF	_____
DED	_____
NASA	_____
COMMERCE	_____
OTHER FEDERAL AGENCIES	_____
SUBTOTAL FEDERAL AGENCIES	_____
ALL OTHER SPONSORS	_____

If you have questions regarding the survey, please telephone Louis Guin, University of Southern California at (213) 743-7343 or Bill Brophy, University of California, San Diego at (619) 534-6517.

COGR/AU - Cost of Research Study  
Part II  
(\$ in thousands)

Report the dollars in your MTDC base:

Federal Research \_\_\_\_\_  
Other Sponsored Research \_\_\_\_\_  
Organized, but not Sponsored Research \_\_\_\_\_

Total MTDC

On campus MTDC total, included above

Direct costs not included in MTDC base above: \*

Equipment purchases \_\_\_\_\_  
Equipment rental \_\_\_\_\_

Subcontracts in excess of  
first \$25,000 # \_\_\_\_\_

All subcontracts \_\_\_\_\_

Tuition Remission \_\_\_\_\_

Graduate student stipends \_\_\_\_\_

Patient care costs \_\_\_\_\_

Real estate rents \_\_\_\_\_

Other (please specify) \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Total Direct Cost Exclusions \_\_\_\_\_

Total Direct Costs  
(MTDC plus exclusions) \_\_\_\_\_

\* If a cost item listed below was included rather than excluded in the MTDC base, please indicate so.

# The usual amount is \$25,000. If you exclude all subcontracts, enter \$0 on this line and include the full amount of the subcontracts on the next line.

Function	TOTAL \$	GA		SPA		DA		O & M		SS		LIB		DEP & USE		OTHER		EMPLOYEE BENEFITS		DI	
		Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research		
Part A - Detail																					
1 System/State (includes state- or system-wide corporate administration, governing boards, state-wide cost allocation, etc.)																					
2 President's Office/Governing Board (includes campus-specific CEO/governing board, President/Chancellor, Trustees/Regents/Overseers, corporate Secretary, institutional memberships, Presidential search and transition, etc.)																					
3 Finance (includes CFO, Treasurer, Controller, Purchasing, Payroll, Accounts Payable, Cashier, General Accounting, Restricted Fund Accounting, Investment Accounting, Financial Analysis, Student Financial Services, Internal/External Audits, Sponsored Project Accounting, etc.)																					
4 Grants and Contracts Administration (includes pre- and post-award administration, Animal Care/Human Subjects Review Boards, Patent/Copyright Office, Indirect Cost Analysis Offices, etc.)																					
5 Personnel/Human Resources (includes Employment Office, Compensation Management, Employee Benefit Accounting, Employee Benefit Counseling, Health Provider Administration, EEOC/Affirmative Action, Childcare, Termination Counseling, etc.)																					
6 Legal/General Counsel (includes purchased legal services and internal general counsel)																					
7 Academic Administration/Ac. Affairs (includes Chief Academic Officer, Assistants for Student Affairs, Research, Graduate Studies, Curriculum, Academic Senate and Academic Advisory Committees)																					

Function	TOTAL \$	GA		SPA		DA		O & M		SS		LIB		DEP & USE		OTHER		EMPLOYEE BENEFITS		Dif	
		Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research		
8 Medical Center Administration (includes Medical Center Chief Administrative Officer, all support staff, and all separately managed business and administrative functions, including practice plan administration, etc.)																					
9 Management Information Systems (includes academic and administrative computing, Chief Information Officers, all computing costs, etc.)																					
10 Safety/Risk Management (includes insurance administration, Radiation Safety, OSHA, risk management, Liability insurance, etc.)																					
11 Hazardous Waste Disposal																					
12 Business Services (includes Mail, Graphics, telecommunications, Copy Services, Audiovisual, etc.)																					
13 Planning & Institutional Studies (includes Operating Budget, Capital Budget, Strategic academic and institutional studies, etc.)																					
14 Student Services (includes Admissions, Registrar, Career Services, Student Affairs Administration, Student Counseling, Student Health Center, Chaplain, etc.)																					
15 Other organizational functions predominantly supporting non-research activities (includes Development, Alumni Relations, Public Relations, Community Relations, Governmental Affairs, Overall business administration for Service Centers, Auxiliaries, etc.)																					
16 Dean's Office Administration																					

