



The Research Foundation  
of State University of New York

September 11, 1992

MEMORANDUM

Post-It™ brand fax transmi

To	Dr. Gullahorn
Com	SUNYA
Dept.	
Fax #	442-3346

Conference call  
Scheduled  
Tues 9/15  
at 3 pm

TO: Mr. Steven Brady  
 Mr. Stephen Gilje  
 Dr. David Glass  
 Dr. Jeanne Gullahorn  
 Dr. Dale Landi  
 Mr. Ivan Lisnitzer  
 Mr. Nicholas Paradiso

FROM: John F. Buckhoff, Jr. *JFB*

SUBJECT: Current Indirect Cost Rate Negotiations

Enclosed is an August 26 memorandum from Jack Beaudoin which is the subject of our scheduled conference call on September 15.

The question to be answered is whether or not to agree to a multi-year rate (FY 93 revised plus perhaps FY 94 and 95) negotiated using the proposals now before DHHS. The alternative is to follow our original plan which was to renegotiate the FY 93 capped rate and submit new proposals for FY 94.

It's a gamble either way. The DHHS negotiators are clearly under marching orders to reduce rates. The indirect cost pool "scrub" lurks in the background. We may or may not get more favorable consideration if we agree to Aaronson's proposal. What he would get is a reduced workload. Who knows?

Let's discuss and come to a conclusion.

Thanks.

Enclosure

c: Mr. Hickok  
 Ms. Seward  
 Mr. Tenbeau  
 Mr. Beaudoin

RECEIVED

AUG 26 1992



The Research Foundation  
of State University of New York

OFFICE OF THE EXECUTIVE  
VICE PRESIDENT

August 26, 1992

MEMORANDUM

TO: John F. Buckhoff, Jr.

FROM: Jack Beaudoin *Jack*

SUBJECT: Indirect Cost Negotiations

I thought you should be aware that Bob Aaronson, our DHHS negotiator, has recommended that we seriously consider negotiating rates for the next two or three years. The current "re-negotiation" proposals for FY 1990-91 that he is currently reviewing were initially intended to amend the capped rates for the current fiscal year ending June 30, 1993. However, Mr. Aaronson would also like to use these proposals as the basis for establishing rates for future periods. There are a number of pros and cons that should be considered by everyone, including the campus Operations Managers, before a decision on this issue is reached.

From DHHS's perspective they are faced with a major workload problem with a limited staff. A multiple year rate negotiation would eliminate a significant amount of work over the next few years. However, they are being closely scrutinized by various levels of the federal government, from congress to GAO (Government Accounting Office). Consequently, Aaronson will be under some pressure to be very restrictive in rate negotiations. So he will be looking at the specific advantages of a multiple year negotiation.

The base year for our next proposals is currently scheduled to be FY 1991-92, which have a deadline of December 31, 1992. However, the desired utility consumption data for that period is not very substantial and the probability for strong defensible data for FY 1992-93 is doubtful (pending Messrs. Signorelli & Fox's findings). So this issue would not appear to be a strong argument in favor of submitting new proposals next year.

Mr. Buckhoff

-2-

August 25, 1992

The negotiation of multiple year rates would allow us additional time to strengthen the documentation in a number of related areas, eg. space surveys, special studies, etc.

However our current proposals clearly demonstrate the unreasonableness of the current capped rates (see attached schedule). Thus, it would seem to me that there are two critical factors that would impact on our decision. One is the extent that the capped rates are increased in the current negotiation for FY 1992-93. The second factor is the level of indirect cost rates that Mr. Aaronson would allow us for future periods. He has a copy of the Indirect Cost Review that was sent to Mr. Tournour (DHHS) as well as a copy of his response. No doubt this will also be an issue in the negotiations.

One last thought is that our agreement to a multiple year rate might improve our negotiating position for the current capped rates. It could possibly provide DHHS with an incentive to more readily conclude these negotiations. As you know we are losing indirect cost income each day that revised FY 1992-93 rates are not approved.

As you can see there are a number of issues to consider, but I thought you should be aware that the subject of negotiating multiple year rates will definitely be pursued by Mr. Aaronson. But I should also emphasize that the decision is entirely ours to make.

Attachment

c: Mr. Hickok  
Ms. Seward

Long Form Locations  
Renegotiation of 1992-93 Capped Rates  
Research

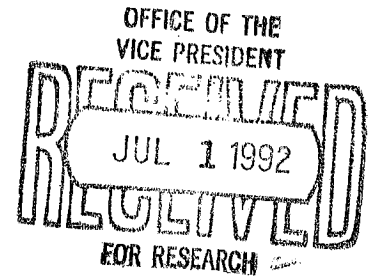
	1988-89 Proposed Rate	1992-93 Current Rate	1992-93 DHHS CAP	* 1990-91 Proposed Full Rate	1990-91 Capped Rate
ALBANY	54.3	50.5	45.4	57.5	51.4
BINGHAMTON	57.7	52.4	47.6	66.8	54.4
BUFFALO	60.9	52.5	47.4	65.3	57.4
STONY BROOK	55.0	52.3	47.0	60.2	54.0
BROOKLYN	63.1	55.7	48.8	72.3	57.4
SYRACUSE	54.4	53.6	50.8	* 59.3	56.6
FORESTRY	57.1	53.0	45.1	63.7	53.7
CENTRAL ADMINISTRATION	35.5	35.5	30.9	35.6	35.6

\*Includes new MTDC service categories



**The Research Foundation**  
of State University of New York

June 26, 1992



**MEMORANDUM**

**TO:** Research Foundation Operations Manager  
**FROM:** Jack Beaudoin *Jack*  
**SUBJECT:** FY 90-91 Indirect Cost Proposals

I have enclosed a schedule that provides some additional information related to the FY 1990-91 indirect cost proposals that were recently submitted to DHHS.

- Col. 1) The proposed rate based upon the last proposal for FY 1988-89.
- Col. 2) The rate that was negotiated for FY 1992-93 (based upon the FY 1988-89 proposal).
- Col. 3) The FY 1992-93 negotiated rate reduced by DHHS to reflect the impact of the 26% administrative cap.
- Col. 4) The FY 1990-91 proposal, which reflects a rate based upon the new Modified Total Direct Cost (MTDC) base. The new base includes all of the services categories (technical services, computer services, etc.), whereas we had previously limited it to consultant services only.
- Col. 5) The FY 1990-91 proposal reduced to reflect the impact of the 26% administrative cap.
- Col. 6) The FY 1990-91 proposal reduced to reflect the impact of the 26% administrative cap, but adjusted to demonstrate the impact if the old base was used. This provides for a better comparison to the previous proposal & negotiated rate.

R.F. Operations Manager - 2 -

June 26, 1992

If you have any questions, please let me know. We will keep you informed of the status of the current negotiations as soon as we hear anything.

Attachments

c: Mr. Neveu  
Mr. VanVoorst

**SUNY @ ALBANY**  
**RENEGOTIATION OF 1992-93 CAPPED RATES**

	1988-89 Proposed Rate	1992-93 Current Rate	1992-93 DHHS CAP	----- 1990-91 ----- Prop Rate NEW BASE	Proposed Rate w/Cap NEW BASE	OLD BASE
<b>RESEARCH</b>						
USE ALLOW	4.1	3.8	3.8	6.2	6.2	6.5
M & O	15.3	14.2	14.2	17.8	17.8	18.8
LIBRARY	1.5	1.4	1.4	1.4	1.4	1.5
<b>NON-CAPPED</b>	<b>20.9</b>	<b>19.4</b>	<b>19.4</b>	<b>25.4</b>	<b>25.4</b>	<b>26.8</b>
ADMIN. CAP	33.4	31.1	26.0	32.1	26.0	26.0
<b>TOTAL</b>	<b>54.3</b>	<b>50.5</b>	<b>45.4</b>	<b>57.5</b>	<b>51.4</b>	<b>52.8</b>
<b>MTDC BASE</b>				<b>9,566,633</b>	<b>9,566,633</b>	<b>9,064,036</b>

**TRAINING**

USE ALLOW	1.6	1.9	1.9	2.6	2.6	2.7
M & O	9.9	9.9	9.9	16.1	16.1	16.6
LIBRARY	1.4	1.4	1.4	1.3	1.3	1.3
STUD. SERV.	1.3	1.4	1.4	1.1	1.1	1.1
<b>NON-CAPPED</b>	<b>14.2</b>	<b>14.6</b>	<b>14.6</b>	<b>21.1</b>	<b>21.1</b>	<b>21.8</b>
ADMIN. CAP	33.4	32.1	26.0	25.2	25.2	25.3
<b>TOTAL</b>	<b>47.6</b>	<b>46.7</b>	<b>40.6</b>	<b>46.3</b>	<b>46.3</b>	<b>47.1</b>
<b>MTDC BASE</b>				<b>3,333,937</b>	<b>3,333,937</b>	<b>3,225,016</b>

SUNY @ BINGHAMTON  
RENEGOTIATION OF 1992-93 CAPPED RATES

	1988-89 Proposed Rate	1992-93 Current Rate	1992-93 DHHS CAP	----- 1990-91 ----- Prop Rate NEW BASE	Proposed Rate w/Cap NEW BASE	OLD BASE
<b>RESEARCH</b>						
USE ALLOW	5.8	5.8	5.8	6.1	6.1	6.3
M & O	14.7	14.0	14.0	20.1	20.1	20.7
LIBRARY	1.8	1.8	1.8	2.2	2.2	2.3
NON-CAPPED	22.3	21.6	21.6	28.4	28.4	29.2
ADMIN. CAP	35.4	30.8	26.0	38.4	26.0	26.0
TOTAL	57.7	52.4	47.6	66.8	54.4	55.2
MTDC BASE				3,105,991	3,105,991	3,019,796
<b>TRAINING</b>						
USE ALLOW	1.7	1.5	1.5	3.0	3.0	3.1
M & O	4.4	4.3	4.3	9.5	9.5	9.9
LIBRARY	2.0	2.0	2.0	2.4	2.4	2.5
STUD. SERV.	1.6	1.6	1.6	1.7	1.7	1.8
NON-CAPPED	9.7	9.4	9.4	16.6	16.6	17.3
ADMIN. CAP	35.6	34.3	26.0	34.7	26.0	26.0
TOTAL	45.3	43.7	35.4	51.3	42.6	43.3
MTDC BASE				2,897,494	2,897,494	2,779,197



**SUNY @ BUFFALO**  
**RENEGOTIATION OF 1992-93 CAPPED RATES**

	1988-89 Proposed Rate	1992-93 Current Rate	1992-93 DHHS CAP	----- 1990-91 ----- Prop Rate NEW BASE	Proposed Rate w/Cap NEW BASE	OLD BASE
<b><u>RESEARCH</u></b>						
USE ALLOW	10.5	7.5	7.5	13.4	13.4	13.8
M & O	14.5	12.4	12.4	16.4	16.4	16.9
LIBRARY	1.4	1.5	1.5	1.6	1.6	1.6
NON-CAPPED	26.4	21.4	21.4	31.4	31.4	32.4
ADMIN. CAP	34.5	31.1	26.0	33.9	26.0	26.0
TOTAL	60.9	52.5	47.4	65.3	57.4	58.4
MTDC BASE				35,623,676	35,623,676	34,567,350
<b><u>TRAINING</u></b>						
USE ALLOW	6.8	6.9	6.9	11.1	11.1	11.3
M & O	13.7	11.3	11.3	15.2	15.2	15.5
LIBRARY	1.5	1.6	1.6	1.7	1.7	1.7
STUD. SERV.	1.5	1.5	1.5	1.3	1.3	1.3
NON-CAPPED	23.5	21.3	21.3	29.3	29.3	29.9
ADMIN. CAP	34.0	29.2	26.0	31.1	26.0	26.0
TOTAL	57.5	50.5	47.3	60.4	55.3	55.9
MTDC BASE				5,527,588	5,527,588	5,418,004

SUNY @ STONY BROOK  
RENEGOTIATION OF 1992-93 CAPPED RATES

	1988-89 Proposed Rate	1992-93 Current Rate	1992-93 DHHS CAP	----- 1990-91 ----- Prop Rate NEW BASE	Proposed Rate w/Cap NEW BASE	OLD BASE
<b>RESEARCH</b>						
USE ALLOW	5.3	5.7	5.7	6.5	6.5	6.9
M & O	14.3	13.4	13.4	19.5	19.5	20.7
LIBRARY	1.9	1.9	1.9	2.0	2.0	2.1
NON-CAPPED	21.5	21.0	21.0	28.0	28.0	29.8
ADMIN. CAP	33.5	31.3	26.0	32.2	26.0	26.0
TOTAL	55.0	52.3	47.0	60.2	54.0	55.8
MTDC BASE				36,749,948	36,749,948	34,571,879
<b>TRAINING</b>						
USE ALLOW	3.1	3.3	3.3	5.1	5.1	5.3
M & O	9.6	9.2	9.2	15.9	15.9	16.4
LIBRARY	2.0	2.0	2.0	2.2	2.2	2.3
STUD. SERV.	1.8	1.7	1.7	1.9	1.9	2.0
NON-CAPPED	16.5	16.2	16.2	25.1	25.1	25.9
ADMIN. CAP	36.4	35.6	26.0	33.0	26.0	26.0
TOTAL	52.9	51.8	42.2	58.1	51.1	51.9
MTDC BASE				2,696,375	2,696,375	2,609,261

**SUNY @ BROOKLYN  
RENEGOTIATION OF 1992-93 CAPPED RATES**

	1988-89 Proposed Rate	1992-93 Current Rate	1992-93 DHHS CAP	----- 1990-91 ----- Prop Rate NEW BASE	Proposed Rate w/Cap NEW BASE	OLD BASE
<b>RESEARCH</b>						
USE ALLOW	3.2	3.2	3.2	3.7	3.7	3.9
M & O	20.3	18.1	18.1	26.3	26.3	27.6
LIBRARY	1.5	1.5	1.5	1.4	1.4	1.5
NON-CAPPED	25.0	22.8	22.8	31.4	31.4	33.0
ADMIN. CAP	38.1	32.9	26.0	40.9	26.0	26.0
TOTAL	63.1	55.7	48.8	72.3	57.4	59.0
MTDC BASE				9,930,696	9,930,696	9,456,618
<b>TRAINING</b>						
USE ALLOW	2.9	2.9	2.9	3.1	3.1	3.2
M & O	18.7	17.4	17.4	22.4	22.4	22.8
LIBRARY	1.6	1.6	1.6	1.6	1.6	1.6
STUD. SERV.	2.1	2.1	2.1	1.5	1.5	1.5
NON-CAPPED	25.3	24.0	24.0	28.6	28.6	29.1
ADMIN. CAP	38.8	35.8	26.0	35.9	26.0	26.0
TOTAL	64.1	59.8	50.0	64.5	54.6	55.1
MTDC BASE				1,899,703	1,899,703	1,869,445

**SUNY @ SYRACUSE  
RENEGOTIATION OF 1992-93 CAPPED RATES**

	1988-89 Proposed Rate	1992-93 Current Rate	1992-93 DHHS CAP	----- 1990-91 ----- Prop Rate NEW BASE	Proposed Rate w/Cap NEW BASE	OLD BASE
<b><u>RESEARCH</u></b>						
USE ALLOW	4.2	4.3	4.3	6.6	6.6	6.7
M & O	19.2	19.0	19.0	22.4	22.4	22.6
LIBRARY	1.4	1.5	1.5	1.6	1.6	1.6
NON-CAPPED	24.8	24.8	24.8	30.6	30.6	30.9
ADMIN. CAP	29.6	28.8	26.0	28.7	26.0	26.0
TOTAL	54.4	53.6	50.8	59.3	56.6	56.9
MTDC BASE				9,513,152	9,513,152	9,420,625
<b><u>TRAINING</u></b>						
USE ALLOW	3.2	2.9	2.9	4.5	4.5	4.7
M & O	15.3	17.8	17.8	18.7	18.7	19.4
LIBRARY	1.6	1.7	1.7	1.7	1.7	1.8
STUD. SERV.	2.6	1.7	1.7	2.1	2.1	2.2
NON-CAPPED	22.7	24.1	24.1	27.0	27.0	28.0
ADMIN. CAP	26.4	25.5	25.5	25.4	25.4	25.6
TOTAL	49.1	49.6	49.6	52.4	52.4	53.6
MTDC BASE				483,676	483,676	465,911

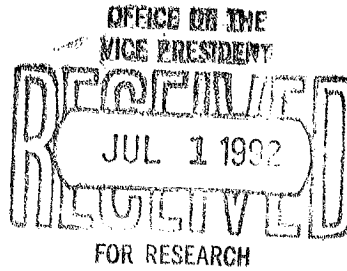
**SUNY @ FORESTRY**  
**RENEGOTIATION OF 1992-93 CAPPED RATES**

	1988-89 Proposed Rate	1992-93 Current Rate	1992-93 DHHS CAP	----- 1990-91 ----- Prop Rate NEW BASE	Proposed Rate w/Cap NEW BASE	OLD BASE
<b>RESEARCH</b>						
USE ALLOW	3.8	3.8	3.8	5.6	5.6	5.7
M & O	14.9	13.6	13.6	20.1	20.1	20.6
LIBRARY	1.7	1.7	1.7	2.0	2.0	2.1
NON-CAPPED	20.4	19.1	19.1	27.7	27.7	28.4
ADMIN. CAP	36.7	33.9	26.0	36.0	26.0	26.0
TOTAL	57.1	53.0	45.1	63.7	53.7	54.4
MTDC BASE				4,073,329	4,073,329	3,972,751
<b>TRAINING</b>						
USE ALLOW	2.2	2.2	2.2	3.9	3.9	4.2
M & O	10.6	8.5	8.5	16.1	16.1	17.4
LIBRARY	1.3	1.3	1.3	1.8	1.8	1.9
STUD. SERV.	3.3	3.3	3.3	3.2	3.2	3.5
NON-CAPPED	17.4	15.3	15.3	25.0	25.0	27.0
ADMIN. CAP	36.4	32.1	26.0	42.6	26.0	26.0
TOTAL	53.8	47.4	41.3	67.6	51.0	53.0
MTDC BASE				290,336	290,336	269,216



The Research Foundation  
of State University of New York

University at Albany  
State University of New York



M-E-M-O-R-A-N-D-U-M

To: University at Albany Faculty

From: Garrett R. Sanders

Date: June 23, 1992

Re: Indirect Cost Rates

Attached is a schedule of indirect cost rates and applicable direct cost bases which are to be used for all sponsored project proposals submitted from the University. This information does not affect the rate applied in the current budget period of an awarded project, but it will likely affect budgeting for the "out years". As discussed below, these rates are subject to change.

Those of you who have followed the national discussion of indirect costs are aware of modifications made in the calculation of federal indirect cost rates. For example, the Office of Management and Budget has capped the administrative component of university indirect cost rates at 26%. As a result of this change, The Research Foundation has been given an opportunity by its federal auditors to renegotiate indirect cost rates for all SUNY campuses, including the University at Albany. Our best information is that this process will take several months to complete and is likely to result in indirect cost rates (and direct cost bases) which are different from those appearing on the attached page.

The Office for Research will keep you informed of the status of the renegotiation process. Please feel free to contact me if you have any questions regarding this information.

cc: University Vice Presidents  
Leo Neveu, Controller  
Office for Research Staff

The University at Albany  
INDIRECT COST RATES FOR PROPOSAL SUBMISSION<sup>1</sup>

<u>Sponsor</u>	<u>Type of Activity</u>	<u>Award Time Period</u>	<u>Location</u>	<u>Direct Cost Base</u>	<u>Rate (%)</u>
Federal and Federal to State Flow Through	Research	07/01/92-06/30/93	On Campus	MTDC <sup>2</sup>	45.4
	Research	07/01/93-indef.	On Campus	MTDC	52.8
	Research	07/01/92-06/30/93	Off Campus	MTDC	26
	Research	07/01/93-indef.	Off Campus	MTDC	26
	Training	07/01/92-06/30/93	On Campus	MTDC	40.6
	Training	07/01/93-indef.	On Campus	MTDC	47.1
	Training	07/01/92-06/30/93	Off Campus	MTDC	27.4
	Training	07/01/93-indef.	Off Campus	MTDC	26.5
Non-Federal	All	07/01/92-indef.	On	TDC <sup>3</sup>	36.3
	All	07/01/92-indef.	Off	TDC	24.3
NYS Agency (excluding Federal Flow through)	All	07/01/92-indef.	On/Off	TDC	20

<sup>1</sup> This information is subject to change based upon results of negotiation of indirect cost rates with the Federal Government.

<sup>2</sup> MTDC Base:

Salaries & Wages	1001
S&W Income Fund Offset	1002
S&W Grad Students	1003
Employee Benefits	1501
Employee Benefits-IFO	1502
Consultant Services	2001
Supplies-Books & Periodicals	3001
Supplies-Chemicals	3002
Supplies-Glassware	3003
Supplies-Animals	3004
Supplies-Photographic	3005
Supplies-Other	3006
Travel-Domestic	3501
Travel-Foreign	3502

<sup>3</sup> Indirect cost rate is applied to all direct cost categories.

**INDIRECT COST  
POLICY AND GUIDELINES**

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**The Research Foundation  
of State University of New York**

Revised May 27, 1992



The Research Foundation  
of State University of New York

**INDIRECT COST  
POLICY AND GUIDELINES**

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The Research Foundation  
of State University of New York

**INDIRECT COST  
POLICY AND GUIDELINES**

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**PURPOSE**

This document sets forth the Research Foundation policy and guidelines that are applicable to the recovery of indirect costs incurred in the conduct of sponsored programs within the State University of New York.

**BACKGROUND**

The Research Foundation of State University of New York provides services to the University under the terms of a formal agreement entered into on June 1, 1977. This agreement was adopted in accordance with *Chapter 50* of the Laws of 1977 and formalized the relationship and responsibilities of both parties in connection with externally funded research and other sponsored programs of the University. *Paragraph 6* of this agreement entitled "Allowances for Indirect Costs" states

Allowances by sponsors for the recovery of indirect costs attributable to facilities or services provided by the University such as administrative services, building space, utilities, janitorial services, libraries, etc., shall be deemed to be costs of the Foundation for the purpose of obtaining reimbursement of such costs from sponsors. The Foundation shall attempt to obtain from sponsors the maximum possible reimbursement of indirect costs and, if applicable, net release time funds, subject to specific procedures and criteria adopted by the University governing the approval of overhead reimbursement rates and reductions or waivers thereof.

The sections that follow provide definitions related to sponsored program costs, explain how a program budget is developed, describe how the Research Foundation obtains the maximum possible reimbursement of indirect costs from sponsors, and describe the indirect cost waiver process. The current rates are provided in Exhibit A.

1. FEDERAL RATES

Federal rates are applicable to programs that are funded by federal agencies or other sponsors that administer federal funds.

**Developing the Federal Rates**

The federal rates are developed in accordance with cost principles specified in Office of Management and Budget (OMB) *Circular A-21 "Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions"* and are approved in accordance with OMB *Circular A-88 "Indirect Cost Rates, Audit, and Audit Follow-up at Educational Institutions."*

In accordance with *Circular A-21*, cost studies are conducted to determine the proportion of each location's support expenses allocable to the major functions of the University (research, instruction, and public service). The cost studies conducted for those institutions having larger federal volumes are more detailed, therefore the rate structure for these operating locations is more complex. For example, these locations with larger federal volumes have separate rates for research and training programs.

OMB *Circular A-88* states that one federal agency, referred to as the *cognizant agency*, negotiates the indirect cost rate or rates at a single institution. The U.S. Department of Health and Human Services (DHHS) is the cognizant agency, on behalf of all federal agencies, for the Research Foundation. Therefore, the Research Foundation submits proposed operating location indirect cost rates to DHHS for approval.

**Direct Cost Bases/Rate Structure**

Two separate direct cost bases are used for federal programs and apply depending upon federal volumes. The appropriate indirect cost rate is applied to one of these bases to determine the indirect cost budget for a federal program. The two bases are *Modified Total Direct Cost* and *Salary and Wage*.

1. *Modified Total Direct Cost (MTDC)*. Locations with a total annual volume of federal expenditures exceeding \$3 million use the MTDC base to calculate indirect costs for federal programs. The indirect cost rate is applied to a direct cost base consisting of salaries and wages, fringe benefits, materials and supplies, travel, and consultant services.

For locations using the MTDC rate structure, the following two separate federal rates are negotiated to be applied to programs depending upon the type:

- *Research and Other Programs*. This rate is applicable to all federal grants, contracts, and cooperative agreements supporting research activities.

## **Direct Cost Base/Rate Structure**

The direct cost base for nonfederal programs is total direct costs (TDC) expended on a program regardless of the type of activity. There are separate rates for on-campus and off-campus program locations.

### **Applying the Nonfederal Rates**

*Nonprofit Organizations.* The nonfederal rate must be applied in applications to and awards from nonprofit sponsors if the sponsor does not have a formal, uniformly applied, published policy that specifies an allowable indirect cost rate. Approval for use of a rate less than the full nonfederal rate or less than the sponsor's published rate must follow the formal waiver process which is described in the section entitled "Indirect Cost Waiver Process."

When a nonfederal sponsor does not allow the use of the applicable full rate, the sponsored program office and the project director should identify and include program-specific overhead costs in the direct cost section of the budget.

*For-profit Organizations.* The full nonfederal rate must be applied in applications to and awards from all for-profit sponsors regardless of any policy published by the sponsor.

Any rate negotiated at less than the full nonfederal rate must follow the formal waiver process which is described in the section entitled "Indirect Cost Waiver Process."

### Applying the federal rate to applications and awards from nonfederal sponsors

When a nonfederal sponsor's policy requires the application of the federal rate to its programs, the federal rate will be applied.

## 3. ADMINISTRATIVE RATE

The purpose of the administrative rate is to recover the Research Foundation's administrative overhead costs for the conduct of activities that are not categorized as federal or nonfederal. These activities are generally research or program expenditures that are not subject to sponsor-imposed restrictions. Examples are an unrestricted gift to a researcher to aid in studies conducted within a certain discipline, self-supporting laboratories, multiple sponsor accounts, balances from sponsored programs available for expenditure at the discretion of the institution, etc.

### **Developing the Administrative Rate**

The administrative rate is developed through studies that determine the costs solely attributable to the Research Foundation in the conduct of all sponsored programs within the University. The components of this rate are the costs of Research Foundation operating location administration and support and Central Office administration.

Note: The "Indirect Cost Waiver form" is not a stocked form. Locations may reproduce the form shown in Exhibit B, may obtain the form on a disk from the Office of Administrative Systems, or may create a unique operating location form that contains the same elements.

**EXHIBIT A**

The Research Foundation of State University of New York

**INDIRECT COST RATES**

**I. FEDERAL RATES:** For awards with a start date after 06/30/92

**A. Modified Total Direct Cost Base**

Research and Other Programs

	Effective Dates	On Campus (in %)	Off Campus (in %)	Special (in %)
Albany	07/01/92 - 06/30/93	45.4	26.0	
Binghamton	07/01/92 - 06/30/93	47.6	26.0	20.8*
Buffalo	07/01/92 - 06/30/93	47.4	26.0	
Stony Brook	07/01/92 - 06/30/93	47.0	26.0	
HSC Syracuse	07/01/92 - 06/30/93	50.8	26.0	18.4**
HSC Brooklyn	07/01/92 - 06/30/93	48.8	26.0	
Environmental Science & Forestry	07/01/92 - 06/30/93	45.1	26.0	
Central Administration	07/01/92 - 06/30/93	30.9	26.0	

Training/Sponsored Instruction

Albany	07/01/92 - 06/30/93	40.6	27.4
Binghamton	07/01/92 - 06/30/93	35.4	27.6
Buffalo	07/01/92 - 06/30/93	47.3	27.5
Stony Brook	07/01/92 - 06/30/93	42.2	27.8
HSC Syracuse	07/01/92 - 06/30/93	49.6	26.7
HSC Brooklyn	07/01/92 - 06/30/93	50.0	28.1
Environmental Science & Forestry	07/01/92 - 06/30/93	41.3	31.5

\* Binghamton -- Trade Adjustment Assistance Center Program  
 \*\* HSC Syracuse -- Family Planning Service

EXHIBIT A (cont'd)

I. FEDERAL RATES (cont'd)

B. Salary and Wage Base

	Effective Dates	On Campus (in %)	Off Campus (in %)	Special (in %)
Brockport	07/01/90 - 06/30/93	73.5	24.8	
Buffalo	07/01/90 - 06/30/93	62.0	22.1	
Cortland	07/01/91 - 06/30/94	70.0	19.6	
Empire State	07/01/92 - 06/30/95	44.2	31.9	
Fredonia	07/01/91 - 06/30/94	70.0	20.8	
Geneseo	07/01/91 - 06/30/94	70.0	25.2	
New Paltz	07/01/90 - 06/30/93	63.8	22.2	
Old Westbury	07/01/91 - 06/30/94	70.0	35.6	
Oneonta	07/01/90 - 06/30/93	66.8	18.9	
Oswego	07/01/91 - 06/30/94	70.0	18.8	
Plattsburgh	07/01/90 - 06/30/93	63.5	19.2	
Potsdam	07/01/91 - 06/30/94	70.0	30.5	
Purchase	07/01/91 - 06/30/94	70.0	25.2	
Maritime	07/01/92 - 06/30/95	70.0	28.3	
Optometry	07/01/90 - 06/30/93	75.0	20.1	
Utica/Rome	07/01/92 - 06/30/95	70.0	39.4	
Alfred	07/01/92 - 06/30/95	70.0	22.3	
Canton	07/01/90 - 06/30/93	75.0	29.8	
Cobleskill	07/01/90 - 06/30/93	75.0	31.7	
Delhi	07/01/92 - 06/30/95	70.0	32.1	
Farmingdale	07/01/92 - 06/30/95	70.0	25.6	
Morrisville	07/01/92 - 06/30/95	70.0	24.9	

**EXHIBIT A (cont'd)**

<b>Rate Type</b>	<b>Effective Dates</b>	<b>Rate (in %)</b>
Technology Transfer Offset Charge	07/01/92 - 06/30/93	10.3

<b>Rate Type</b>	<b>Effective Dates</b>	<b>Rate (in %)</b>
Vendor Services Agreement Accounts	07/01/92 - 06/30/93	1.0



**The Research Foundation  
of State University of New York**  
**INDIRECT COST WAIVER FORM**

Date: \_\_\_\_\_

Application/Account Number: \_\_\_\_\_ - \_\_\_\_\_

**Amount Waived**

- A. Applicable indirect cost rate (under Indirect Cost Policy): \_\_\_\_\_ %
- B. Direct cost base amount: \$ \_\_\_\_\_
- C. Amount of full indirect costs (A x B): \$ \_\_\_\_\_
- D. Actual indirect cost rate to be applied: \_\_\_\_\_ %
- E. Actual indirect cost amount (D x B): \$ \_\_\_\_\_
- F. Amount of indirect costs waived (C - E): \$ \_\_\_\_\_

**Justification for Waiver** (attach additional sheets if necessary)

**Approval of Waiver Action**

\_\_\_\_\_  
Campus President or President's delegate      Date

**The Research Foundation  
of State University of New York**  
**INDIRECT COST WAIVER FORM**

Date: \_\_\_\_\_

Application/Account Number: \_\_\_\_\_ - \_\_\_\_\_

**Amount Waived**

- A. Applicable indirect cost rate (under Indirect Cost Policy): \_\_\_\_\_ %
- B. Direct cost base amount: \$ \_\_\_\_\_
- C. Amount of full indirect costs (A x B): \$ \_\_\_\_\_
- D. Actual indirect cost rate to be applied: \_\_\_\_\_ %
- E. Actual indirect cost amount (D x B): \$ \_\_\_\_\_
- F. Amount of indirect costs waived (C - E): \$ \_\_\_\_\_

**Justification for Waiver** (attach additional sheets if necessary)

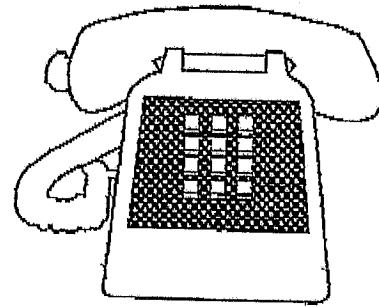
**Approval of Waiver Action**

\_\_\_\_\_  
Campus President or President's delegate

\_\_\_\_\_  
Date

**THE RESEARCH FOUNDATION  
OF STATE UNIVERSITY OF NEW YORK**

**FAX NUMBER: (518) 434-7290**



**TO:** Dr. Jean Gullahorn  
**FROM:** Peter N. Tenbeary *pm*  
**DATE:** June 10, 1992  
**SUBJECT:** Budgeting of Indirect Costs

**THE FOLLOWING INFORMATION IS BEING TRANSMITTED:**

Regarding your question concerning the budgeting of indirect costs for future years of support, enclosed is a draft memo I had hoped to send out today. However, I first want Stan Hickok to approve the exact wording.

Use of the enclosed rates in the current base column of the attached rate schedule should be used at this point for future years of support.

**TOTAL NUMBER OF PAGES TRANSMITTED: 3**  
**(Excluding this sheet)**

DRAFT

June 9, 1992

MEMORANDUM

TO: JOHN ALLEN  
STEPHEN GILJE  
CHARLES KAARS  
DON MABIE  
GARRY SANDERS  
GENE SCHULER  
RICK STEINER  
DAVE TEMPLE

FROM: PETER TENBEAU

SUBJECT: INDIRECT COST APPLICABLE TO OUT YEARS  
IN SPONSORED PROGRAM APPLICATION

We have received questions from a number of you as to the indirect cost rate to budget in applications which request funding beyond 1992-93.

Our advice is to use the proposed renegotiated rates which are applicable to the current indirect cost base (see enclosed rate chart) in the budgets for future years of the requested support. You should include an indirect cost budget at the unilateral rates assigned by DHHS through June 30, 1993.

A: |DRAFT.MSG

DRAFT

June 9, 1992

MEMORANDUM

TO: JOHN ALLEN  
STEPHEN GILJE  
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A: \DRAFT.MSG

For your information, we should not be using the current indirect cost rates for future years since that rate is not calculated in accordance with the revisions to OMB Circular A-21. The proposed renegotiated rates, although higher in some cases than the current rates, are calculated to comply with the revised circular and the administrative cost cap.

Just a word about the new base. As mentioned above, the rates to use to budget for future years of support are those being renegotiated applicable to the current MTDC base. The enclosed chart also includes those that are applicable to the expanded MTDC base we are now proposing to DHHS as part of the renegotiation process. The proposed expanded base includes computer services, technical services and support services. This change in base will, as the enclosed chart indicates, produce a lower rate but since the base is larger it should not reduce indirect cost income. When and if the new base is approved by DHHS we will establish a "Services" category that will be composed of the three service categories mentioned above. Thus, computer, technical and support services will no longer be included in the miscellaneous category.

If you have any questions, please call me or your OCGS Specialist.

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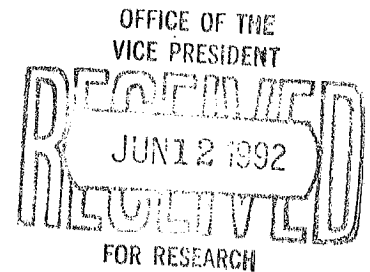
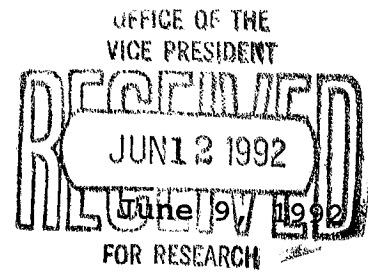
**The Research Foundation of  
State University of New York  
Modified Total Direct Cost Base  
Proposed 1992-93 Capped Rates**

<u>Campuses</u>	<u>Research</u>		<u>Training</u>	
	<u>Current Base</u>	<u>Proposed Base</u>	<u>Current Base</u>	<u>Proposed Base</u>
Albany	52.8	51.4	47.1	46.4
Binghamton	55.2	54.4	43.4	42.7
Buffalo	55.6	54.7	55.9	55.3
Stony Brook	54.4	52.7	44.4	43.9
HSC-Brooklyn	59.0	57.4	55.0	54.5
HSC-Syracuse	56.9	56.6	53.5	52.5
Env Science & Forestry	54.4	53.7	52.9	50.9
Central Administration	36.2	35.6		

<u>Categories in the Base:</u>	<u>Current</u>	<u>Proposed</u>
Salaries & Wages	1001	1001
S&W Income Fund Offset	1002	1002
S&W Grad Students	1003	1003
Employee Benefits	1501	1501
Employee Benefits-IFO	1502	1502
Consultant Services	2001	2001
Supplies-Books & Periodicals	3001	3001
Supplies-Chemicals	3002	3002
Supplies-Glassware	3003	3003
Supplies-Animals	3004	3004
Supplies-Photographic	3005	3005
Supplies-Other	3006	3006
Travel-Domestic	3501	3501
Travel-Foreign	3502	3502
Computer Services		6505
Technical Services		6506
Supporting Services		6507



The Research Foundation  
of State University of New York



MEMORANDUM

TO: Mr. Steven Brady  
Dr. Nathan Dean  
Dr. David Glass  
Dr. Jeanne Gullahorn  
Dr. Dale Landi  
Mr. Ivan Lisnitzer  
Mr. Nicholas Paradiso

FROM: John F. Buckhoff, Jr. *JB*

SUBJECT: Indirect Cost Pool "Scrub"

Enclosed is the response from the DHHS Regional Inspector General to our March 27, 1992 submission (copy enclosed).

It would appear that we are not being assessed any refund of previously recovered indirect cost which is good news, indeed.

Enclosure

c: Mr. Hickok  
Mr. Tenbeau





DEPARTMENT OF HEALTH & HUMAN SERVICES

RECEIVED

JUN 02 1992

6/1/92 copy: J. Buckner

Office of Inspector General  
Office of Audit Services

OFFICE OF THE EXECUTIVE  
VICE PRESIDENT

Region II  
Jacob K. Javits Federal Building  
26 Federal Plaza  
New York, NY 10278

May 27, 1992

Mr. D. Bruce Johnstone  
Chancellor  
State University of New York  
State University Plaza  
Albany, New York 12246

STATE UNIVERSITY OF NEW YORK  
RECEIVED  
OFFICE OF THE CHANCELLOR

MAY 27 1992  
7 18 19 10 11 12 1 2 3 4 5 6 PM

Dear Mr. Johnstone:

We appreciate your response to the letter sent to you last spring by Richard P. Kusserow, Inspector General, and Kevin E. Moley, Assistant Secretary for Management and Budget of the Department of Health and Human Services. That letter urged you to conduct an internal review to ensure that only allowable costs are included in the indirect costs allocated to Federal programs.

At this time, we are satisfied with your efforts to perform and report the results of your internal review. However, as part of the next indirect cost proposal negotiation process, we will collaborate with the Division of Cost Allocation in an assessment of your review of your internal indirect cost procedures. At that time, we anticipate a presentation to the Federal auditors and/or negotiators to assure that you have clearly identified the most significant findings in terms of dollar exposure that would lead to indirect cost rate adjustments. We also request that, if necessary, you update your accounting practices to ensure that the next indirect cost proposal is prepared in strict accordance with the recent changes in the Federal indirect cost principles.

Once again, we extend our thanks to you and your staff for your cooperation in this endeavor. The issue of indirect costs charged to Federal Research programs is a matter of high mutual interest and concern. We believe that our combined efforts will ensure a prompt and effective solution to the existing controversies surrounding the subject of indirect costs.

Sincerely yours,

John Tournour  
Regional Inspector General  
for Audit Services



The Research Foundation  
of State University of New York

March 27, 1992

Mr. John Tournour  
Regional Inspector General  
for Audit Services  
Office of Audit Services  
26 Federal Plaza, Room 3900A  
New York, New York 10278

Dear Mr. Tournour:

I am writing in response to the April 10, 1991, memorandum to Chief Executive Officers of Major Research Universities from Mr. Kevin E. Moley, Assistant Secretary for Management and Budget, and Mr. Richard P. Kusserow, Inspector General, Department of Health and Human Services, and the individual letter you addressed to presidents of certain State University of New York (SUNY) institutions on May 8, 1991, as follows:

- Dr. Lois B. DeFleur, State University of New York at Binghamton
- Dr. John B. Henry, State University of New York, Health Science Center at Syracuse
- Dr. John H. Marburger, State University of New York at Stony Brook
- Dr. Ross S. Whaley, State University of New York, Environmental Science and Forestry at Syracuse

Receipt of these letters was acknowledged by Research Foundation President Joseph C. Burke on May 21, 1991, and confirmed that a review of expenditures was underway. While certain other SUNY campuses did not receive a letter from you, we elected to review all campuses whose proposals were submitted using the long form procedures.

Our review consisted of two parts. First, a detailed audit was performed by our Internal Audit Department of the Buffalo and Stony Brook campuses, Central Administration of the University, and the Research Foundation Central Office. These two campuses were selected since the scope of the audit would encompass approximately 50% of the research activity of the SUNY system or 70% of funds received directly from Federal agencies.

March 27, 1992

The indirect cost proposals for fiscal year 1989 were the subject of the audit with concentration on those areas of costs deemed most likely to contain questionable costs. The 1989 proposals were the basis for negotiated indirect cost rates applicable to fiscal years 1991, 1992, and 1993.

Second, the indirect cost accounting unit of the Secretary-Treasurer's Office conducted a review of SUNY institutions at Albany, Binghamton, Environmental Science and Forestry, and the Health Science Centers at Brooklyn and Syracuse. Fiscal year 1991 expenditures were the scope of this review, and centered on accounts which would have been in an indirect cost proposal had one been prepared for that year. The decision to concentrate on the most recent completed fiscal year was based on the extensive coverage of 1989 by the internal audits, and a desire to have a more current assessment of Foundation and campus practices for categorization of costs.

Attached is Exhibit A which displays the results of our examination. This exhibit provides a summary of unallowable costs by campus and includes the details of these costs. The amounts in these schedules represent the total value of the transactions as included in the indirect costs pools before allocation to research and other institutional activities.