Function	TOTAL \$	GA		SPA		DA		O & M		SS		LIB		DEP & USE		OTHER		EMPLOYEE BENEFITS		DIF	
		Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research		
17 Academic Department Faculty Administration How is this computed? Circle one: 3.6% Effort reporting Other methods																					
18 Academic Department Professional Staff Is this computed using Effort Reports, DCE or other method? (circle one that applies) Other - Specify method																					
19 Academic Dept Other Salaries & Wages Is this computed using Effort Reports, DCE or other method? (circle one that applies) Other - Specify method																					
20 Other Academic Department Expenses Is this computed using Effort Reports, DCE or other method? (circle one that applies) Other - Specify method Check types of expenses: <input type="checkbox"/> Supplies <input type="checkbox"/> Telephone <input type="checkbox"/> Benefits, if not included above <input type="checkbox"/> Intra-university Services <input type="checkbox"/> Other																					
21 Campus Security (includes escort services, general security services, etc.)																					
22 Physical Plant Administration																					
23 Maintenance (includes building, general and deferred maintenance activities)																					
24 Grounds (includes irrigation systems, landscaping, etc.)																					
25 Housekeeping (includes janitorial/custodial services, trash removal, etc.)																					
26 Electricity																					
27 Fossil Fuels																					

Function	TOTAL \$	GA		SPA		DA		O & M		SS		LIB		DEP & USE		OTHER		EMPLOYEE BENEFITS		DIR	
		Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	TOTAL \$	
28 Water/Sewage																					
29 Other Utilities																					
30 Property Insurance																					
31 Leased Space Costs																					
32 Interest Expense on Facilities & Equipment (includes all interest expense recorded)																					
33 Facilities Planning Design & Construction (includes Architects, Space Administration, etc.)																					
34 Receiving & Materials Storage																					
35 Disaster Preparedness																					
36 Medical Center O & M (if not include above)																					
37 Other Auxiliaries O & M (if not include above)																					
38 Other (please specify)																					



Function	TOTAL \$	GA		SPA		DA		O & M		SS		LIB		DEP & USE		OTHER		EMPLOYEE BENEFITS		DIF
		Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	Total \$ Allocable	Total \$ to Research	
Part B - Summary																				
1 Library costs																				
2 Facilities costs Depreciation/use allowance on buildings and equipment																				
3 Subtotal "Pure" costs as defined in this survey.																				
4 Cross allocation from other pools Depreciation/use allowance on buildings Depreciation/use allowance on equipment Plant O&M G&A Interest Other - Specify																				
5 Total cost pool Total should agree with total pool in indirect cost proposal.																				
Reductions Resulting from Rate Negotiations with Government  Total Negotiated Indirect Costs																				
Part C - Additional Indirect Costs of Research  Identify individual items and amounts which you believe were inappropriate negotiation adjustments. Also, identify additional indirect costs of organized research not included in your proposal  _____ _____ _____ _____ _____ _____ _____ _____																				
GRAND TOTAL																				

Footnote for C: For the additions, where necessary estimate the cost and indicate the basis for your estimate



COGR/AAU - Cost of Research Study

PART V  
Square Footage Statistics

	Net Assignable * Square Footage
Organized Research	_____
Instruction	_____
Other Direct Functions (Identify and List Separately)	_____
_____	_____
_____	_____
_____	_____
Indirect Functions	_____
TOTAL	=====

\* Provide institutional definition of NASF.  
\* Indicate whether approximation.  
\* The above category should include leased space.

COGR/AAU - Cost of Research Study

PART VI  
Square Footage Assigned on Basis of Predominant Use

<u>Direct/Indirect Function</u>	<u>Net Square Footage Assigned on Basis of Predominant Use *</u>
Organized Research	_____
Instruction	_____
Other Direct Functions (List Individually):	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Departmental Administration	_____
Other Indirect Functions	_____
TOTAL	=====

\* Provide definition of your predominant use standard.

PART VII  
Other Activities performed in Organized Research Space  
But Not Included in Organized Research MTDC Base

Activity	MTDC of Activity	Reason for Exclusion from Organized Research Base
Research Training		
Patient Care		
Instruction		
Others (List Individually):		
TOTAL		

PART VIII

Other Information

1. Describe the functions included in Student Administration and Services allocated to research and the method of allocation.
2. Describe the institution's capitalization policy relating to equipment and building renovation.
3. Describe how jointly-used space is allocated between organized research and other functions.
4. Identify and describe any significant differences you believe exist between your institution and most others with respect to cost allocation methods, classification of particular costs as direct or indirect costs, the assignment of specific cost items or functions to indirect cost pools, etc.

**PARTICIPANTS IN COGR/AU COST OF RESEARCH SURVEY**

1. University of California, San Diego
2. University of California, San Francisco
3. Colorado State University
4. George Washington University
5. Georgia Institute of Institute
6. Harvard University
7. The Johns Hopkins University
8. University of Illinois
9. Massachusetts Institute of Technology
10. University of Michigan
11. University of Pennsylvania
12. Princeton University
13. University of Southern California
14. University of Texas Southwestern Medical Center at Dallas
15. Tulane University
16. Vanderbilt University
17. Virginia Commonwealth University
18. University of Virginia
19. Washington University at St. Louis
20. University of Washington
21. University of Wisconsin