In addition to the information reflected in Exhibit A, the audit of 1989 general administrative costs of Central Administration revealed three unique one-time circumstances, which are as follows:

- A. In 1989, the State appropriated funds to the University as a loan to establish a reserve for the creation of a self-insurance program for its clinical faculty. A transaction was processed in a manner which resulted in its inclusion in the allocation of administrative costs to the respective campuses in the system.
- B. Secondly, a computational error related to the distribution of community college administrative costs was identified in the LOTUS spreadsheet used to develop the Central Administration proposal.
- C. Finally, Central Administration executed financing arrangements for the acquisition of certain computer equipment on behalf of the major campuses. Payments were treated as an expense rather than being capitalized and use allowance calculated.

March 27, 1992

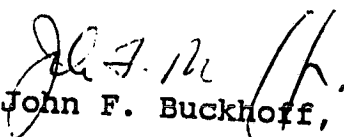
The sum of these three items resulted in an overstatement of the indirect cost pools of the seven campuses (before step down) of \$4,480,622. Also, certain routine one-time transactions were identified in the campus audits and reviews which are not in the attachments. These aggregate \$336,460.

Attached as Exhibit B, is a schedule which reflects the impact of these adjustments to the indirect cost rates as originally proposed based on fiscal year 1989. Based on this data, it is our position that the items noted in the preceding paragraph, and the attachments, were a part of the downward adjustment in rates that occurred when rates were negotiated. In addition to this, the negotiation process negated the impact of recovery of interest on buildings at the SUNY Buffalo campus in order to reduce the rates at the four major campuses from their previous level. This component alone substantially exceeds the aggregate of the costs noted above and in the attachments.

We are further convinced of the validity of this position when the matter is placed in proper context. SUNY's present and past negotiated rates have been very conservative compared to universities across the country in published surveys. In addition to the savings accruing to sponsors through the use of these conservative indirect cost rates, SUNY commits in excess of \$25 million annually in cost sharing on Federally sponsored research.

We would be pleased to discuss the matter further with you and your staff at your convenience. For this purpose, your office may contact Stanley G. Hickok, Secretary-Treasurer, at 518-434-7050.

Sincerely,

  
John F. Buckhoff, Jr.

Enclosures

bc: Chancellor Johnstone  
Provost Burke  
Senior Vice Chancellor Spindler  
Vice Chancellor Anslow  
President Greiner  
President DeFleur

President Swygert  
President Marburger  
President Scherl  
President Henry  
President Whaley

xbc: Vice President Gullahorn  
Vice President DeLong  
Vice Provost Dean  
Vice President Scullard  
Vice Provost Glass  
Vice President Watts  
Vice President Landi  
Vice President Wagner

Vice President Paradiso  
Vice President Lisnitzer  
Vice President Brady  
Mr. Hickok  
Dr. Braunagel-Brown  
Ms. Seward  
Mr. Tenbeau  
Mr. Vona

THE RESEARCH FOUNDATION OF  
STATE UNIVERSITY OF NEW YORK  
INDIRECT COST REVIEW  
SUMMARY OF UNALLOWABLES

CAMPUS	AMOUNT
SUNY at Albany	190,141
SUNY at Binghamton	78,004
SUNY at Buffalo	254,548
SUNY at Stony Brook	168,662
SUNY HSC at Brooklyn	135,607
SUNY HSC at Syracuse	41,552
Environmental Science & Forestry	5,140
SUNY Central Administration	67,177
Research Foundation Central Office	5,369
<b>Total</b>	<b>946,200</b>

SUNY AT ALBANY

FUNCTION	UNALLOWABLE	AMOUNT
General Admin/ General Expense	Faculty photos for use in display & publication news release	\$ 179
	Portrait	217
	Purchase of cap, gown and tassel	393
	Honorarium, expenses, evaluation fee and report charge regarding Middle States Evaluation visit	2,373
	Planned Gift Program - Newsletter downpayment	4,180
	Payment to SUNYA for rental of Ten Broeck Hall Dorm	150,000
Gen Institutional Services	15,000 copies of "The Parent Newsletter"	2,696
	Annual membership "Holmes Group" consortium of research universities dedicated to improving teacher education and the profession of teaching	4,000
Sponsored Funds Administration	Veterinary Services - Albany Medical College	20,819
	Renovation of Social Science Building	1,582
	Biology Department research supplies	3,702
	TOTAL	\$190,141

SUNY AT BINGHAMTON

FUNCTION	UNALLOWABLE	AMOUNT
General Admin/ General Expense	Purchase of checks for the Work Study Program	\$ 663
	Undergraduate minority honors scholarships	25,000
	Travel expenses School of Nursing conference - Blacks in Higher Education	451
	Ad in student newspaper for intercollegiate athletic board membership	346
	Travel expense in connection with alumni groups	401
	Student scholarship luncheon arranged through Marriot Corporation	188
	Payment for library retrieval network	50,000
Sponsored Funds Admin	A Micro-computer Course and a NCURA Membership for a state employee	300
	Prepaid expenditures that applied to FY 1991-92	655
	<b>TOTAL</b>	<b>\$78,004</b>

SUNY AT BUFFALO

FUNCTION	UNALLOWABLE	AMOUNT
Maintenance & Operations	Basketball nets	\$ 95
	Moving scoreboard	6,954
	Frank Lloyd Wright building lease	9,597
	Special Olympics	1,590
	Interest expense	4,351
	Commencement expenditures	1,416
	Unallowable lease payments	41,659
	Lease payments for instruction or other institutional activities	37,509
	Library	Rare books
	Travel to meeting in England	1,062
	Calligraphy services	108
General Admin/ General Expense	Commencement expenditures	1,777
	Alumni costs	1,745
	Opening ceremonies play	14,398
	Travel related to auxiliary services	1,722
	Insurance - Summer theatre and fine arts	962
	Copy paper for central stores	4,708
	Medicinal chemical supplies	3,286
	Uniform rental	1,225
	Dental supplies	18,986
	Appraisal EOC building	2,000



SUNY AT BUFFALO

FUNCTION	UNALLOWABLE	AMOUNT
General Admin/ General Expense (con't)	Expenses for World University Games	\$ 8,143
	Distinguished speaker series	3,962
	Mobile phones	1,264
	Book on tape	133
	Airline guide	213
	Frames	394
	Subscription - newsletter	36
	Federal & Congressional staff directory	90
	Who's Who	308
	Dinner meeting	361
	Bottle water & cooler rental	403
	Cancellation fee	100
	Travel for Dean	256
	Pre-retirement planning retreat	100
	Equipment purchases expense	4,295
Sponsored Funds Admin	Equipment purchases expense	2,907
	Various payments for travel, meals, posters, etc not related to the admin of sponsored programs	3,433
	<b>TOTAL</b>	<b>\$254,548</b>

SUNY AT STONY BROOK

FUNCTION	UNALLOWABLE	AMOUNT
Maintenance & Operations	Expenditures for intercollegiate athletics	\$ 1,500
	Sunwood Beach fence	9,942
	Hospital uniforms	12,150
	Hospital water chemicals	5,155
	Equipment purchases improperly expended	24,097
Library	Interest on vendor payments	201
General Admin/ General Expense	Interest on vendor payments	14,449
	Intercollegiate activities	9,690
	Entertainment cost	553
	Construction costs	31,755
	Incorrect function	37,639
	Instructional training	548
	Equipment purchases improperly expended	19,725
Sponsored Funds Admin	Meeting and entertainment costs	1,258
	<b>TOTAL</b>	<b>\$168,662</b>

SUNY HSC AT BROOKLYN

FUNCTION	UNALLOWABLE	AMOUNT
Maintenance & Operations	Disposal of debris, chemical and animal waste related to hospital activity	\$ 83,736
General Admin/ General Expense	Repair & clean hospital central air conditioning	10,500
	Security guard service	9,214
	Transcript (fees) service for disciplinary action	606
	Software upgrade resident management information system	1,311
Sponsored Funds Admin	Transportation expenses charged to incorrect function	21,374
	Purchase of computer equipment and software utilized by Pathology Dept.	8,866
	TOTAL	\$135,607

SUNY HSC AT SYRACUSE

FUNCTION	UNALLOWABLE	AMOUNT
General Admin/ General Expense	Instructional travel expense	\$ 207
	Lab glassware and fetal bone serum utilized by the Immunology/Microbiology or Neurology Depts	2,291
Sponsored Funds Administration	Assist in network design and associated management issues	2,179
	AARP pre-planning retirement seminar	525
	Computer equipment unrelated to the administration of sponsored funds	24,983
	Travel advance for Assoc. Medical School meeting	1,328
	Travel to attend session of American College of Physicians	486
	Travel - visit graphic lab at Univ of Washington	426
	Travel - effective teaching workshop	1,496
	Registration & tuition at Roch. Med. Center - Teaching Med. Interviewing	1,130
	Architectural & Eng. Services	4,423
	Employee assistance program - open house	947
	College work study matching funds	465
	Improperly charged to travel expense	666
	TOTAL	\$41,552

ENVIRONMENTAL SCIENCE & FORESTRY

FUNCTION	UNALLOWABLE	AMOUNT
General Admin/ General Expense	Spring service awards reception	\$ 713
	Purchase of a campus entrance sign	3,141
	Catering cost for a job fair	145
	Purchase of security uniforms	1,141
	TOTAL	\$5,140

SUNY CENTRAL ADMINISTRATION

FUNCTION	UNALLOWABLE	AMOUNT
General Admin/ General Expense	Non-business related travel	\$ 548
	SUNY salute advertisement	466
	Costs that are related to specific projects	15,056
	Costs not applicable to fiscal year reviewed	50,042
	Contingency reserves	1,065
	<b>TOTAL</b>	<b>\$67,177</b>

RESEARCH FOUNDATION CENTRAL OFFICE

FUNCTION	UNALLOWABLE	AMOUNT
Sponsored Funds Admin	Undocumented business expenses	\$ 634
	Unallowable travel expense	691
	Unsupported expense	290
	Unallowable interest	194
	Cost not applicable to fiscal year in question	1,060
	Consultant services applicable to univ-wide admin	2,500
	<b>TOTAL</b>	<b>\$5,369</b>

**THE RESEARCH FOUNDATION OF  
STATE UNIVERSITY OF NEW YORK  
SUMMARY OF INDIRECT COST ADJUSTMENTS**

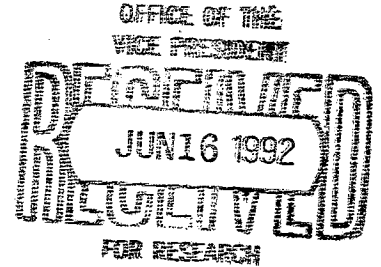
CAMPUS	PROPOSED FULL RATE	INDIRECT COST POOL ADJUSTMENT	ADJUSTED PROPOSED RATE	APPROVED RATE
Albany	54.3	-0.7	53.6	50.5
Binghamton	57.7	-0.5	57.2	52.4
Buffalo (inc interest)	60.9	-0.8	60.1	52.5
Stony Brook	55.4	-0.8	54.6	52.3
Brooklyn	63.1	-1.1	62.0	55.7
Syracuse	56.8	-1.1	55.7	53.5
Forestry	57.1	-0.7	56.4	53.0






**The Research Foundation**  
of State University of New York

June 11, 1992



**MEMORANDUM**

**TO:** *The Research Foundation Board of Directors*

**FROM:** *John F. Buckhoff, Jr.* 

**SUBJECT:** *Indirect Cost Pool "Scrub"*

*Enclosed is the response from the DHHS Regional Inspector General to our March 27, 1992 submission (copy enclosed).*

*It would appear that we are not being assessed any refund of previously recovered indirect cost which is good news, indeed.*

*Enclosure*

*c: Mr. Hickok*



DEPARTMENT OF HEALTH & HUMAN SERVICES

RECEIVED

JUN 02 1992

6/11/92 copy of [unclear]

Office of Inspector General  
Office of Audit Services

OFFICE OF THE EXECUTIVE  
VICE PRESIDENT

Region II  
Jacob K. Javits Federal Building  
26 Federal Plaza  
New York, NY 10278

May 27, 1992

STATE UNIVERSITY OF NEW YORK  
RECEIVED  
OFFICE OF THE CHANCELLOR

Mr. D. Bruce Johnstone  
Chancellor  
State University of New York  
State University Plaza  
Albany, New York 12246

JUN - 1 1992  
AM 7 8 9 10 11 12 1 2 3 4 5 6 PM

Dear Mr. Johnstone:

We appreciate your response to the letter sent to you last spring by Richard P. Kusserow, Inspector General, and Kevin E. Moley, Assistant Secretary for Management and Budget of the Department of Health and Human Services. That letter urged you to conduct an internal review to ensure that only allowable costs are included in the indirect costs allocated to Federal programs.

At this time, we are satisfied with your efforts to perform and report the results of your internal review. However, as part of the next indirect cost proposal negotiation process, we will collaborate with the Division of Cost Allocation in an assessment of your review of your internal indirect cost procedures. At that time, we anticipate a presentation to the Federal auditors and/or negotiators to assure that you have clearly identified the most significant findings in terms of dollar exposure that would lead to indirect cost rate adjustments. We also request that, if necessary, you update your accounting practices to ensure that the next indirect cost proposal is prepared in strict accordance with the recent changes in the Federal indirect cost principles.

Once again, we extend our thanks to you and your staff for your cooperation in this endeavor. The issue of indirect costs charged to Federal Research programs is a matter of high mutual interest and concern. We believe that our combined efforts will ensure a prompt and effective solution to the existing controversies surrounding the subject of indirect costs.

Sincerely yours,

John Tournour  
Regional Inspector General  
for Audit Services



The Research Foundation  
of State University of New York

March 27, 1992

Mr. John Tournour  
Regional Inspector General  
for Audit Services  
Office of Audit Services  
26 Federal Plaza, Room 3900A  
New York, New York 10278

Dear Mr. Tournour:

I am writing in response to the April 10, 1991, memorandum to Chief Executive Officers of Major Research Universities from Mr. Kevin E. Moley, Assistant Secretary for Management and Budget, and Mr. Richard P. Kusserow, Inspector General, Department of Health and Human Services, and the individual letter you addressed to presidents of certain State University of New York (SUNY) institutions on May 8, 1991, as follows:

- Dr. Lois B. DeFleur, State University of New York at Binghamton
- Dr. John B. Henry, State University of New York, Health Science Center at Syracuse
- Dr. John H. Marburger, State University of New York at Stony Brook
- Dr. Ross S. Whaley, State University of New York, Environmental Science and Forestry at Syracuse

Receipt of these letters was acknowledged by Research Foundation President Joseph C. Burke on May 21, 1991, and confirmed that a review of expenditures was underway. While certain other SUNY campuses did not receive a letter from you, we elected to review all campuses whose proposals were submitted using the long form procedures.

Our review consisted of two parts. First, a detailed audit was performed by our Internal Audit Department of the Buffalo and Stony Brook campuses, Central Administration of the University, and the Research Foundation Central Office. These two campuses were selected since the scope of the audit would encompass approximately 50% of the research activity of the SUNY system or 70% of funds received directly from Federal agencies.

March 27, 1992

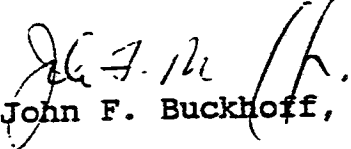
The sum of these three items resulted in an overstatement of the indirect cost pools of the seven campuses (before step down) of \$4,480,622. Also, certain routine one-time transactions were identified in the campus audits and reviews which are not in the attachments. These aggregate \$336,460.

Attached as Exhibit B, is a schedule which reflects the impact of these adjustments to the indirect cost rates as originally proposed based on fiscal year 1989. Based on this data, it is our position that the items noted in the preceding paragraph, and the attachments, were a part of the downward adjustment in rates that occurred when rates were negotiated. In addition to this, the negotiation process negated the impact of recovery of interest on buildings at the SUNY Buffalo campus in order to reduce the rates at the four major campuses from their previous level. This component alone substantially exceeds the aggregate of the costs noted above and in the attachments.

We are further convinced of the validity of this position when the matter is placed in proper context. SUNY's present and past negotiated rates have been very conservative compared to universities across the country in published surveys. In addition to the savings accruing to sponsors through the use of these conservative indirect cost rates, SUNY commits in excess of \$25 million annually in cost sharing on Federally sponsored research.

We would be pleased to discuss the matter further with you and your staff at your convenience. For this purpose, your office may contact Stanley G. Hickok, Secretary-Treasurer, at 518-434-7050.

Sincerely,



John F. Buckhoff, Jr.

## Enclosures

bc: Chancellor Johnstone  
Provost Burke  
Senior Vice Chancellor Spindler  
Vice Chancellor Anslow  
President Greiner  
President DeFleur

President Swygert  
President Marburger  
President Scherl  
President Henry  
President Whaley

xbc: Vice President Gullahorn  
Vice President DeLong  
Vice Provost Dean  
Vice President Scullard  
Vice Provost Glass  
Vice President Watts  
Vice President Landi  
Vice President Wagner

Vice President Paradiso  
Vice President Lisnitzer  
Vice President Brady  
Mr. Hickok  
Dr. Braunagel-Brown  
Ms. Seward  
Mr. Tenbeau  
Mr. Vona

**THE RESEARCH FOUNDATION OF  
STATE UNIVERSITY OF NEW YORK  
INDIRECT COST REVIEW  
SUMMARY OF UNALLOWABLES**

<b>CAMPUS</b>	<b>AMOUNT</b>
SUNY at Albany	190,141
SUNY at Binghamton	78,004
SUNY at Buffalo	254,548
SUNY at Stony Brook	168,662
SUNY HSC at Brooklyn	135,607
SUNY HSC at Syracuse	41,552
Environmental Science & Forestry	5,140
SUNY Central Administration	67,177
Research Foundation Central Office	5,369
<b>Total</b>	<b>946,200</b>

SUNY AT ALBANY

FUNCTION	UNALLOWABLE	AMOUNT
General Admin/ General Expense	Faculty photos for use in display & publication news release	\$ 179
	Portrait	217
	Purchase of cap, gown and tassel	393
	Honorarium, expenses, evaluation fee and report charge regarding Middle States Evaluation visit	2,373
	Planned Gift Program - Newsletter downpayment	4,180
	Payment to SUNYA for rental of Ten Broeck Hall Dorm	150,000
Gen Institutional Services	15,000 copies of "The Parent Newsletter"	2,696
	Annual membership "Holmes Group" consortium of research universities dedicated to improving teacher education and the profession of teaching	4,000
Sponsored Funds Administration	Veterinary Services - Albany Medical College	20,819
	Renovation of Social Science Building	1,582
	Biology Department research supplies	3,702
	TOTAL	\$190,141

SUNY AT BINGHAMTON

FUNCTION	UNALLOWABLE	AMOUNT
General Admin/ General Expense	Purchase of checks for the Work Study Program	\$ 663
	Undergraduate minority honors scholarships	25,000
	Travel expenses School of Nursing conference - Blacks in Higher Education	451
	Ad in student newspaper for intercollegiate athletic board membership	346
	Travel expense in connection with alumni groups	401
	Student scholarship luncheon arranged through Marriot Corporation	188
	Payment for library retrieval network	50,000
Sponsored Funds Admin	A Micro-computer Course and a NCURA Membership for a state employee	300
	Prepaid expenditures that applied to FY 1991-92	655
	<b>TOTAL</b>	<b>\$78,004</b>

SUNY AT BUFFALO

FUNCTION	UNALLOWABLE	AMOUNT
Maintenance & Operations	Basketball nets	\$ 95
	Moving scoreboard	6,954
	Frank Lloyd Wright building lease	9,597
	Special Olympics	1,590
	Interest expense	4,351
	Commencement expenditures	1,416
	Unallowable lease payments	41,659
	Lease payments for instruction or other institutional activities	37,509
Library	Rare books	73,000
	Travel to meeting in England	1,062
	Calligraphy services	108
General Admin/ General Expense	Commencement expenditures	1,777
	Alumni costs	1,745
	Opening ceremonies play	14,398
	Travel related to auxiliary services	1,722
	Insurance - Summer theatre and fine arts	962
	Copy paper for central stores	4,708
	Medicinal chemical supplies	3,286
	Uniform rental	1,225
	Dental supplies	18,986
	Appraisal EOC building	2,000



SUNY AT BUFFALO

FUNCTION	UNALLOWABLE	AMOUNT
General Admin/ General Expense (con't)	Expenses for World University Games	\$ 8,143
	Distinguished speaker series	3,962
	Mobile phones	1,264
	Book on tape	133
	Airline guide	213
	Frames	394
	Subscription - newsletter	36
	Federal & Congressional staff directory	90
	Who's Who	308
	Dinner meeting	361
	Bottle water & cooler rental	403
	Cancellation fee	100
	Travel for Dean	256
	Pre-retirement planning retreat	100
	Equipment purchases expense	4,295
Sponsored Funds Admin	Equipment purchases expense	2,907
	Various payments for travel, meals, posters, etc not related to the admin of sponsored programs	3,433
	TOTAL	\$254,548

SUNY AT STONY BROOK

FUNCTION	UNALLOWABLE	AMOUNT
Maintenance & Operations	Expenditures for intercollegiate athletics	\$ 1,500
	Sunwood Beach fence	9,942
	Hospital uniforms	12,150
	Hospital water chemicals	5,155
	Equipment purchases improperly expended	24,097
Library	Interest on vendor payments	201
General Admin/ General Expense	Interest on vendor payments	14,449
	Intercollegiate activities	9,690
	Entertainment cost	553
	Construction costs	31,755
	Incorrect function	37,639
	Instructional training	548
	Equipment purchases improperly expended	19,725
Sponsored Funds Admin	Meeting and entertainment costs	1,258
	<b>TOTAL</b>	<b>\$168,662</b>

SUNY HSC AT BROOKLYN

FUNCTION	UNALLOWABLE	AMOUNT
Maintenance & Operations	Disposal of debris, chemical and animal waste related to hospital activity	\$ 83,736
General Admin/ General Expense	Repair & clean hospital central air conditioning	10,500
	Security guard service	9,214
	Transcript (fees) service for disciplinary action	606
	Software upgrade resident management information system	1,311
Sponsored Funds Admin	Transportation expenses charged to incorrect function	21,374
	Purchase of computer equipment and software utilized by Pathology Dept.	8,866
	<b>TOTAL</b>	<b>\$135,607</b>

SUNY HSC AT SYRACUSE

FUNCTION	UNALLOWABLE	AMOUNT
General Admin/ General Expense	Instructional travel expense	\$ 207
	Lab glassware and fetal bone serum utilized by the Immunology/Microbiology or Neurology Depts	2,291
Sponsored Funds Administration	Assist in network design and associated management issues	2,179
	AARP pre-planning retirement seminar	525
	Computer equipment unrelated to the administration of sponsored funds	24,983
	Travel advance for Assoc. Medical School meeting	1,328
	Travel to attend session of American College of Physicians	486
	Travel - visit graphic lab at Univ of Washington	426
	Travel - effective teaching workshop	1,496
	Registration & tuition at Roch. Med. Center - Teaching Med. Interviewing	1,130
	Architectural & Eng. Services	4,423
	Employee assistance program - open house	947
	College work study matching funds	465
	Improperly charged to travel expense	666
		TOTAL

ENVIRONMENTAL SCIENCE & FORESTRY

FUNCTION	UNALLOWABLE	AMOUNT
General Admin/ General Expense	Spring service awards reception	\$ 713
	Purchase of a campus entrance sign	3,141
	Catering cost for a job fair	145
	Purchase of security uniforms	1,141
	TOTAL	\$5,140

SUNY CENTRAL ADMINISTRATION

FUNCTION	UNALLOWABLE	AMOUNT
General Admin/ General Expense	Non-business related travel	\$ 548
	SUNY salute advertisement	466
	Costs that are related to specific projects	15,056
	Costs not applicable to fiscal year reviewed	50,042
	Contingency reserves	1,065
	<b>TOTAL</b>	<b>\$67,177</b>

RESEARCH FOUNDATION CENTRAL OFFICE

FUNCTION	UNALLOWABLE	AMOUNT
Sponsored Funds Admin	Undocumented business expenses	\$ 634
	Unallowable travel expense	691
	Unsupported expense	290
	Unallowable interest	194
	Cost not applicable to fiscal year in question	1,060
	Consultant services applicable to univ-wide admin	2,500
	<b>TOTAL</b>	<b>\$5,369</b>

**THE RESEARCH FOUNDATION OF  
STATE UNIVERSITY OF NEW YORK  
SUMMARY OF INDIRECT COST ADJUSTMENTS**

CAMPUS	PROPOSED FULL RATE	INDIRECT COST POOL ADJUSTMENT	ADJUSTED PROPOSED RATE	APPROVED RATE
Albany	54.3	-0.7	53.6	50.5
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Stony Brook	55.4	-0.8	54.6	52.3
Brooklyn	63.1	-1.1	62.0	55.7
Syracuse	56.8	-1.1	55.7	53.5
Forestry	57.1	-0.7	56.4	53.0



Ind. Cost

May 21, 1992

D R A F T

M E M O R A N D U M

TO: Sponsored Program Administrators  
RF Operations Managers  
(At Doctoral Campuses and  
Central Administration SPO)

FROM: Peter N. Tenbeau

SUBJECT: Account Establishment - Impact of the DHHS  
Imposed Unilateral Indirect Cost Rates on  
Sponsored Program Administration

On March 11, 1992 Mr. Hickok sent to Campus Managers revised campus indirect cost rate negotiation agreements which reflect rates unilaterally recalculated by DHHS to reflect the recent OMB Circular A-21 revision to cap the MTDC administrative components at 26%.

For the Research Foundation, these unilateral rates are predetermined and are effective on all awards with start dates on or after July 1, 1992.

As you know, we are in the process of developing indirect cost proposals to be submitted to DHHS for renegotiating the unilateral rates. If approved by DHHS, some recovery of the loss resulting from the cap on the

*awards  
effective  
7/1/92  
new  
rates*

administrative components will occur. However, we expect that this renegotiation process will not be completed for a number of months, principally because of the workload DHHS auditors are experiencing as a result of the A-21 revisions.

Therefore, we must establish special procedures to administer federal awards when renewal, continuation or supplemental funds are awarded with unilateral rates. While such procedures will create an additional workload and inconvenience, they are necessary for the following reasons:

- (a) To permit recovery of indirect costs on unexpended funds in current awards at the higher (old) rates.
- \* (b) To permit potential retroactive recovery of indirect costs allowed under the renegotiated rates.
- \* (c) To permit implementation of a change in the MTDC base, and therefore, the expenditures resulting from awards with different rate constructs must be kept separate.

PROCEDURE:

- ★ 1. Renewal, continuation and supplemental awards which include the unilateral rates must be established as separate accounts.
  
2. Current accounts having unexpended balances should be extended, when permitted by the federal sponsors and/or FDP provisions, in order to expend remaining funds at the current (higher) indirect cost rates.  
*Small balances?*
  
3. If funds in current accounts have been fully expended at the time the continuation or supplemental award is issued, establishment of a separate account is not necessary. The additional funds may be added to the current account at the unilateral rate designated by the federal sponsor. The indirect cost "current month" calculations code must be applied to the account. "0"
  
- ★ 4. The assignment of the unilateral rates may affect the amount of cost sharing or matching funds originally anticipated for certain programs. Such accounts should be reevaluated. D.S.S.?

5. For applications being submitted with project start dates after July 1, 1992, the unilateral rates must be budgeted until new rates are negotiated.

Please direct any questions concerning this matter to me or your Contact and Grant Specialist.

Long Form Locations  
Renegotiation of 1992-93 Capped Rates  
Research

*we'd be the only campus that would have the current rate*

	1988-89	1992-93	1992-93	----- 1990-91 -----		<i>will be survey-wide</i>		Projected Indirect Cost		
	Proposed Rate	Current Rate	DHHS CAP	Proposed OLD BASE	Rate NEW BASE	OLD BASE	NEW BASE	----- Recovery -----	OLD BASE	NEW BASE
<b>ALBANY - As Is</b>										
USE ALLOW	4.1	3.8	3.8	5.5	5.2				498,522	497,465
M & O	15.3	14.2	14.2	15.6	14.8				1,413,989	1,415,862
LIBRARY	1.5	1.4	1.4	1.5	1.4				135,961	133,933
NON-CAPPED	20.9	19.4	19.4	22.6	21.4				2,048,472	2,047,259
ADMIN. CAP	33.4	31.1	26.0	26.0	26.0				2,356,649	2,487,325
<b>TOTAL</b>	<b>54.3</b>	<b>50.5</b>	<b>45.4</b>	<b>48.6</b>	<b>47.4</b>	<b>9,064,035</b>	<b>9,566,633</b>		<b>4,405,121</b>	<b>4,534,584</b>

*Hand fixed total for cost*

*alternative proposal*

<b>ALBANY - w/additional space</b>										
USE ALLOW	4.1	3.8	3.8	6.5	6.2				589,162	593,131
M & O	15.3	14.2	14.2	18.8	17.8				1,704,039	1,702,861
LIBRARY	1.5	1.4	1.4	1.5	1.4				135,961	133,933
NON-CAPPED	20.9	19.4	19.4	26.8	25.4				2,429,161	2,429,925
ADMIN. CAP	33.4	31.1	26.0	26.0	26.0				2,356,649	2,487,325
<b>TOTAL</b>	<b>54.3</b>	<b>50.5</b>	<b>45.4</b>	<b>52.8</b>	<b>51.4</b>	<b>9,064,035</b>	<b>9,566,633</b>		<b>4,785,810</b>	<b>4,917,249</b>

*rehears on ~ 26,500 sq. ft add'l res. space and ~ 15,500 sq. ft in training space*

*equiv. to the proposed costs / TMDC = rate use a 1/3 for TMDC → 5% #rate*

*how the capped rate would be over the current rate - yet we are covered at a rate no higher than we currently are. Best case, stay @ 50.5*

*Dennis will have to justify by 9/1/92*

*rate will be a little lower but we can apply to 1/3 out of expenditures expect slightly less recovery as a result*

①

6/4

James,

You are meeting w/ Steve & Jim Van  
Voort to review IDE renegotiation proposal  
to be submitted to DHHS. Couple of things  
to be aware of

- 1) The proposal sent to President Juyget is not  
the one being presented to you now.  
The earlier one would have resulted in  
~~the~~ a capped rate lower than 50.5. It would  
be 47.4.
- 2) This new proposal will result in a  
capped rate of 51.4 which, practically  
speaking, will allow us to continue w/ a  
50.5 rate. Jim will be giving you  
the new proposal at the meeting. - I+5 attached

The new proposal ~~relies on~~ <sup>relies on</sup> a larger  
inventory of research space. Beaudoin  
has reached the conclusion that numeric  
projection that a larger space inventory  
is justified. Dennis will verify w/ R  
actual documentation as a backup.

Note: ~~both~~ <sup>both</sup> proposals ~~will use a~~ <sup>use a</sup> new base that  
includes more items under the services category.

(2)

with a larger MTDC base you can apply the rate to a larger # of expenditures. Even lower rates @ the new base will yield higher recovery (see chart).

---

Even if new rate is submitted now for DHHS review, no way of knowing how long til we get a response. Operational issues for OFE for Res summarized on p. 3

Draft of an announcement to faculty is attached. Please review. ~~Submit~~  
Focus of announcement is solely on proposals.

---

Draft of procedural instructions for RF Central also attached. Not sure you saw it. I never did.

---

Issues

1) Budgeting  
we have

a) I been provided w/ rate schedule

if award effective after 7/1/92 are we "LEGALLY" obliged to budget @ the current rate?

b) we are preparing multi-yr budgets. What do we use for out years? Traditionally its been the negotiated rate.

2) Faculty notification

what to tell them & when

See Day Important Notice - Ofc Res wants to send out

suggestion for 1st yr?



award to specifically refer to only proposals?

inform that we've submitted proposal

that if accepted will cost rates @ 50.5?

3) Potential Under-recovery for the campus

would we consider taking direct \$ increase indirect \$ recovery if we'd submitted

at rate of 45.4 & got approval for higher rate but award was awarded at this lower level?



space increases

cc Lee  
Sarkis  
Pat McCaul  
Laurie H.  
Dennis Staven  
Frank Rytter

OFFICE OF THE  
VICE PRESIDENT  
RESEARCH  
JUN 04 1992  
SUNY  
EDR RESEARCH



Research Foundation  
of State University of  
New York

**INDIRECT COST PROPOSAL  
STATE UNIVERSITY OF NEW YORK  
SUNY AT ALBANY  
FISCAL YEAR 1991**

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SUNY at Albany  
 Computation of Indirect Cost Rate  
 Fiscal Year 1991

Exhibit A

<u>Sponsored Research</u>	Total	On-Campus		Off-Campus	
	Ind Costs	Ind Costs	Rate	Ind Costs	Rate
Use Allowance	589,836	589,836	6.2		
Maintenance & Operation	1,699,835	1,699,835	17.8		
Library	137,263	137,263	1.4		
Central Services	39,772	29,251	0.3	10,521	0.3
Gen Admin & Gen Expense	948,694	697,726	7.3	250,969	7.3
Sponsored Funds Administration	1,200,745	883,099	9.2	317,646	9.2
Departmental Administration	1,995,849	1,467,865	15.2	527,984	15.2
<b>Total</b>	<b>6,611,996</b>	<b>5,504,875</b>	<b>57.5</b>	<b>1,107,120</b>	<b>32.2</b>

<b>Modified Total Direct Cost Base</b>	<b>13,007,705</b>	<b>9,566,633</b>	<b>3,441,072</b>
--	-------------------	------------------	------------------

<u>Sponsored Instruction &amp; Training</u>	Total	On-Campus		Off-Campus	
	Ind Costs	Ind Costs	Rate	Ind Costs	Rate
Use Allowance	87,299	87,299	2.6		
Maintenance & Operation	537,953	537,953	16.1		
Library	43,813	43,813	1.2		
Central Services	16,201	4,273	0.1	11,928	0.1
Gen Admin & Gen Expense	921,829	243,155	7.3	678,674	7.3
Sponsored Funds Administration	1,166,742	307,757	9.2	858,986	9.2
Departmental Administration	1,084,965	286,186	8.5	798,779	8.5
Student Services	141,971	37,448	1.1	104,523	1.1
<b>Total</b>	<b>4,000,774</b>	<b>1,547,884</b>	<b>46.4</b>	<b>2,452,890</b>	<b>26.4</b>

<b>Modified Total Direct Cost Base</b>	<b>12,639,352</b>	<b>3,333,937</b>	<b>9,305,415</b>
--	-------------------	------------------	------------------

SUNY at Albany  
Distribution of Indirect Costs  
Fiscal Year 1991

Exhibit B

Ref	Title	Total Costs	Central Services	Use Allowance	M & O	Gen Admin Gen Exp	Spons Fund Admin	Library	Deptl Admin	Student Services
Exhib C	Total Cost Column 5	179,546,143	1,754,585	3,768,292	14,965,355	9,168,590	2,514,929	7,729,816	1,740,123	6,662,728
Sch B-1	Central Services		(1,754,585)		178,737	105,377	0	92,320	20,783	79,575
Sch B-2	Use Allowance			(3,768,292)		643,368	7,706	339,071	93,758	114,835
Sch B-3	Maintenance & Operation				(15,144,092)	939,303	41,439	2,180,614	312,091	666,348
Sch B-4	Gen Admin & Gen Expense					(10,856,637)	108,144	563,761	126,913	485,934
Sch B-5	Spons Funds Administration						(2,672,218)			
Sch B-6	Library							(10,905,582)		
Sch B-7	Departmental Administration								(2,293,668)	
Sch B-8	Student Services									(8,009,421)
<b>Total</b>		<b>179,546,141</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Ref	Title	I & D R	Sponsored Research	Sponsored Inst & Trng	Other Spon Programs	Other Instl Activ
Exhib C	Total Cost Column 5	70,367,808	13,007,705	12,639,352	2,591,262	32,635,598
Sch B-1	Central Services	840,428	39,772	16,201	92	381,300
Sch B-2	Use Allowance	1,368,748	589,836	87,299	57,481	466,189
Sch B-3	Maintenance & Operation	5,881,103	1,699,835	537,953	189,679	2,695,727
Sch B-4	Gen Admin & Gen Expense	5,132,153	948,694	921,829	188,989	2,380,220
Sch B-5	Spons Funds Administration		1,200,745	1,166,742	239,200	65,530
Sch B-6	Library	10,326,803	137,263	43,813	25,745	371,958
Sch B-7	Departmental Administration Dept Heads & Faculty (3.6% MTDC base)	17,293 (1,016,579)	1,527,572 468,277	629,948 455,017	118,853 93,285	
Sch B-8	Student Services	7,867,449		141,971		
<b>Total</b>		<b>100,785,205</b>	<b>19,619,701</b>	<b>16,640,126</b>	<b>3,504,586</b>	<b>38,996,523</b>

Less: Direct Cost Spons Progs

(13,007,705) (12,639,352)

Indirect Costs - Exhibit A

6,611,996 4,000,774

SUNY at Albany  
Distribution of Central Services  
Fiscal Year 1991

Schedule B-1

Function	Total (1) Cost	%	Central Services
Maintenance & Operation	14,965,355	10.2	178,737
Gen Admin & Gen Expense	8,823,022	6.0	105,377
Sponsored Funds Administration	0	0.0	0
Library	7,729,816	5.3	92,320
Departmental Administration	1,740,123	1.2	20,783
Student Services	6,662,728	4.5	79,575
Instruction & Deptl Research	70,367,808	47.9	840,428
Sponsored Research	3,330,086	2.3	39,772
Sponsored Instruction & Training	1,356,510	0.9	16,201
Other Sponsored Programs	7,690	0.0	92
Other Instutional Activities	31,925,708	21.7	381,300
<b>Total</b>	<b>146,908,846</b>	<b>100.0</b>	<b>1,754,585</b>

(1) From Exhibit B and amended to reflect only state funded activities:

Gen Admin & Gen Expense	9,168,590	
Research Foundation Admin	(345,568)	
University-Wide Admin		
<b>Total</b>		<b>8,823,022</b>
Sponsored Funds Administration:		
Reclassified G/A & G/E		
Income Fund Offset		
<b>Total</b>		<b>0</b>
Sponsored Research:		
Cost Sharing	2,183,549	
Income Fund Offset	1,146,537	
<b>Total</b>		<b>3,330,086</b>
Sponsored Instruction & Training:		
Cost Sharing	775,225	
Income Fund Offset	581,285	
<b>Total</b>		<b>1,356,510</b>
Other Sponsored Programs:		
Cost Sharing	7,690	
Income Fund Offset		
<b>Total</b>		<b>7,690</b>
Other Instutional Activities		
Research Fdn Funded Programs	32,635,598	
	(709,890)	
<b>Total</b>		<b>31,925,708</b>

SUNY at Albany  
Distribution of Use Allowance  
Fiscal Year 1991

Schedule B-2

Building	Total Use Allow	Gen Admin Gen Exp	Spons Fund Admin	Library	Deptl Admin	Student Services	I & D R	Sponsored Research	Sponsored Inst & Trng	Other Spon Programs	Other Instl Activ
Administration	113,798	55,996	7,036	0	0	33,033	6,424	66	93	1,865	9,285
Air Structure	9,683	0	0	0	0	0	9,683	0	0	0	0
Alumni House	8,699	0	0	0	0	0	0	0	0	0	8,699
Ambulance Garage	429	0	0	0	0	429	0	0	0	0	0
Biology	223,052	0	0	0	7,747	0	75,912	123,903	5,966	9,524	0
Business	113,739	18,471	0	0	149	9,661	85,035	80	286	56	0
Campus Center	112,339	148	0	0	0	23,482	0	0	0	0	88,709
Chemistry	235,680	4,631	0	0	12,194	0	99,373	111,103	3,437	3,422	1,521
Commissary	4,814	0	0	0	0	0	0	0	0	0	4,814
Computing Center	347,355	347,355	0	0	0	0	0	0	0	0	0
Draper	63,151	8,384	0	1,303	964	0	31,871	6,965	11,738	1,189	737
Earth Sciences	466,559	2,516	0	0	31,577	0	285,298	114,651	5,274	8,065	19,179
Education	69,860	0	0	0	5,604	0	57,339	3,075	2,982	95	765
Fine Arts	88,219	2,610	0	0	0	0	59,455	0	258	0	25,896
Hawley	10,225	0	0	10,225	0	0	0	0	0	0	0
Humanities	70,111	0	0	0	469	0	63,045	3,694	369	1,753	781
Husted	9,845	5	0	727	0	0	0	1,518	879	487	6,227
Infirmary	34,839	166	0	0	0	34,673	0	0	0	0	0
Lecture Center	312,751	18,649	0	2,431	26	1,696	168,704	12,207	6,550	0	102,488
Library	361,389	626	0	320,210	1,671	5,408	20,953	3,687	983	275	7,577
Linear Accelerator Lab	128,866	0	0	0	0	0	0	90,613	0	12,914	25,338
Milne	21,025	115	0	1,805	2,245	0	8,924	3,162	1,831	289	2,654
Page	7,849	0	0	0	0	3,370	0	0	0	0	4,480
Performing Arts Center	134,113	0	0	0	26	183	43,482	0	16,801	0	73,622
Physical Education	129,561	0	0	0	0	0	129,561	0	0	0	0
Physics	146,638	0	0	0	8,766	0	85,092	41,120	2,919	5,405	3,336
Public Safety	26,076	0	0	0	0	0	0	0	0	0	26,076
Richardson	50,045	89	0	0	8,094	0	14,485	5,299	20,541	672	864
Service Building	144,563	144,563	0	0	0	0	0	0	0	0	0
Social Science	153,104	17,969	0	0	13,483	0	91,648	19,641	1,612	7,934	816
Warehouse	17,046	17,046	0	0	0	0	0	0	0	0	0
Whiteface Mtn Weather Station	6,011	0	0	0	0	0	0	0	0	0	0
Atmos Sci Res Ctr	42,537	0	0	0	0	0	0	3,170	0	0	2,840
Atmos Sci Res Ctr Annex	1,922	0	0	0	0	0	0	31,947	172	3,277	7,140
Presidents Residence	0	0	0	0	0	0	0	488	0	0	1,434
Sculpture Studio	2,778	0	0	0	0	0	0	0	0	0	0
Stress & Anxiety Clinic	7,212	0	0	0	0	0	2,778	0	0	0	0
Wards Warehouse	0	0	0	0	0	0	0	0	0	0	7,212
Whiteface Mtn Annex	9,382	0	0	0	0	0	0	0	0	0	0
Whiteface Mtn Lodge	22,748	0	0	0	0	0	0	5,022	86	0	4,274
Sayles	0	0	0	0	0	0	0	2,230	0	0	20,518
Beverwyck VII	0	0	0	0	0	0	0	0	0	0	0
Ten Broeck VII	0	0	0	0	0	0	0	0	0	0	0
Mahican XIII	0	0	0	0	0	0	0	0	0	0	0
Seneca XIII	0	0	0	0	0	0	0	0	0	0	0
<b>Sub Total</b>	<b>3,708,010</b>	<b>639,341</b>	<b>7,036</b>	<b>336,701</b>	<b>93,013</b>	<b>111,934</b>	<b>1,339,060</b>	<b>583,641</b>	<b>82,778</b>	<b>57,223</b>	<b>457,283</b>
<b>Grounds</b>	<b>60,281</b>	<b>4,027</b>	<b>670</b>	<b>2,370</b>	<b>745</b>	<b>2,901</b>	<b>29,688</b>	<b>6,195</b>	<b>4,521</b>	<b>258</b>	<b>8,906</b>
<b>Grand Total</b>	<b>3,768,291</b>	<b>643,368</b>	<b>7,706</b>	<b>339,071</b>	<b>93,758</b>	<b>114,835</b>	<b>1,368,748</b>	<b>589,836</b>	<b>87,299</b>	<b>57,481</b>	<b>466,189</b>

SUNY at Albany  
Distribution of Building Use Allowance  
Fiscal Year 1991

Schedule B-2

Building	Building Use Allow	Gen Admn Gen Exp	Spons Fund Admin	Library	Deptl Admn	Student Services	I & D R	Sponsored Research	Sponsored Inst & Trng	Other Spon Programs	Other Instl Activ
Administration	48,047	23,643	2,971	0	0	13,947	2,712	28	39	787	3,920
Air Structure	9,007						9,007				
Alumni House	5,048	0	0	0	0	0	0	0	0	0	5,048
Ambulance Garage	417	0	0	0	0	417	0	0	0	0	0
Biology	84,646	0	0	0	2,940	0	28,808	47,020	2,264	3,614	0
Business	49,142	7,981	0	0	64	4,174	36,740	35	123	24	0
Campus Center	100,553	132	0	0	0	21,018	0	0	0	0	79,403
Chemistry	78,342	1,539	0	0	4,053	0	33,032	36,931	1,143	1,138	506
Commissary	3,847	0	0	0	0	0	0	0	0	0	3,847
Computing Center	12,722	12,722	0	0	0	0	0	0	0	0	0
Draper	16,158	2,145	0	333	247	0	8,155	1,782	3,003	304	189
Earth Sciences	65,610	354	0	0	4,440	0	40,120	16,123	742	1,134	2,697
Education	35,972	0	0	0	2,885	0	29,525	1,583	1,536	49	394
Fine Arts	43,324	1,282	0	0	0	0	29,198	0	127	0	12,717
Hawley	975	0	0	975	0	0	0	0	0	0	0
Humanities	30,160	0	0	0	202	0	27,120	1,589	159	754	336
Husted	2,788	2	0	206	0	0	0	430	249	138	1,764
Infirmery	27,364	131	0	0	0	27,233	0	0	0	0	0
Lecture Center	138,043	8,231	0	1,073	12	749	74,463	5,388	2,891	0	45,236
Library	168,264	292	0	149,091	778	2,518	9,756	1,717	457	128	3,528
Linear Accelerator Lab	17,815	0	0	0	0	0	0	12,527	0	1,785	3,503
Milne	5,294	29	0	455	565	0	2,247	796	461	73	668
Page	3,267	0	0	0	0	1,403	0	0	0	0	1,865
Performing Arts Center	89,902	0	0	0	17	122	29,148	0	11,263	0	49,352
Physical Education	101,139	0	0	0	0	0	101,139	0	0	0	0
Physics	42,084	0	0	0	2,516	0	24,420	11,801	838	1,551	957
Public Safety	2,124										2,124
Richardson	13,113	23	0	0	2,121	0	3,795	1,388	5,382	176	226
Service Building	7,259	7,259	0	0	0	0	0	0	0	0	0
Social Science	66,918	7,854	0	0	5,893	0	40,057	8,585	705	3,468	357
Warehouse	6,029	6,029	0	0	0	0	0	0	0	0	0
Whiteface Mtn Weather Station	3,220	0	0	0	0	0	0	1,698	0	0	1,522
Atmos Sci Res Ctr	0	0	0	0	0	0	0	0	0	0	0
Atmos Sci Res Ctr Annex	0	0	0	0	0	0	0	0	0	0	0
Presidents Residence	0	0	0	0	0	0	0	0	0	0	0
Sculpture Studio	0										0
Stress & Anxiety Clinic	0	0	0	0	0	0	0	0	0	0	0
Wards Warehouse	0	0	0	0	0	0	0	0	0	0	0
Whiteface Mtn Annex	0										0
Whiteface Mtn Lodge	0	0	0	0	0	0	0	0	0	0	0
Sayles	0	0	0	0	0	0	0	0	0	0	0
Beverwyck VII	0	0	0	0	0	0	0	0	0	0	0
Ten Broeck VII	0	0	0	0	0	0	0	0	0	0	0
Mahican XIII	0	0	0	0	0	0	0	0	0	0	0
Seneca XIII	0	0	0	0	0	0	0	0	0	0	0
<b>Sub Total</b>	<b>1,278,594</b>	<b>79,648</b>	<b>2,971</b>	<b>152,133</b>	<b>26,733</b>	<b>71,582</b>	<b>529,442</b>	<b>149,421</b>	<b>31,381</b>	<b>15,124</b>	<b>220,160</b>
<b>Grounds</b>	<b>60,281</b>	<b>4,027</b>	<b>670</b>	<b>2,370</b>	<b>745</b>	<b>2,901</b>	<b>29,688</b>	<b>6,195</b>	<b>4,521</b>	<b>258</b>	<b>8,906</b>
<b>Grand Total</b>	<b>1,338,875</b>	<b>83,675</b>	<b>3,641</b>	<b>154,503</b>	<b>27,478</b>	<b>74,483</b>	<b>559,130</b>	<b>155,616</b>	<b>35,902</b>	<b>15,382</b>	<b>229,066</b>

SUNY at Albany  
Distribution of Equipment Use Allowance  
Fiscal Year 1991

Schedule B-2

Building	Equipment Use Allow	Gen Admin Gen Exp	Spons Fund Admin	Library	Deptl Admin	Student Services	I & D R	Sponsored Research	Sponsored Inst & Trng	Other Spon Programs	Other Instl Activ
Administration	65,751	32,354	4,065	0	0	19,086	3,712	38	54	1,077	5,365
Air Structure	676						676				
Alumni House	3,650	0	0	0	0	0	0	0	0	0	3,650
Ambulance Garage	12	0	0	0	0	12	0	0	0	0	0
Biology	138,406	0	0	0	4,807	0	47,104	76,883	3,702	5,910	0
Business	64,597	10,491	0	0	85	5,487	48,295	46	162	32	0
Campus Center	11,785	16	0	0	0	2,463	0	0	0	0	9,306
Chemistry	157,339	3,092	0	0	8,141	0	66,340	74,171	2,295	2,285	1,015
Commissary	967	0	0	0	0	0	0	0	0	0	967
Computing Center	334,632	334,632	0	0	0	0	0	0	0	0	0
Draper	46,992	6,239	0	969	717	0	23,716	5,183	8,735	885	548
Earth Sciences	400,949	2,162	0	0	27,136	0	245,178	98,528	4,532	6,931	16,482
Education	33,888	0	0	0	2,718	0	27,814	1,492	1,447	46	371
Fine Arts	44,895	1,328	0	0	0	0	30,257	0	132	0	13,179
Hawley	9,250	0	0	9,250	0	0	0	0	0	0	0
Humanities	39,951	0	0	0	267	0	35,925	2,105	210	999	445
Husted	7,057	4	0	521	0	0	0	1,088	630	349	4,464
Infirmary	7,475	36	0	0	0	7,439	0	0	0	0	0
Lecture Center	174,708	10,418	0	1,358	15	948	94,241	6,819	3,659	0	57,251
Library	193,125	335	0	171,119	893	2,890	11,197	1,970	525	147	4,049
Linear Accelerator Lab	111,051	0	0	0	0	0	0	78,086	0	11,129	21,835
Milne	15,730	86	0	1,351	1,680	0	6,677	2,365	1,370	216	1,985
Page	4,582	0	0	0	0	1,967	0	0	0	0	2,615
Performing Arts Center	44,211	0	0	0	8	60	14,334	0	5,539	0	24,270
Physical Education	28,422	0	0	0	0	0	28,422	0	0	0	0
Physics	104,555	0	0	0	6,250	0	60,672	29,319	2,081	3,854	2,379
Public Safety	23,952										23,952
Richardson	36,932	66	0	0	5,973	0	10,690	3,910	15,159	496	638
Service Building	137,304	137,304	0	0	0	0	0	0	0	0	0
Social Science	86,186	10,115	0	0	7,590	0	51,591	11,057	908	4,466	459
Warehouse	11,017	11,017	0	0	0	0	0	0	0	0	0
Whiteface Mtn Weather Station	2,791	0	0	0	0	0	0	0	0	0	0
Atmos Sci Res Ctr	42,537	0	0	0	0	0	0	1,472	0	0	1,319
Atmos Sci Res Ctr Annex	1,922	0	0	0	0	0	0	31,947	172	3,277	7,140
Presidents Residence	0	0	0	0	0	0	0	488	0	0	1,434
Sculpture Studio	2,778	0	0	0	0	0	0	0	0	0	0
Stress & Anxiety Clinic	7,212	0	0	0	0	0	2,778	0	0	0	0
Wards Warehouse	0										7,212
Whiteface Mtn Annex	9,382	0	0	0	0	0	0	5,022	86	0	4,274
Whiteface Mtn Lodge	22,748	0	0	0	0	0	0	2,230	0	0	20,518
Sayles	0	0	0	0	0	0	0	0	0	0	0
Beverwyck VII	0	0	0	0	0	0	0	0	0	0	0
Ten Broeck VII	0	0	0	0	0	0	0	0	0	0	0
Mahican XIII	0	0	0	0	0	0	0	0	0	0	0
Seneca XIII	0	0	0	0	0	0	0	0	0	0	0
<b>Sub Total</b>	<b>2,429,416</b>	<b>559,693</b>	<b>4,065</b>	<b>184,568</b>	<b>66,280</b>	<b>40,352</b>	<b>809,618</b>	<b>434,220</b>	<b>51,397</b>	<b>42,099</b>	<b>237,123</b>
Grounds	0										
<b>Grand Total</b>	<b>2,429,416</b>	<b>559,693</b>	<b>4,065</b>	<b>184,568</b>	<b>66,280</b>	<b>40,352</b>	<b>809,618</b>	<b>434,220</b>	<b>51,397</b>	<b>42,099</b>	<b>237,123</b>



SUNY at Albany  
Distribution of Use Allowance  
Fiscal Year 1991

Schedule B-2

Building	S Q U A R E F O O T A G E										Total Sq Ft
	Gen Admn Gen Exp	Spons Fund Admin	Library	Deptl Admin	Student Services	I & D R	Sponsored Research	Sponsored Inst & Trn	Other Spon Programs	Other Instl Acti	
Administration	20,510	2,577	0	0	12,099	2,353	24	34	683	3,401	41,681
Air Structure	0	0	0	0	0	0	0	0	0	0	0
Alumni House	0	0	0	0	0	0	0	0	0	5,259	5,259
Ambulance Garage					595						595
Biology	0	0	0	2,449	0	23,999	39,171	1,886	3,011	0	70,516
Business	9,181	0	0	74	4,802	42,266	40	142	28	0	56,533
Campus Center	112	0	0	0	17,785	0	0	0	0	67,188	85,085
Chemistry	1,218	0	0	3,207	0	26,135	29,220	904	900	400	61,984
Commissary	0	0	0	0	0	0	0	0	0	26,639	26,639
Computing Center	9,661	0	0	0	0	0	0	0	0	0	9,661
Draper	5,097	0	792	586	0	19,375	4,234	7,136	723	448	38,391
Earth Sciences	302	0	0	3,790	0	34,243	13,761	633	968	2,302	55,999
Education	0	0	0	2,482	0	25,397	1,362	1,321	42	339	30,943
Fine Arts	1,161	0	0	0	0	26,451	0	115	0	11,521	39,248
Hawley	0	0	12,010	0	0	0	0	0	0	0	12,010
Humanities	0	0	0	361	0	48,574	2,846	284	1,351	602	54,018
Husted	14	0	1,860	0	0	0	3,884	2,249	1,247	15,931	25,185
Infirmery	78	0	0	0	16,264	0	0	0	0	0	16,342
Lecture Center	6,398	0	834	9	582	57,878	4,188	2,247	0	35,161	107,297
Library	353	0	180,544	942	3,049	11,814	2,079	554	155	4,272	203,762
Linear Accelerator Lab	0	0	0	0	0	0	5,543	0	790	1,550	7,883
Milne	119	0	1,870	2,326	0	9,244	3,275	1,897	299	2,749	21,779
Page	0	0	0	0	5,208	0	0	0	0	6,924	12,132
Performing Arts Center	0	0	0	13	93	22,143	0	8,556	0	37,492	68,297
Physical Education	0	0	0	0	0	97,942	0	0	0	0	97,942
Physics	0	0	0	2,102	0	20,404	9,860	700	1,296	800	35,162
Public Safety	2,820	0	0	0	0	0	0	0	0	0	2,820
Richardson	50	0	0	4,532	0	8,111	2,967	11,502	376	484	28,022
Service Building	6,325	0	0	0	0	0	0	0	0	0	6,325
Social Science	7,266	0	0	5,452	0	37,058	7,942	652	3,208	330	61,908
Warehouse	6,075	0	0	0	0	0	0	0	0	0	6,075
Whiteface Mtn Weather Station	0	0	0	0	0	0	816	0	0	731	1,547
Atmos Sci Res Ctr	0	0	0	0	0	0	16,873	91	1,731	3,771	22,466
Atmos Sci Res Ctr Annex	0	0	0	0	0	0	901	0	0	2,646	3,547
Presidents Residence	6,577	0	0	0	0	0	0	0	0	0	6,577
Sculpture Studio	0	0	0	0	0	11,628	0	0	0	0	11,628
Stress & Anxiety Clinic	0	0	0	0	0	7,190	0	0	0	0	7,190
Wards Warehouse	0	0	0	0	0	0	0	0	0	5,000	5,000
Whiteface Mtn Annex	0	0	0	0	0	0	1,577	27	0	1,342	2,946
Whiteface Mtn Lodge	0	0	0	0	0	0	802	0	0	7,379	8,181
Sayles				0		1,557		4,122			5,679
Beverwyck VII							2,616		407		3,023
Ten Broeck VII								3,772			3,772
Mahican XIII							294				294
Seneca XIII	1,933	1,184									3,117
<b>Sub Total</b>	<b>85,250</b>	<b>3,761</b>	<b>197,910</b>	<b>28,325</b>	<b>60,477</b>	<b>533,762</b>	<b>154,275</b>	<b>48,824</b>	<b>17,215</b>	<b>244,661</b>	<b>1,374,460</b>
<b>Grounds</b>											
<b>Grand Total</b>	<b>85,250</b>	<b>3,761</b>	<b>197,910</b>	<b>28,325</b>	<b>60,477</b>	<b>533,762</b>	<b>154,275</b>	<b>48,824</b>	<b>17,215</b>	<b>244,661</b>	<b>1,374,460</b>

SUNY at Albany  
 Distribution of Maintenance & Operation Costs  
 Fiscal Year 1991

Schedule B-3

Function	Square Footage	%	Total Costs
Gen Admin & Gen Expense	85,250	6.2	939,303
Sponsored Funds Administration	3,761	0.3	41,439
Library	197,910	14.4	2,180,614
Departmental Administration	28,325	2.1	312,091
Student Services	60,477	4.4	666,348
Instruction & Deptl Research	533,762	38.8	5,881,103
Sponsored Research	154,275	11.2	1,699,835
Sponsored Instruction & Training	48,824	3.6	537,953
Other Sponsored Programs	17,215	1.3	189,679
Other Institutional Activities	244,661	17.8	2,695,727
<b>Total</b>	<b>1,374,460</b>	<b>100.0</b>	<b>15,144,092</b>

SUNY at Albany  
 Distribution of Gen Admin & Gen Expense  
 Fiscal Year 1991

Schedule B-4

Function	Total (1) Cost	%	Gen Admin Gen Exp
Sponsored Funds Administration	1,482,774	1.0	108,144
Library	7,729,816	5.2	563,761
Departmental Administration	1,740,123	1.2	126,913
Student Services	6,662,728	4.5	485,934
Instruction & Deptl Research	70,367,808	47.3	5,132,153
Sponsored Research	13,007,705	8.7	948,694
Sponsored Instruction & Training	12,639,352	8.5	921,829
Other Sponsored Programs	2,591,262	1.7	188,989
Other Institutional Activities	32,635,598	21.9	2,380,220
<b>Total</b>	<b>148,857,166</b>	<b>100.0</b>	<b>10,856,637</b>

(1) From Exhibit B or excluded as follows:

Spons Funds Administration	2,514,929
Research Foundation Central Office	1,032,155
Total	1,482,774

SUNY at Albany  
 Distribution of Sponsored Funds Admin  
 Fiscal Year 1991

Schedule B-5

Function	Modified Total Direct (1) Cost	%	Sponsored Funds Admin
Sponsored Research	13,007,705	44.9	1,200,745
Sponsored Instruction & Training	12,639,352	43.7	1,166,742
Other Sponsored Programs	2,591,262	9.0	239,200
Other Instl Activities (2)	709,890	2.5	65,530
<b>Total</b>	<b>28,948,209</b>	<b>100.0</b>	<b>2,672,218</b>

(1) From Exhibit B

(2) Amount shown represents only the RF Funded Programs portion included in OIA from Exhibit B

SUNY at Albany  
Distribution of Library Costs  
Fiscal Year 1991

Schedule B-6

<u>Allocation</u>	<u>(1) F T E</u>	<u>%</u>	<u>Library</u>
Instruction - Students	14,027	86.9	9,480,206
All Other Users (Distribution Below)	2,109	13.1	1,425,376
<b>Total</b>	<b>16,136</b>	<b>100.0</b>	<b>10,905,582</b>

<u>Distribution - Other Users</u>	<u>(2) S &amp; W</u>	<u>%</u>	<u>Library</u>
Instruction - Faculty	40,975,915	59.4	846,597
Sponsored Research	6,643,650	9.6	137,263
Sponsored Instruction & Training	2,120,558	3.1	43,813
Other Sponsored Programs	1,246,068	1.8	25,745
Other Institutional Activities	18,003,055	26.1	371,958
<b>Total</b>	<b>68,989,246</b>	<b>100.0</b>	<b>1,425,376</b>

(1) Represents the full time equivalent of students and all SUNY and RF employees.

(2) Represents the salaries of all professional employees.

Distribution of Departmental Administration  
Fiscal Year 1991

Departments	Sponsored Research	Sponsored Inst & Trng	Other Spon Programs	Total
Dean's Off Arts & Sciences				
Dean's Off Humanities	1,409	3,285	11,333	16,027
Classics	0	0	5	5
English	67	5	556	628
French	0	3,113	29	3,142
German	1,892	0	7	1,899
Judiac Studies			34	34
Linguistics			234	234
Philosophy	0	0	89	89
Chinese Studies	0	0	228	228
Peurto Rican Studies	0	21,275	709	21,983
Slavic Languages & Literature	2,328	0	153	2,481
Theater	0	0	270	270
All Other Departments	0	0	28	28
Dean's Off Science & Math	0	0	119	119
Biology *	252,925	1,190	2,800	256,915
Chemistry	131,560	342	942	132,844
Computer Science	27,511	1,544	683	29,738
Atmospheric Science	171,012	0	23,233	194,245
Geology	25,415	0	257	25,672
Math & Statistics	20,244	1,513	235	21,992
Physics	86,723	5,165	3,989	95,877
Dean's Off Social Science	0	0	66	66
African & Afro-Amer Studies	0	390	0	390
Anthropology	11,116	0	2,182	13,298
Economics	657	0	70	726
Geography	19	0	176	196
History	1,172	0	314	1,486
Psychology	97,722	4,796	1,797	104,315
Dept of Communication	0	0	120	120
Sociology	34,099	1,633	726	36,459
Public Health Program	9,060	0	60	9,120
All Other Depts(42093,94,96,97)	2,082	0	762	2,844
Dean's Office School of Bus.	109	1,904	1,731	3,743
Management Sci & Info Sys	0	1,104	0	1,104
Management	945	0	79	1,024
All Other Departments			245	245
Dean's Off Criminal Justice	0	1,695	254	1,949
Criminal Justice	0	379	301	680
Hindelang Center	119,711	0	42	119,753
Dean's Off Education	5	9,626	423	10,054
Prog Devel & Education	24,819	4,601	864	30,285
Counseling Psych. & Student	5,449	1,361	606	7,416
Psychology & Statistics	7,979	83,265	215	91,459
Reading	3,641	0	29	3,670
Psycho Program	0	2,437	0	2,437
Educatnl Admn & Policy Studies	2,755	41,632	0	44,387
Center for Field Services-ED.	0	3,051	0	3,051
Provost-Rockefeller College	31	2,894	740	3,665
Academic Resource Management	0	98	185	283
Dean's Office-Inform. Science	0	19,850	1,034	20,884
Schl of Information Sci. & Pol	0	0	18,902	18,902
Dean's Off Grd Sch Pub Affairs	0	13,456	1,989	15,445
Political Science	5,003	5,967	345	11,315
Public Administration	12,042	8,161	42,414	62,618
Social Welfare	9,282	242,862	565	252,709
Office of General Studies	0	28,741	2,736	31,477
Social & Demographic Analysis	66,854	0	790	67,644
International Education	0	89,955	0	89,955
Child Study Research Ctr	118,648	0	6,884	125,532
Governmental Res & Services	0	0	1	1
Center for Research & Devel.	2,183	0	0	2,183
Atmospheric Sciences Res Ctr	267,744	19,634	2,489	289,867
Center for Women in Gov't	3,358	2,425	74	5,857
Office Of Public Service	0	602	4	606
<b>Total</b>	<b>1,527,572</b>	<b>629,948</b>	<b>136,146</b>	<b>2,293,666</b>

SUNY at Albany  
 Distribution of Student Services  
 Fiscal Year 1991

Schedule B-8

<u>Function</u>	<u>(1) F T E</u>	<u>%</u>	<u>Student Services</u>
Instruction & Deptl Research (Students & Faculty)	14,796	98.2	7,867,449
Sponsored Instruction & Training	267	1.8	141,971
<b>Total</b>	<b>15,063</b>	<b>100.0</b>	<b>8,009,421</b>

(1) Represents the full time equivalent of students and all SUNY and RF employees.

SUNY at Albany  
Fiscal Year 1991

Exhibit C

Function	Total Cost	Exclusions (Sch C-2)	Reclass (Sch C-5)	Adjusted Cost	Function Total
<b>Instruction &amp; Deptl Research</b>					
Salaries & Wages	52,902,585	(1,080,937)	(2,979,165)	48,842,483	
Supplies & Expense	10,946,423		(64,739)	10,881,684	
Fringe Benefits	11,525,669	(232,675)	(649,353)	10,643,641	70,367,808
<b>Organized Activities</b>					
Salaries & Wages	2,179,242	(110,294)	(2,068,948)	0	
Supplies & Expense	157,292		(157,292)	0	
Fringe Benefits	465,017	(23,741)	(441,276)	0	0
<b>Organized Research</b>					
Salaries & Wages	1,391,533	(180,056)	(1,211,477)	0	
Supplies & Expense	154,710		(154,710)	0	
Fringe Benefits	296,253	(38,758)	(257,495)	0	0
<b>Extension &amp; Public Service</b>					
Salaries & Wages	2,462,764	0	(2,462,764)	0	
Supplies & Expense	302,796		(302,796)	0	
Fringe Benefits	519,759	0	(519,759)	0	0
<b>Library</b>					
Salaries & Wages	3,910,887	0	(13)	3,910,874	
Supplies & Expense	501,977		0	501,977	
Library Acquisitions	2,503,158			2,503,158	
Fringe Benefits	813,810	0	(3)	813,807	7,729,816
<b>Student Services</b>					
Salaries & Wages	4,541,173		245,444	4,786,617	
Supplies & Expense	1,083,327		(220,334)	862,993	
Fringe Benefits	960,286		52,833	1,013,118	6,662,728
<b>Maintenance &amp; Operations</b>					
Salaries & Wages	5,938,240		971,213	6,909,453	
Supplies & Expense	5,829,476		736,693	6,566,169	
Fringe Benefits	1,280,676		209,057	1,489,733	14,965,355
<b>General Administration</b>					
Salaries & Wages	4,825,178		(602,753)	4,222,425	
Supplies & Expense	688,904		144,805	833,709	
Fringe Benefits	1,051,414		(129,744)	921,669	5,977,803
<b>General Institutional Services</b>					
Salaries & Wages	6,334,938		(4,173,297)	2,161,641	
Supplies & Expense	2,388,783		(2,311,227)	77,556	
Fringe Benefits	1,362,915		(411,325)	951,590	3,190,787



SUNY at Albany  
Fiscal Year 1991

Exhibit C

Function	Total Cost	Exclusions (Sch C-2)	Reclass (Sch C-5)	Adjusted Cost	Function Total
<b>Auxiliary Enterprises</b>					
Salaries & Wages	6,067,257	0	(6,067,257)	0	
Supplies & Expense	11,136,552	0	(11,136,552)	0	
Fringe Benefits	1,216,186	0	(1,216,186)	0	0
<b>Equipment Acquisitions</b>	2,201,002	(2,201,002)		0	0
<b>Sub Total</b>	<b>147,940,180</b>	<b>(3,867,463)</b>	<b>(35,178,421)</b>	<b>108,894,296</b>	<b>108,894,296</b>
<b>Work Study Program</b>	226,690		(226,690)	0	0
<b>Use Allowance - Schedule C-3</b>	3,768,292			3,768,292	3,768,292
<b>Central Services</b>	550,162		1,204,423	1,754,585	1,754,585
<b>University-Wide Administration</b>	1,204,423		(1,204,423)	0	0
<b>Building Repairs/Cost</b>	881,515		(881,515)	0	0
<b>Sponsored Funds Administration</b>	2,860,597		(345,668)	2,514,929	2,514,929
<b>Sponsored Programs</b>	25,981,746		(25,981,746)	0	
<b>Sponsored:</b>					
Research			13,007,705	13,007,705	13,007,705
Instruction & Training			12,639,352	12,639,352	12,639,352
Other			2,591,262	2,591,262	2,591,262
<b>Departmental Administration</b>					
Salaries & Wages			1,372,985	1,372,985	
Supplies & Expense			71,534	71,534	
Fringe Benefits			295,604	295,604	1,740,123
<b>Other Institutional Activities</b>					
Salaries & Wages			14,694,781	14,694,781	
Supplies & Expense			15,406,910	15,406,910	
Fringe Benefits			2,533,908	2,533,908	32,635,598
<b>Grand Total</b>	<b>183,413,605</b>	<b>(3,867,463)</b>	<b>0</b>	<b>179,546,142</b>	<b>179,546,142</b>

State University of New York  
 SUNY at Albany  
 Notes to Exhibit C  
 Fiscal Year 1991

<u>Column 1</u>	<u>Amount</u>
Campus expenditures are from the University Accounting Report and reconciled with the State Department of Audit and Control.	128,448,207
Fringe Benefits – From University Wide Administration submission Schedule 2 Column 6.	19,491,983
The State portion of the Work Study Program is 30% of the total payroll processed by the Research Foundation.	226,690
Building and Equipment Use Allowance Schedule 3	3,768,292
From University–Wide Administration submission:	
Central Services from Exhibit A Column 6	550,162
Administration Expense – Exhibit C Column 3	1,204,423
Building Repairs – Schedule 3 Column 3	518,771
Construction Fund Operating Cost	362,744
From Research Foundation Submission Exhibit A:	
Sponsored Programs – MTDC Column 3	25,981,746
Total Administration Column 7	2,860,597
<b>Total Cost Exhibit C Column 1</b>	<b>183,413,615</b>

SUNY at Albany  
 Fringe Benefit Distribution  
 Fiscal Year 1991

Schedule C-1

Function	Salaries & Wages	Less Students & Honorariums	Adjusted S&W	Fringe Benefits
Instruction & Deptl Research	52,902,585	611,555	52,291,030	11,525,669
Organized Activities	2,179,242	69,498	2,109,744	465,017
Organized Research	1,391,533	47,457	1,344,076	296,253
Extension & Public Service	2,462,764	104,661	2,358,103	519,759
Library	3,910,887	218,697	3,692,190	813,810
Student Services	4,541,173	184,435	4,356,738	960,286
Maintenance & Operation	5,938,240	127,915	5,810,325	1,280,676
General Administration	4,825,178	54,999	4,770,179	1,051,414
General Institutional Services	6,334,938	151,504	6,183,434	1,362,915
Auxiliary Enterprises	6,067,257	549,520	5,517,737	1,216,186
<b>Total</b>	<b>90,553,797</b>	<b>2,120,241</b>	<b>88,433,556</b>	<b>19,491,983</b>

SUNY at Albany  
Exclusions  
Fiscal Year 1991

Schedule C-2

	Salaries & Wages	Fringe Benefits	Supplies & Expense	Total
<u>Instruction &amp; Deptl Research</u>				
Income Fund Offset	1,080,937	232,675		1,313,612
Exhibit C Column 2	1,080,937	232,675	0	1,313,612
<u>Organized Activities</u>				
Income Fund Offset	110,294	23,741		134,035
Exhibit C Column 2	110,294	23,741	0	134,035
<u>Organized Research</u>				
Income Fund Offset	180,056	38,758		218,814
Exhibit C Column 2	180,056	38,758	0	218,814
<u>Extension &amp; Public Service</u>				
Income Fund Offset		0		0
Exhibit C Column 2	0	0	0	0
<u>Library</u>				
Income Fund Offset		0		0
Exhibit C Column 2	0	0	0	0
<u>Auxiliary Enterprises</u>				
Scholarships & Fellowships				166,674
College Work Study				207,682
Food Service				6,408,000
Exhibit C Column 2	0	0	0	6,782,356
Equipment Acquisitions				2,201,002
Exhibit C Column 2				2,201,002
<b>Grand Total</b>				<b>10,549,819</b>

SUNY at Albany  
 Computation of Use Allowance  
 Fiscal Year 1991

Schedule C-3

<u>Plant Assets</u>	<u>Total Cost</u>	<u>Less Federal Share</u>	<u>Adjusted Cost</u>	<u>Use Allowance</u>
Building				
Academic	68,163,891	1,220,120	<u>66,943,771</u>	
Use Allowance Factor 2%				1,338,875
Equipment				
Academic	36,439,421	0	<u>36,439,421</u>	
Use Allowance Factor 6.667%				2,429,416
<b>Grand Total</b>				<b>3,768,292</b>

SUNY at Albany  
Departmental Administration  
Fiscal Year 1991

Schedule C-4

Departments	Salaries & Wages	Fringe Benefits	Supplies & Expense	Total
Dean's Off Arts & Sciences	4,976	1,071	21,582	27,630
Dean's Off Humanities	14,614	3,146	678	18,439
English		0	19	19
French	434	93	0	527
German		0	2	2
Linguistics		0	39	39
Chinese Studies		0	5	5
Peurto Rican Studies	12,475	2,686	219	15,380
Slavic Languages & Literature		0	17	17
Theater		0	8	8
Dean's Off Science & Math	58,882	12,677	191	71,751
Biology *	144,920	31,201	995	177,117
Chemistry	49,942	10,753	5,478	66,172
Computer Science	8,598	1,851	508	10,957
Atmospheric Science	83,270	17,928	6,395	107,593
Geology	6,478	1,395	1,117	8,990
Math & Statistics	9,551	2,056	70	11,677
Physics	35,009	7,537	4,800	47,346
Dean's Off Social Science	34,697	7,470	2,329	44,496
African & Afro-Amer Studies		0	9	9
Anthropology	5,049	1,087	248	6,384
Economics		0	27	27
Geography		0	6	6
History		0	28	28
Psychology	16,196	3,487	1,863	21,546
Dept of Communication		0	5	5
Sociology	6,344	1,366	2,133	9,843
Public Health Program		0	1,202	1,202
Dean's Office School of Bus.	4,203	905	32	5,140
Management Sci & Info Sys		0	29	29
Management		0	24	24
Dean's Off Continuing Studies	11,054	2,380	0	13,434
Dean's Off Criminal Justice	50,271	10,823	100	61,194
Hindelang Center	38,480	8,285	552	47,316
Dean's Off Education	58,648	12,627	1,852	73,128
Prog Devel & Education	8,842	1,904	247	10,992
Counseling Psych. & Student	1,077	232	30	1,339

SUNY at Albany  
Departmental Administration  
Fiscal Year 1991

Schedule C-4

Departments	Salaries & Wages	Fringe Benefits	Supplies & Expense	Total
Psychology & Statistics	7,224	1,555	270	9,049
Reading		0	15	15
Psychology Program		0	198	198
Educational Admn & Policy Studies	17,446	3,756	55	21,257
Center for Field Services-ED.		0	46	46
Provost-Rockefeller College	9,168	1,974	1,584	12,725
Academic Resource Management	45,377	9,770	922	56,068
Dean's Office-Inform. Science	25,020	5,387	246	30,653
Dean's Off Grd Sch Pub Affairs	42,733	9,201	604	52,538
Political Science		0	67	67
Public Administration		0	1,122	1,122
Dean's Off Social Welfare	128,990	27,772	5,288	162,049
Dean For Undergraduate Education	60,954	13,123	544	74,621
Office of General Studies	14,182	3,053	137	17,372
Social & Demographic Analysis	25,902	5,577	388	31,867
International Education	40,398	8,698	1,011	50,107
Child Study Research Ctr	91,602	19,722	1,555	112,879
Center for Research & Devel.		0	461	461
Atmospheric Sciences Res Ctr	199,979	43,055	2,529	245,564
Center for Women in Gov't		0	1,094	1,094
Office Of Public Service		0	558	558
<b>Total</b>	<b>1,372,985</b>	<b>295,604</b>	<b>71,533</b>	<b>1,740,121</b>

SUNY at Albany  
Reclassification of Accounts  
Fiscal Year 1991

Schedule C-5

	Salaries & Wages	Fringe Benefits	Supplies & Expense	Total
<b>Instruction &amp; Deptl Research</b>				
To; Departmental Administration	(1,042,924)	(224,542)	(64,739)	(1,332,205)
Cost Sharing; to Spons Research	(1,398,789)	(306,894)		(1,705,683)
Cost Sharing; to Spons Instr & Trng	(531,145)	(116,533)		(647,678)
Cost Sharing; to Other Spons Programs	(6,307)	(1,384)		(7,691)
<b>Exhibit C Column 3</b>	<b>(2,979,165)</b>	<b>(649,353)</b>	<b>(64,739)</b>	<b>(3,693,257)</b>
<b>Organized Activities</b>				
To; Departmental Administration	(91,602)	(19,722)	(2,016)	(113,340)
Cost Sharing; to Spons Research	(82,817)	(18,170)		(100,987)
Cost Sharing; to Spons Instr & Trng	(4,238)	(930)		(5,168)
Cost Sharing; to Other Spons Programs				0
Balance; to Other Instl Activities	(1,890,291)	(402,454)	(155,276)	(2,448,021)
<b>Exhibit C Column 3</b>	<b>(2,068,948)</b>	<b>(441,276)</b>	<b>(157,292)</b>	<b>(2,667,516)</b>
<b>Organized Research</b>				
To; Deptl Administration	(238,459)	(51,340)	(3,081)	(292,880)
Cost Sharing; to Spons Instr & Trng	(69,890)	(15,333)		(85,223)
Cost Sharing; to Sponsored Research	(303,340)	(66,554)		(369,894)
Balance; to Other Instl Activities	(599,788)	(124,268)	(151,629)	(875,685)
<b>Exhibit C Column 3</b>	<b>(1,211,477)</b>	<b>(257,495)</b>	<b>(154,710)</b>	<b>(1,623,682)</b>
<b>Extension &amp; Public Service</b>				
To; Deptl Administration			(1,698)	(1,698)
Cost Sharing; to Sponsored Research	(5,714)	(1,254)		(6,968)
Cost Sharing; to Spons Instr & Trng	(30,470)	(6,685)		(37,155)
Balance; to Other Instl Activities	(2,426,580)	(511,820)	(301,098)	(3,239,498)
<b>Exhibit C Column 3</b>	<b>(2,462,764)</b>	<b>(519,759)</b>	<b>(302,796)</b>	<b>(3,285,319)</b>
<b>Library</b>				
Cost Sharing; to Sponsored Research	(13)	(3)		(16)
Income Fund Reimbursable; to OIA		0		0
<b>Exhibit C Column 3</b>	<b>(13)</b>	<b>(3)</b>	<b>0</b>	<b>(16)</b>
<b>Student Services</b>				
Income Fund Reimbursable; to OIA	(152,891)	(32,910)	(360,968)	(546,769)
Student Billing & Cashiering; from G A	565,369	121,697	60,229	747,295
Campus Bussing Serv (80%); from GIS	286,130	61,590	125,372	473,092
Student Union; to OIA	(273,991)	(58,977)	(19,590)	(352,558)
Equal Opportunity Admin; to OIA	(179,173)	(38,568)	(25,377)	(243,118)
<b>Exhibit C Column 3</b>	<b>245,444</b>	<b>52,833</b>	<b>(220,334)</b>	<b>77,943</b>



SUNY at Albany  
Reclassification of Accounts  
Fiscal Year 1991

Schedule C-5

	Salaries & Wages	Fringe Benefits	Supplies & Expense	Total
<b>Maintenance &amp; Operation</b>				
Income Fund Reimbursable; to OIA		0		0
Security & Safety; from GIS	971,213	209,057	13,745	1,194,015
From; Building Repairs/Cost			711,943	711,943
Support Cost; from Gen. Admin.			11,005	11,005
<b>Exhibit C Column 3</b>	<b>971,213</b>	<b>209,057</b>	<b>736,693</b>	<b>1,916,963</b>
<b>General Administration</b>				
Income Fund Reimbursables; to OIA	(37,384)	(8,047)	(560)	(45,991)
Stu Billing & Bursar; to Stu Serv	(565,369)	(121,697)	(60,229)	(747,295)
From; Work Study Program (25%)			56,673	56,673
Support Cost; to Maint. & Operations			(11,005)	(11,005)
From; Sponsored Funds Administration			1,828,442	1,828,442
Unallowable Costs; to OIA			(185,742)	(185,742)
Support Cost; to Spons Funds Admin			(1,482,774)	(1,482,774)
<b>Exhibit C Column 3</b>	<b>(602,753)</b>	<b>(129,744)</b>	<b>144,805</b>	<b>(587,693)</b>
<b>General Instl Services</b>				
Income Fund Reimbursables; to OIA	(188,832)	(40,647)	(615,091)	(844,570)
Security & Safety; to M & O	(971,213)	(209,057)	(13,745)	(1,194,015)
Unallowable Costs; to OIA:				
Alumni Relations	(112,477)	(24,211)	(62,008)	(198,696)
Commencement	(4,448)	(957)	(38,523)	(43,928)
Publications	(347,790)	(74,863)	(88,412)	(511,065)
University News Service		0		0
Automotive Services			(100,449)	(100,449)
Computer Services	(2,262,407)		(1,186,067)	(3,448,474)
Mail & Messenger			(138,300)	(138,300)
Telephone & Telegraph			63,436	63,436
<b>Sub Total - Unallowable Costs</b>	<b>(2,727,122)</b>	<b>(100,031)</b>	<b>(1,550,323)</b>	<b>(4,377,476)</b>
Campus Bussing Serv (80%); to Stu Serv	(286,130)	(61,590)	(125,372)	(473,092)
Unallowable Costs; to OIA			(6,696)	(6,696)
<b>Exhibit C Column 3</b>	<b>(4,173,297)</b>	<b>(411,325)</b>	<b>(2,311,227)</b>	<b>(6,895,849)</b>
<b>Auxiliary Enterprises</b>				
From; Building Repairs			169,572	169,572
Balance; to Other Instl Activities	(6,067,257)	(1,216,186)	(11,306,124)	(18,589,567)
<b>Exhibit C Column 3</b>	<b>(6,067,257)</b>	<b>(1,216,186)</b>	<b>(11,136,552)</b>	<b>(18,419,995)</b>
<b>Work Study Program</b>				
To; General Admin (25% of Total)			(56,673)	(56,673)
To; Other Instl Activ (75% of Total)			(170,018)	(170,018)
<b>Exhibit C Column 3</b>			<b>(226,690)</b>	<b>(226,690)</b>

SUNY at Albany  
Reclassification of Accounts  
Fiscal Year 1991

Schedule C-5

	Salaries & Wages	Fringe Benefits	Supplies & Expense	Total
<u>University-Wide Administration</u>				
To; Central Services			(1,204,423)	(1,204,423)
Exhibit C Column 3			(1,204,423)	(1,204,423)
<u>Building Repairs/Cost</u>				
To; Maintenance & Operation			(711,943)	(711,943)
To; Auxiliary Enterprises			(169,572)	(169,572)
Exhibit C Column 3			(881,515)	(881,515)
<u>Sponsored Funds Administration</u>				
From; General Administration			1,482,774	1,482,774
To; General Administration			(1,828,442)	(1,828,442)
Exhibit C Column 3			(345,668)	(345,668)
<u>Sponsored Programs</u>				
To; Sponsored Research	(7,206,701)		(3,617,456)	(10,824,157)
To; Sponsored Instruction & Training	(7,227,719)		(4,636,409)	(11,864,128)
To; Other Sponsored Programs	(1,391,627)		(1,901,834)	(3,293,461)
Exhibit C Column 3	(15,826,047)		(10,155,699)	(25,981,746)
<u>Sponsored Research</u>				
From; R F Sponsored Programs	7,206,701		3,617,456	10,824,157
Cost Sharing; from I & DR	1,398,789	306,894		1,705,683
Cost Sharing; from Org Activities	82,817	18,170		100,987
Cost Sharing; from Org Research	303,340	66,554		369,894
Cost Sharing; from Ext & Public Serv	5,714	1,254		6,968
Cost Sharing; from Library	13	3		16
Cost Sharing; from Gen Admin	0	0		0
Exhibit C Column 3	8,997,374	392,875	3,617,456	13,007,705
<u>Sponsored Instruction &amp; Training</u>				
From; R F Sponsored Programs	7,227,719		4,636,409	11,864,128
Cost Sharing; from I & DR	531,145	116,533		647,678
Cost Sharing; from Org Activities	4,238	930		5,168
Cost Sharing; from Org Research	69,890	15,333		85,223
Cost Sharing; from Ext & Public Serv	30,470	6,685		37,155
Exhibit C Column 3	7,863,462	139,481	4,636,409	12,639,352

SUNY at Albany  
Reclassification of Accounts  
Fiscal Year 1991

Schedule C-5

	Salaries & Wages	Fringe Benefits	Supplies & Expense	Total
<b>Other Sponsored Programs</b>				
From; R F Sponsored Programs	1,391,627		1,901,834	3,293,461
Cost Sharing; from I & DR	6,307	1,384	0	7,691
Cost Sharing; from Org Activities	0	0	0	0
RF Funded Programs; to OIA	(151,472)		(558,418)	(709,890)
<b>Exhibit C Column 3</b>	<b>1,246,462</b>	<b>1,384</b>	<b>1,343,416</b>	<b>2,591,262</b>
<b>Departmental Administration</b>				
From; Instruction & Deptl Research	1,042,924	224,542	64,739	1,332,205
From; Organized Activities	91,602	19,722	2,016	113,340
From; Organized Research	238,459	51,340	3,081	292,880
From; Extension & Public Service	0	0	1,698	1,698
<b>Exhibit C Column 3</b>	<b>1,372,985</b>	<b>295,604</b>	<b>71,534</b>	<b>1,740,123</b>
<b>Other Institutional Activities</b>				
From; Organized Activities	1,890,291	402,454	155,276	2,448,021
From; Organized Research	599,788	124,268	151,629	875,685
From; Extension & Public Service	2,426,580	511,820	301,098	3,239,498
From; Auxiliary Enterprises	6,067,257	1,216,186	11,306,124	18,589,567
Inc Fund Reimb; from Overhead Functions	379,107	81,604	976,619	1,437,330
Student Union; from Student Services	273,991	58,977	19,590	352,558
Equal Oppor Admin; from Student Serv	179,173	38,568	25,377	243,118
From; Gen Instl Serv - Unallow Costs	2,727,122	100,031	1,550,323	4,377,476
From; Work Study Program (75%)			170,018	170,018
RF Funded Progs; from Other Spons Progs	151,472		558,418	709,890
Unallowable Costs; to OIA			192,438	192,438
<b>Exhibit C Column 3</b>	<b>14,694,781</b>	<b>2,533,908</b>	<b>15,406,910</b>	<b>32,635,598</b>

SUNY at Albany  
Summary of Expenditures  
Fiscal Year 1991

Schedule C-6

	Salaries & Wages	Supplies & Expense
<b>Library</b>		
General Library	3,495,550	278,365
GRI-Library	59,736	20,908
Microfilm Services	21,519	9,390
Film Rental Services		(113)
Unallocated Bal-Library	202,800	
Library Conservation Program	50,201	27,136
Library Services Reimb	80,997	156,762
Library Material Replacement Reimb		9,529
Flex Lines Reimb	84	
<b>Total</b>	<b>3,910,887</b>	<b>501,977</b>
<b>Student Services and Staff Benefits</b>		
V.P. for Student Affairs	586,953	116,304
Dean of Student Affairs	1,231	3,573
Admissions	558,333	154,582
Student Counseling	361,951	9,360
Counseling-International Student	89,086	4,033
Counseling - Disabled Students	41,446	4,223
Student Services Center	122,332	15,036
Counseling - Serv.-Minor. Students	54,988	8,072
Equal Opportunity Administration	179,173	25,377
Financial Aids	544,217	61,807
Career Development - Student Placement	165,632	19,314
Office for Withdrawal & Reentry	89,901	1,862
Registrar	509,645	123,836
Student Health Services	731,220	31,474
Student Union	273,991	19,590
Student Activities	42,611	1,263
Campus Life	22,341	3,932
Off Campus College	6,097	3,856
Child/Day Care	5,524	114,856
Unallocated Bal-Student Services	1,600	
Disabled Student Services Reimb	17,317	
Career Development Center Reimb	16,046	10,235
Transcript Fees Reimb	9,097	
Drug Education Program Reimb	45,620	3,542
Health Ins International Stud Reimb		324,053
Orientation Program Reimb	64,821	23,147
<b>Total</b>	<b>4,541,173</b>	<b>1,083,327</b>

SUNY at Albany  
Summary of Expenditures  
Fiscal Year 1991

## Schedule C-6

	<u>Salaries &amp; Wages</u>	<u>Supplies &amp; Expense</u>
<b><u>Maintenance and Operations</u></b>		
Director of Physical Plant	372,617	36,200
Custodial Services	2,249,335	156,801
Furniture Maintenance & Repair	51,134	15,027
Special Functions and Activities		10,968
Refuse Collection	22,702	61,906
Buildings-Structural Maint.	1,451,541	156,285
Equip-Bldg. Sys-Util-Dist. Sys.	374,148	310,332
Grounds Maintenance	367,241	98,644
Motorized Equipment Maintenance	153,730	37,364
Moving and Trucking	33,377	13,256
Utilities Plant	708,993	217,640
Rental of Facilities		395,605
Alterations to Physical Plant	21,824	2,092
Utilities-Electricity		2,584,801
Utilities-Natural Gas		560,714
Utilities-Water		579,579
Utilities-Fuel		419,499
Utilities-Other Fuel		3,792
Energy Management Control System		84,460
Univ Conference Activities Reimb	1,675	
Plant Services Chargeback Reimb	129,923	84,511
<b>Total</b>	<b>5,938,240</b>	<b>5,829,476</b>

SUNY at Albany  
Summary of Expenditures  
Fiscal Year 1991

## Schedule C-6

	<u>Salaries &amp; Wages</u>	<u>Supplies &amp; Expense</u>
<b>General Administration</b>		
Office of the President	342,612	95,376
Strategic Planning		4
V.P. for University Affairs	(1,514)	2,734
Chief Academic Office	293,770	32,511
V.P. for Development & Alumni Affairs	306,080	83,337
University Advancement	152,633	18,728
International Development		180
V.P. for Graduate Studies & Research	175,017	14,661
Research Administration	61,825	30,443
V.P. for Finance and Business	209,652	41,667
Governance	31,088	4,893
University Council		1,304
Facilities Planning		122,753
Institutional Studies	204,148	10,895
Business Affairs		348
Controller	183,388	2,821
Business Management		915
Division Technology Center	59,528	14,831
Budgeting	313,312	8,736
Accounting	400,915	26,307
Purchasing	305,800	22,387
Accounts Payable	68,386	3,204
Payroll	190,113	12,622
Personnel	528,272	48,789
Employee Assistance Program	18,146	3,764
Affirmative Action	172,732	11,254
Affirmative Action Grants	1,684	4,245
Property Control	35,751	1,675
Internal Audit	83,652	2,816
Billing	420,325	46,864
Cashiering	145,044	13,365
UAS Reimb	36,659	570
Administrative Overhead	85,424	3,905
Flex Lines Reimb	736	
<b>Total</b>	<b>4,825,178</b>	<b>688,904</b>

SUNY at Albany  
Summary of Expenditures  
Fiscal Year 1991

Schedule C-6

	Salaries & Wages	Supplies & Expense
<u>General Institutional Services</u>		
Campus Bussing Service	357,662	156,715
GRI-Computing	150,097	
Automotive Services	95,717	100,449
Alumni Relations	112,477	62,008
Resource Development	256,809	62,731
Public Safety Officers Training		7,631
U-Wide CAMPUS Interface with OSC		822
U-Wide ACUSNY Dues		1,406
Central Duplicating & Printing	218,211	(310,598)
Central Duplicating-Rapid Copy	107,532	36,342
U-Wide Crime Incident Reporting		96
Commencement	4,448	38,523
U-Wide Clinical Malpractice Ins		7,293
U-Wide Educom Computer Membership		1,427
U-Wide Broadcast Music Lic Royal		4,192
U-Wide Fidelity Bond Ins		599
U-Wide CCup Equip Ins		5,440
RF GAAP Accounting		22,626
SICDN Recharge		3,910
Micro-Maintenance		304
Computer Services	2,262,407	1,186,067
Computer Services Support		59,519
Postage Administration	24,885	26,174
Mail and Messenger	268,687	138,300
Membership Fees		43,640
Publications	347,790	88,412
Craneology		830
Security and Safety	971,213	13,745
Environmental Health & Safety	93,056	48,100
Central Stores	16,292	(31,800)
Central Stores - OGS	300	
Telephone and Telegraph		(63,436)
Telephone Systems	186,324	15,864
Information Systems & Technology	206,069	25,961
Shipping and Receiving	355,687	8,483
Radiation Protection Service	33,417	11,901
Unallocated Bal-GIS	1,120	
Comprehensive Computer Upgrade	75,891	
Micro Comp/Word Process Equip Reimb		413
Bus Service Reimb	73,943	2,712
Automobile Services-Reimb	14,177	(3,143)
University Telexing Service Reimb		318
Printing Service-Chargeback Reimb	3,520	36,504
Parking Reimb	1,910	5,280
Registration Fees Reimb	6,658	8,861
Traffic Fines Reimb	20,119	7,832
Rental-Post Office Boxes-Reimb	8,284	109,936
Graphics-Photography Services Reimb	6,924	29,968
Xerox Services Chargeback Reimb	1,276	22,363
I.D. Card - Replacement Reimb	4,800	
Central Stores Reimb		21,893
Telephone Services Chargeback Reimb		348,124
Computer Charges-RF Reimb	47,236	22,169
Radioactive Waste Disposal Reimb		1,877
<b>Total</b>	<b>6,334,938</b>	<b>2,388,783</b>

SUNY at Albany  
Summary of Expenditures  
Fiscal Year 1991

Schedule C-6

	Salaries & Wages	Supplies & Expense
<b>Auxiliary Enterprises</b>		
Admin. & Mgmt Services M&O	152,049	14,805
Custodial Services	1,607,304	60,046
Furniture Maintenance & Repair	57,473	
Special Functions		1,309
Refuse Collection	21,131	55,419
Buildings-Structural	581,140	247,814
Equip-Bldg. Sys-Util. Dis.	232,608	214,380
Grounds Maintenance	224,740	12,764
Moving and Trucking	20,992	8,891
Utilities-Plant	470,512	96,724
Security & Safety	440,184	5,638
Campus Building Repair	5,559	87,822
Utilities - Electricity		969,460
Utilities - Natural Gas		230,472
Utilities - Water		239,492
Utilities - Fuel Oil		180,864
Administrative Overhead	187,192	2,385
Administration	1,164,235	90,572
Housing Services Reimb	18,000	13,046
Damage and Maintenance Reimb	35,541	9,799
UAS Building Reimb		400,000
Food Service - FSA Contract		6,408,000
Other Organized Activities		27,213
Intercollegiate Athletics	24,831	295,799
College Work Study		207,682
Fellowships and Scholarships		166,674
Equal Opportunity Program	341,710	902,823
Income Fund - Reimbursable	482,056	186,659
<b>Total</b>	<b>6,067,257</b>	<b>11,136,552</b>





The Research Foundation  
of State University of New York

Post-It™ brand fax transmittal memo 7871		# of pages ▶ 2
To	LEO NEVEU	From JACK BRANCO
Co.	SUNY ALBANY	Ext. RR
Dept.		Phone # 434-7050
Fax #	442-3117	Fax # 434-7290

June 4, 1992

Mr Leo Neveu  
Associate Vice President  
and Controller  
State University of New York at Albany  
1400 Washington Avenue  
Albany, NY 12222

Dear Leo,

As a result of our meeting yesterday regarding SUNY Albany's FY 1990-91 indirect cost proposal, I would like to provide you with some additional background on two items we discussed.

The first issue is the expansion of the Modified Total Direct Cost (MTDC) base to include all service categories. Office of Management & Budget Circular A-21 defines the MTDC base as "...salaries and wages, fringe benefits, materials and supplies, services, travel, and subgrants and subcontracts up to \$25,000." Our current MTDC base recovered Indirect Cost. Our current MTDC base recovers indirect costs on salary, wages, fringe benefits, material, supplies, travel and consultant services. Our current base limits services to Consultant Services only which, prior to the 26% administrative cap imposed by the recent revision to A-21, did not have any impact on indirect cost recovery. However, the inclusion of all service categories (eg., technical services, computer services, etc.) in the MTDC base will mitigate the impact of the cap since the 26% will be applied to a higher base and thus generate additional indirect cost recovery.

The second issue involves the apparent under-reporting of space utilized by sponsored programs on your campus. Based upon discussions & information provided by various personnel from SUNY Albany, together with our comparative analyses, we feel there is strong justification for supporting an increase in the space utilization statistics. I feel we should take an aggressive approach and modify the 1990-91 indirect cost

aggressive approach and modify the 1990-91 indirect cost proposal to recognize a more realistic reporting of space. We would then be submitting a rate proposal that completely offsets the reduction imposed by the administrative cap.

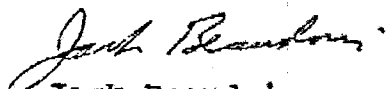
I left a copy of the revised proposal that has been adjusted to reflect the higher rates that result from using our projected increase in sponsored program space. We used a simple, yet very logical, methodology in calculating a larger number for research space. Using the existing space information we determined the average % of space utilized within each department for specific research room types (2001 & 2150). This same % was applied against all of the rooms that were not reported in the recent survey.

I believe there is a consensus of opinion that the results of our calculations are defensible. The next step would be to aggressively investigate the under-reporting issue and subsequently document the space accordingly. I feel there is sufficient time, prior to negotiations with DHHS, to accomplish this by July 1, 1992.

I would appreciate it if you could discuss these issues with the appropriate campus personnel and advise me of your decision as soon as possible. We are anxious to finalize Albany's proposal for submission to DHHS.

If you have any questions or need additional information, please call me or Loyal Littlefield.

Sincerely,



Jack Beaudoin  
Associate Director  
Cost Accounting

SUNY at Albany  
 Computation of Indirect Cost Rate  
 Fiscal Year 1991

Exhibit A

Sponsored Research	Total	On-Campus		Off-Campus	
	Ind Costs	Ind Costs	Rate	Ind Costs	Rate
Use Allowance	589,836	589,836	6.2		
Maintenance & Operation	1,699,835	1,699,835	17.8		
Library	137,263	137,263	1.4		
Central Services	39,772	29,251	0.3	10,521	0.3
Gen Admin & Gen Expense	948,694	697,726	7.3	250,969	7.3
Sponsored Funds Administration	1,200,745	883,099	9.2	317,646	9.2
Departmental Administration	1,995,849	1,467,865	15.2	527,984	15.2
<b>Total</b>	<b>6,611,996</b>	<b>5,504,875</b>	<b>57.5</b>	<b>1,107,120</b>	<b>32.2</b>

26

*CAPPED 51.4*

*WITHOUT ADDL. FT - 47.4*

*HIGHEST RATE 50.5 = (3.1)*

(4.0)

**Modified Total Direct Cost Base**      13,007,705      9,566,633      3,441,072

Sponsored Instruction & Training					
Use Allowance	87,299	87,299	2.6		
Maintenance & Operation	537,953	537,953	16.1		
Library	43,813	43,813	1.2		
Central Services	16,201	4,273	0.1	11,928	0.1
Gen Admin & Gen Expense	921,829	243,155	7.3	678,674	7.3
Sponsored Funds Administration	1,166,742	307,757	9.2	858,986	9.2
Departmental Administration	1,084,965	286,186	8.5	798,779	8.5
Student Services	141,971	37,448	1.1	104,523	1.1
<b>Total</b>	<b>4,000,774</b>	<b>1,547,884</b>	<b>46.4</b>	<b>2,452,890</b>	<b>26.4</b>

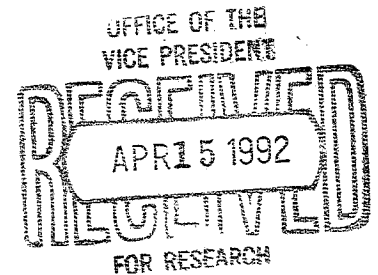
26

*CAPPED 46.2*

**Modified Total Direct Cost Base**      12,639,352      3,339,937      9,305,415



**UNIVERSITY AT ALBANY**  
STATE UNIVERSITY OF NEW YORK



April 15 1992

M E M O R A N D U M

TO: Jackie DiStefano  
Kim Murray  
Garry Sanders  
Jim Van Voorst

FROM: Leo F. Neveu *Leo*

SUBJECT: Indirect Cost Committee

The past few years of transformation and decentralization within the Research Foundation have placed the University at Albany squarely on its own bottom with respect to maximizing indirect cost recovery. This new environment, coupled with the heightened sensitivity locally and nationwide toward absolute compliance with Circular A-21, have given birth to the suggestion of forming a committee with a particular focus on development of annual and monthly projections of indirect cost recoveries, and monitoring and communicating actual progress toward those goals through an ongoing variance analysis. The committee would also serve to effectuate or propose administrative changes which would appropriately improve both the level and flow of campus indirect cost recoveries.

With the concurrence of Vice Presidents Gullahorn and DeLong as to the desirability of forming such a committee, I am inviting your participation. Jim Van Voorst has agreed to serve as chairperson. I would meet with the committee, as well, as needed and/or upon the request of the Chair. Please notify me if you cannot participate in this important work. Otherwise, Jim will contact you shortly to schedule the first meeting.

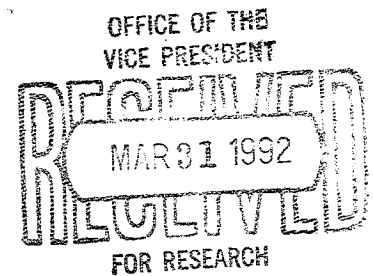
c: S. DeLong  
J. Gullahorn ✓  
K. Lowery



The Research Foundation  
of State University of New York

March 27, 1992

Mr. John Tournour  
Regional Inspector General  
for Audit Services  
Office of Audit Services  
26 Federal Plaza, Room 3900A  
New York, New York 10278



Dear Mr. Tournour:

I am writing in response to the April 10, 1991, memorandum to Chief Executive Officers of Major Research Universities from Mr. Kevin E. Moley, Assistant Secretary for Management and Budget, and Mr. Richard P. Kusserow, Inspector General, Department of Health and Human Services, and the individual letter you addressed to presidents of certain State University of New York (SUNY) institutions on May 8, 1991, as follows:

- Dr. Lois B. DeFleur, State University of New York at Binghamton
- Dr. John B. Henry, State University of New York, Health Science Center at Syracuse
- Dr. John H. Marburger, State University of New York at Stony Brook
- Dr. Ross S. Whaley, State University of New York, Environmental Science and Forestry at Syracuse

Receipt of these letters was acknowledged by Research Foundation President Joseph C. Burke on May 21, 1991, and confirmed that a review of expenditures was underway. While certain other SUNY campuses did not receive a letter from you, we elected to review all campuses whose proposals were submitted using the long form procedures.

Our review consisted of two parts. First, a detailed audit was performed by our Internal Audit Department of the Buffalo and Stony Brook campuses, Central Administration of the University, and the Research Foundation Central Office. These two campuses were selected since the scope of the audit would encompass approximately 50% of the research activity of the SUNY system or 70% of funds received directly from Federal agencies.

March 27, 1992

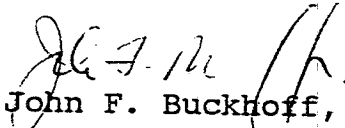
The sum of these three items resulted in an overstatement of the indirect cost pools of the seven campuses (before step down) of \$4,480,622. Also, certain routine one-time transactions were identified in the campus audits and reviews which are not in the attachments. These aggregate \$336,460.

Attached as Exhibit B, is a schedule which reflects the impact of these adjustments to the indirect cost rates as originally proposed based on fiscal year 1989. Based on this data, it is our position that the items noted in the preceding paragraph, and the attachments, were a part of the downward adjustment in rates that occurred when rates were negotiated. In addition to this, the negotiation process negated the impact of recovery of interest on buildings at the SUNY Buffalo campus in order to reduce the rates at the four major campuses from their previous level. This component alone substantially exceeds the aggregate of the costs noted above and in the attachments.

We are further convinced of the validity of this position when the matter is placed in proper context. SUNY's present and past negotiated rates have been very conservative compared to universities across the country in published surveys. In addition to the savings accruing to sponsors through the use of these conservative indirect cost rates, SUNY commits in excess of \$25 million annually in cost sharing on Federally sponsored research.

We would be pleased to discuss the matter further with you and your staff at your convenience. For this purpose, your office may contact Stanley G. Hickok, Secretary-Treasurer, at 518-434-7050.

Sincerely,

  
John F. Buckhoff, Jr.

Enclosures

bc: Chancellor Johnstone  
Provost Burke  
Senior Vice Chancellor Spindler  
Vice Chancellor Anslow  
President Greiner  
President DeFleur

President Swygert  
President Marburger  
President Scherl  
President Henry  
President Whaley

xbc: Vice President Gullahorn  
Vice President DeLong  
Vice Provost Dean  
Vice President Scullard  
Vice Provost Glass  
Vice President Watts  
Vice President Landi  
Vice President Wagner

Vice President Paradiso  
Vice President Lisnitzer  
Vice President Brady  
Mr. Hickok  
Dr. Braunagel-Brown  
Ms. Seward  
Mr. Tenbeau  
Mr. Vona

THE RESEARCH FOUNDATION OF  
STATE UNIVERSITY OF NEW YORK  
INDIRECT COST REVIEW  
SUMMARY OF UNALLOWABLES

CAMPUS	AMOUNT
SUNY at Albany	190,141
SUNY at Binghamton	78,004
SUNY at Buffalo	254,548
SUNY at Stony Brook	168,662
SUNY HSC at Brooklyn	135,607
SUNY HSC at Syracuse	41,552
Environmental Science & Forestry	5,140
SUNY Central Administration	67,177
Research Foundation Central Office	5,369
<b>Total</b>	<b>946,200</b>

SUNY AT ALBANY

FUNCTION	UNALLOWABLE	AMOUNT
General Admin/ General Expense	Faculty photos for use in display & publication news release	\$ 179
	Portrait	217
	Purchase of cap, gown and tassel	393
	Honorarium, expenses, evaluation fee and report charge regarding Middle States Evaluation visit	2,373
	Planned Gift Program - Newsletter downpayment	4,180
	Payment to SUNYA for rental of Ten Broeck Hall Dorm	150,000
Gen Institutional Services	15,000 copies of "The Parent Newsletter"	2,696
	Annual membership "Holmes Group" consortium of research universities dedicated to improving teacher education and the profession of teaching	4,000
Sponsored Funds Administration	Veterinary Services - Albany Medical College	20,819
	Renovation of Social Science Building	1,582
	Biology Department research supplies	3,702
	<b>TOTAL</b>	<b>\$190,141</b>



SUNY AT BINGHAMTON

FUNCTION	UNALLOWABLE	AMOUNT
General Admin/ General Expense	Purchase of checks for the Work Study Program	\$ 663
	Undergraduate minority honors scholarships	25,000
	Travel expenses School of Nursing conference - Blacks in Higher Education	451
	Ad in student newspaper for intercollegiate athletic board membership	346
	Travel expense in connection with alumni groups	401
	Student scholarship luncheon arranged through Marriot Corporation	188
	Payment for library retrieval network	50,000
Sponsored Funds Admin	A Micro-computer Course and a NCURA Membership for a state employee	300
	Prepaid expenditures that applied to FY 1991-92	655
	TOTAL	\$78,004

SUNY AT BUFFALO

FUNCTION	UNALLOWABLE	AMOUNT
Maintenance & Operations	Basketball nets	\$ 95
	Moving scoreboard	6,954
	Frank Lloyd Wright building lease	9,597
	Special Olympics	1,590
	Interest expense	4,351
	Commencement expenditures	1,416
	Unallowable lease payments	41,659
	Lease payments for instruction or other institutional activities	37,509
Library	Rare books	73,000
	Travel to meeting in England	1,062
	Calligraphy services	108
General Admin/ General Expense	Commencement expenditures	1,777
	Alumni costs	1,745
	Opening ceremonies play	14,398
	Travel related to auxiliary services	1,722
	Insurance - Summer theatre and fine arts	962
	Copy paper for central stores	4,708
	Medicinal chemical supplies	3,286
	Uniform rental	1,225
	Dental supplies	18,986
	Appraisal EOC building	2,000

SUNY AT BUFFALO

FUNCTION	UNALLOWABLE	AMOUNT
General Admin/ General Expense (con't)	Expenses for World University Games	\$ 8,143
	Distinguished speaker series	3,962
	Mobile phones	1,264
	Book on tape	133
	Airline guide	213
	Frames	394
	Subscription - newsletter	36
	Federal & Congressional staff directory	90
	Who's Who	308
	Dinner meeting	361
	Bottle water & cooler rental	403
	Cancellation fee	100
	Travel for Dean	256
	Pre-retirement planning retreat	100
	Equipment purchases expense	4,295
Sponsored Funds Admin	Equipment purchases expense	2,907
	Various payments for travel, meals, posters, etc not related to the admin of sponsored programs	3,433
	TOTAL	\$254,548

SUNY AT STONY BROOK

FUNCTION	UNALLOWABLE	AMOUNT
Maintenance & Operations	Expenditures for intercollegiate athletics	\$ 1,500
	Sunwood Beach fence	9,942
	Hospital uniforms	12,150
	Hospital water chemicals	5,155
	Equipment purchases improperly expended	24,097
Library	Interest on vendor payments	201
General Admin/ General Expense	Interest on vendor payments	14,449
	Intercollegiate activities	9,690
	Entertainment cost	553
	Construction costs	31,755
	Incorrect function	37,639
	Instructional training	548
	Equipment purchases improperly expended	19,725
Sponsored Funds Admin	Meeting and entertainment costs	1,258
	<b>TOTAL</b>	<b>\$168,662</b>

SUNY HSC AT BROOKLYN

FUNCTION	UNALLOWABLE	AMOUNT
Maintenance & Operations	Disposal of debris, chemical and animal waste related to hospital activity	\$ 83,736
General Admin/ General Expense	Repair & clean hospital central air conditioning	10,500
	Security guard service	9,214
	Transcript (fees) service for disciplinary action	606
	Software upgrade resident management information system	1,311
Sponsored Funds Admin	Transportation expenses charged to incorrect function	21,374
	Purchase of computer equipment and software utilized by Pathology Dept.	8,866
	TOTAL	\$135,607

SUNY HSC AT SYRACUSE

FUNCTION	UNALLOWABLE	AMOUNT
General Admin/ General Expense	Instructional travel expense	\$ 207
	Lab glassware and fetal bone serum utilized by the Immunology/Microbiology or Neurology Depts	2,291
Sponsored Funds Administration	Assist in network design and associated management issues	2,179
	AARP pre-planning retirement seminar	525
	Computer equipment unrelated to the administration of sponsored funds	24,983
	Travel advance for Assoc. Medical School meeting	1,328
	Travel to attend session of American College of Physicians	486
	Travel - visit graphic lab at Univ of Washington	426
	Travel - effective teaching workshop	1,496
	Registration & tuition at Roch. Med. Center - Teaching Med. Interviewing	1,130
	Architectural & Eng. Services	4,423
	Employee assistance program - open house	947
	College work study matching funds	465
	Improperly charged to travel expense	666
	TOTAL	\$41,552

ENVIRONMENTAL SCIENCE & FORESTRY

FUNCTION	UNALLOWABLE	AMOUNT
General Admin/ General Expense	Spring service awards reception	\$ 713
	Purchase of a campus entrance sign	3,141
	Catering cost for a job fair	145
	Purchase of security uniforms	1,141
	TOTAL	\$5,140

SUNY CENTRAL ADMINISTRATION

FUNCTION	UNALLOWABLE	AMOUNT
General Admin/ General Expense	Non-business related travel	\$ 548
	SUNY salute advertisement	466
	Costs that are related to specific projects	15,056
	Costs not applicable to fiscal year reviewed	50,042
	Contingency reserves	1,065
	<b>TOTAL</b>	<b>\$67,177</b>



RESEARCH FOUNDATION CENTRAL OFFICE

FUNCTION	UNALLOWABLE	AMOUNT
Sponsored Funds Admin	Undocumented business expenses	\$ 634
	Unallowable travel expense	691
	Unsupported expense	290
	Unallowable interest	194
	Cost not applicable to fiscal year in question	1,060
	Consultant services applicable to univ-wide admin	2,500
	<b>TOTAL</b>	<b>\$5,369</b>

THE RESEARCH FOUNDATION OF  
STATE UNIVERSITY OF NEW YORK  
SUMMARY OF INDIRECT COST ADJUSTMENTS

CAMPUS	PROPOSED FULL RATE	INDIRECT COST POOL ADJUSTMENT	ADJUSTED PROPOSED RATE	APPROVED RATE
Albany	54.3	-0.7	53.6	50.5
Binghamton	57.7	-0.5	57.2	52.4
Buffalo (inc interest)	60.9	-0.8	60.1	52.5
Stony Brook	55.4	-0.8	54.6	52.3
Brooklyn	63.1	-1.1	62.0	55.7
Syracuse	56.8	-1.1	55.7	53.5
Forestry	57.1	-0.7	56.4	53.0

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STATE UNIVERSITY OF NEW YORK

STATE UNIVERSITY PLAZA  
ALBANY, NEW YORK 12246  
(518) 443-5355

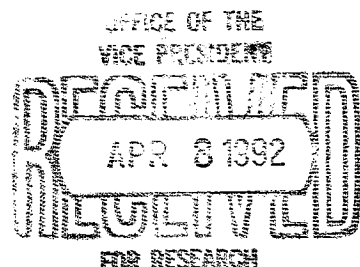


D. BRUCE JOHNSTONE  
Chancellor

*put in  
Anslow  
ind. cost  
proposal*

March 24, 1992

President H. Patrick Swygert  
State University at Albany  
1400 Washington Avenue  
Albany, New York 12222



Dear Pat:

I have discussed the contents of your March 13 letter with Provost Burke and Vice Chancellor Anslow. They are in support of the indirect cost advance proposal, and it also has my support. I recognize the enormous difficulty of reaching the goals of the University during these very difficult times. It is important that the advance be treated as such and the repayment schedule adhered to scrupulously. But I know that you have gone over all of this with Bill and Joe, and I therefore mean simply to give my blessing to the arrangement and wish you and your colleagues every success.

Yours,

*[Handwritten signature]*  
D. Bruce Johnstone  
Chancellor

Copy: Mr. Anslow  
Dr. Burke

*4/7/92  
Copy to Karen H, Jean,  
Steve and Ron H.  
[Handwritten initials]*

RECEIVED

APR 26 1992

OFFICE OF THE  
PRESIDENT

Office of the Controller



Administration 332  
Albany, New York 12222

518/442-3105  
Fax: 518/442-3117

UNIVERSITY AT ALBANY  
STATE UNIVERSITY OF NEW YORK

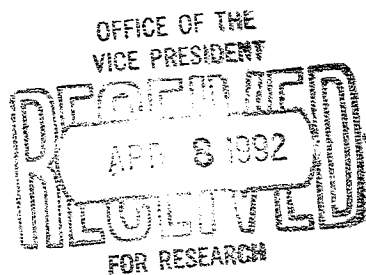
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Jeannet,

Sorry to have taken so long in responding.

Certainly, the discussion of the 1991-92 indirect cost rates, and the renegotiation process have relevance to us. However, the specific issue of interest cost is purely a Buffalo matter.

Leo





The Research Foundation  
of State University of New York

March 17, 1992

Dr. Dale M. Landi  
Vice President for Sponsored  
Programs  
State University of New York  
at Buffalo  
516 Capen Hall  
Buffalo, New York 14260

Dear Mike:

I write to bring you up-to-date on the indirect cost issue. Since our recent correspondence on the matter and President Greiner's letter to the Chancellor, events have accelerated.

As background, you will recall that final DHHS rate negotiations during the last round bore little relationship to the accounting process. DHHS advised that the combined rates for Albany, Buffalo, Stony Brook and Brooklyn could not exceed 211 points in the final settlement and left the distribution of those points by campus to us. To put that number in perspective, the combined total in the proposals that we had submitted was 233.7 points (including UB's interest costs) versus the prior years total of 214.1 points. In short, DHHS' position was a total reduction of 3.1 points below the previously approved rate totals based on a review of General Administration costs for those campuses. They obviously discounted the interest cost at Buffalo but "without prejudice."

As you know, you then participated in a meeting in Albany with your colleagues from the campuses affected and a collective determination was made on the distribution of that reduction. Recently, on February 18, 1992, I assured you that we would press the matter of UB's interest cost when we had the opportunity to reopen negotiations.

The time is now. We have advised DHHS that we wish, under the provision of revised A-21, to renegotiate the current rates and will have a package for them in 60 days. This opportunity arises now that we have received notice of

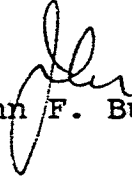
March 17, 1992

the implementation of the 26% administrative rate cap. We have scheduled a Conference Call with you and your colleagues on March 24th to discuss strategy. In the interim, Stan's Cost Accounting Unit is assembling revised proposals.

That's the latest. These renegotiations are of extreme importance to all the research campuses and we need your collective input.

Best regards.

Sincerely,

  
John F. Buckhoff, Jr.

c: Chancellor Johnstone  
Provost Burke  
President Greiner  
Mr. Hickok

bc: Dr. Dean  
Dr. Glass  
Dr. Gullahorn  
Mr. Lisnitzer  
Mr. Brady  
Mr. Paradiso  
Ms. Seward  
Mr. Tenbeau  
Mr. Beaudoin



# UNIVERSITY AT BUFFALO

STATE UNIVERSITY OF NEW YORK

Office of the President  
Capen Hall  
Buffalo, New York 14260  
Tel. (716) 636-2901  
Fax. (716) 636-3728

February 27, 1992  
STATE UNIVERSITY OF NEW YORK  
RECEIVED  
OFFICE OF THE CHANCELLOR

MAR - 4 1992  
AM 7 8 9 10 11 12 1 2 3 4 5 6 PM

Chancellor D. Bruce Johnstone  
State University of New York  
State University Plaza  
Albany, NY 12246

Dear Bruce:

Please take a moment to review the enclosed letter to John Buckhoff from UB's Vice President for Sponsored Programs, Dr. Dale M. Landi. In it, the campus requests the Research Foundation's assistance in obtaining approval from the Department of Health and Human Services for full reimbursement of the interest portion of UB's use allowance cost pool.

This request is very important to UB. A positive response from Health and Human Services prior to the July 1 implementation of our 26% cap on reimbursement of administrative costs would mean \$1 million to offset income we will lose in FY 1992-93. We would appreciate any support you can lend to these efforts.

Sincerely,

William R. Greiner

xc: Provost Joseph C. Burke  
Vice Provost Richard S. Jarvis

Enclosure



The Research Foundation  
of State University of New York

February 18, 1992

Dr. Dale M. Landi  
Vice President for Sponsored  
Programs  
State University of New York  
at Buffalo  
516 Capen Hall  
Buffalo, New York 14260

Dear Mike:

Reference is made to your letter of February 11 concerning the interest portion of the use allowance cost pool. You are quite right in stating that these costs were "arbitrarily omitted" by DHHS from Buffalo's current negotiated rate.

We will, without question, press DHHS on that matter as well as certain other cost elements. Stan Hickok will be in touch with you.

Sincerely,

  
John F. Buckhoff, Jr.

c: President Greiner  
Dr. Levy  
Dr. Wagner  
Mr. Hickok





UNIVERSITY AT BUFFALO  
STATE UNIVERSITY OF NEW YORK

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FEB 13 1992

OFFICE OF THE EXECUTIVE  
VICE PRESIDENT

Office of the Vice President  
for Sponsored Programs  
516 Capen Hall  
Buffalo, New York 14260  
(716) 636-3321  
FAX (716) 636-2933

February 11, 1992

Mr. John F. Buckhoff, Jr.  
Executive Vice President  
The Research Foundation  
State University of New York  
P.O. Box 9  
Albany, New York 12201-0009

Dear John:

Following up on our recent meeting in Albany, I am writing on behalf of the University at Buffalo (UB) to request that the Research Foundation seek approval, from the Department of Health and Human Services (HHS), of full reimbursement of the interest portion of the use allowance cost pool. We also request that this approval be sought with an effective date of July 1, 1992, the time when the twenty-six percent limitation on reimbursement of administrative costs takes effect at Buffalo.

We believe this request is appropriate and justifiable for a number of reasons as follows:

- Interest costs are specifically allowable as part of the use allowance cost pool under provisions of OMB Circular A-21.
- Interest costs were arbitrarily omitted from Buffalo's current negotiated rate without justification.
- This request does not involve a change in UB accounting or cost allocation methods.
- We believe this request for reimbursement is "consistent with acceptable charging practices followed by a substantial majority of other educational institutions;" and
- UB is listed in Exhibit A of the "Final Revisions to Circular A-21 (October 3, 1991)" as one of ninety-nine educational institutions to which Section J.9.f. applies. This section, you will

Mr. John F. Buckhoff, Jr.  
February 11, 1992  
Page 2

recall, requires the named institutions to "expend currently, or reserve for expenditure within the next five years, the portion of indirect cost payments made for depreciation or use allowances..."

John, I am sure you are aware that this request is of considerable importance to Buffalo since approval by HHS would offset nearly all of approximately \$1 million of indirect cost recovery income to be lost in Fiscal Year 1992-93 due to imposition of the twenty-six percent cap on reimbursement of administrative costs. We appreciate your cooperation and assistance in this matter. Please call if we can help in any way.

Sincerely,



Dale M. Landi  
Vice President for  
Sponsored Programs

DML 321

cc: President William R. Greiner  
Provost (Interim) Kenneth J. Levy  
Sr. Vice President Robert J. Wagner  
Mr. Stanley G. Hickok  
Mr. Leonard W. Vona



*Mullabain*

**UNIVERSITY AT ALBANY**  
STATE UNIVERSITY OF NEW YORK

OFFICE  
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MAR 16 1992  
**RECEIVED**  
FOR RESEARCH

March 13, 1992

Chancellor D. Bruce Johnstone  
State University of New York  
Central Administration  
State University Plaza  
Albany, New York 12246

Dear Chancellor Johnstone:

The University at Albany is steadfast in its pursuit of excellence and in its aspirations for greatness. At this time of fiscal crisis, we are not only responsibly and prudently managing the painfully diminished resources in our state-appropriated budget, but we are also striving to identify ways in which we can help ourselves (and thereby SUNY and the State as well). In addition to long-range strategies, such as our recently announced \$55 million capital campaign, we are trying in the shorter term to mitigate the impact of the underfunding and current unfunding of the GRI. For the collective future of this campus, SUNY, New York State, and the nation, we must build on the past achievements and realize the future promise of the Graduate Research and Education Initiative.

As the recently issued 1991 GRI Report so cogently documents, this initiative has been a significant enhancement to the graduate education of scientists, business executives, public servants, health care professionals, public school administrators, college and university faculty, and information specialists who will lead our knowledge-based economy into the next century. Through GRI investments that have increased our capacity for discovery and led to augmented sponsored funding, the University at Albany is making significant contributions to knowledge as one of the nation's 100 top-ranked research universities. At the same time, we are demonstrably increasing stateside economic development.

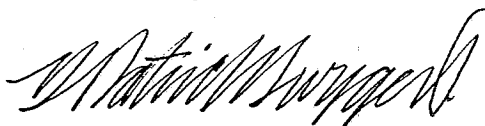
Having achieved so much with the foundation we have developed in successfully attracting new faculty researchers and talented graduate students, we cannot lose our momentum now as we face the continuing challenge to provide our researchers with the infrastructure they need to succeed in the increasingly rigorous competition for external funds.

Research generated funds in the form of indirect cost returns constitute one revenue source that the University already carefully manages in seeking to leverage research investment. We are proud of our record of integrity and cost effectiveness in overall research management and in deploying indirect cost returns into laboratory renovation, equipment, internal faculty research awards, and bridge funding for researchers whose project sponsorship has been interrupted.

If we had additional indirect cost resource (from our conservative estimated increase in return), we would target those funds to accomplish essential elements of our plans for the 1992/1993 GRI funding (that appears unlikely to be forthcoming). Specifically, we wish to invest in research equipment and renovation to maintain momentum in our highly successful materials research program that already has brought national recognition through a National Science Foundation Presidential Young Investigator Award to one scientist and substantial industrial matching contributions for equipment acquisition. In the longer run, we are planning to recruit a senior faculty scientist to this effort; thus we must continue our infrastructure development in order to be positioned to attract such a person.

We believe that the attached plan provides a viable means for the University at Albany to secure \$250,000 to continue this planned research investment. We appreciate your consideration of this initiative and welcome the opportunity to discuss it further with you and our colleagues at SUNY Central. As this modest proposal illustrates, we stand ready to exercise whatever creative capacity we possess to leverage our resources in order to preserve and promote our great State University.

Sincerely,



H. Patrick Swygert  
President

Attachment

cc: Provost Joseph C. Burke  
Vice Chancellor William H. Anslow

## University at Albany Indirect Cost Advance Proposal

In order to maintain the momentum in research that has propelled the University of Albany into recognition as a Research II University by the Carnegie Foundation for the Advancement of Teaching and to preserve a research effort that now brings more than \$45 million to the University at Albany each year, we must replace at least a part of the loss of anticipated Graduate Education and Research Initiative (GRI) funding for 1992/93. As an absolute minimum, the University at Albany requires an investment of \$250,000 in 1992/93 to prevent any disruption in the progress we have achieved.

To meet this need, it is proposed that the Central Administration and Research Foundation provide advanced funding to the University at Albany for use in 1992/93 in an amount approximately equal to the anticipated annual increase in Indirect Cost Recovery for Fiscal Year 1993/94. The attached figure depicts the past fifteen-year history of growth in the University at Albany's indirect cost recovery. Based on a conservative projection of \$255,410 in increased Indirect Cost Recovery funds for 1991/92, we are requesting that the University at Albany be advanced \$250,000 for use during 1992/93. The University pledges to repay that advance from the increased Indirect Cost Recovery revenues for 1993/94, 1994/95, and 1995/96.

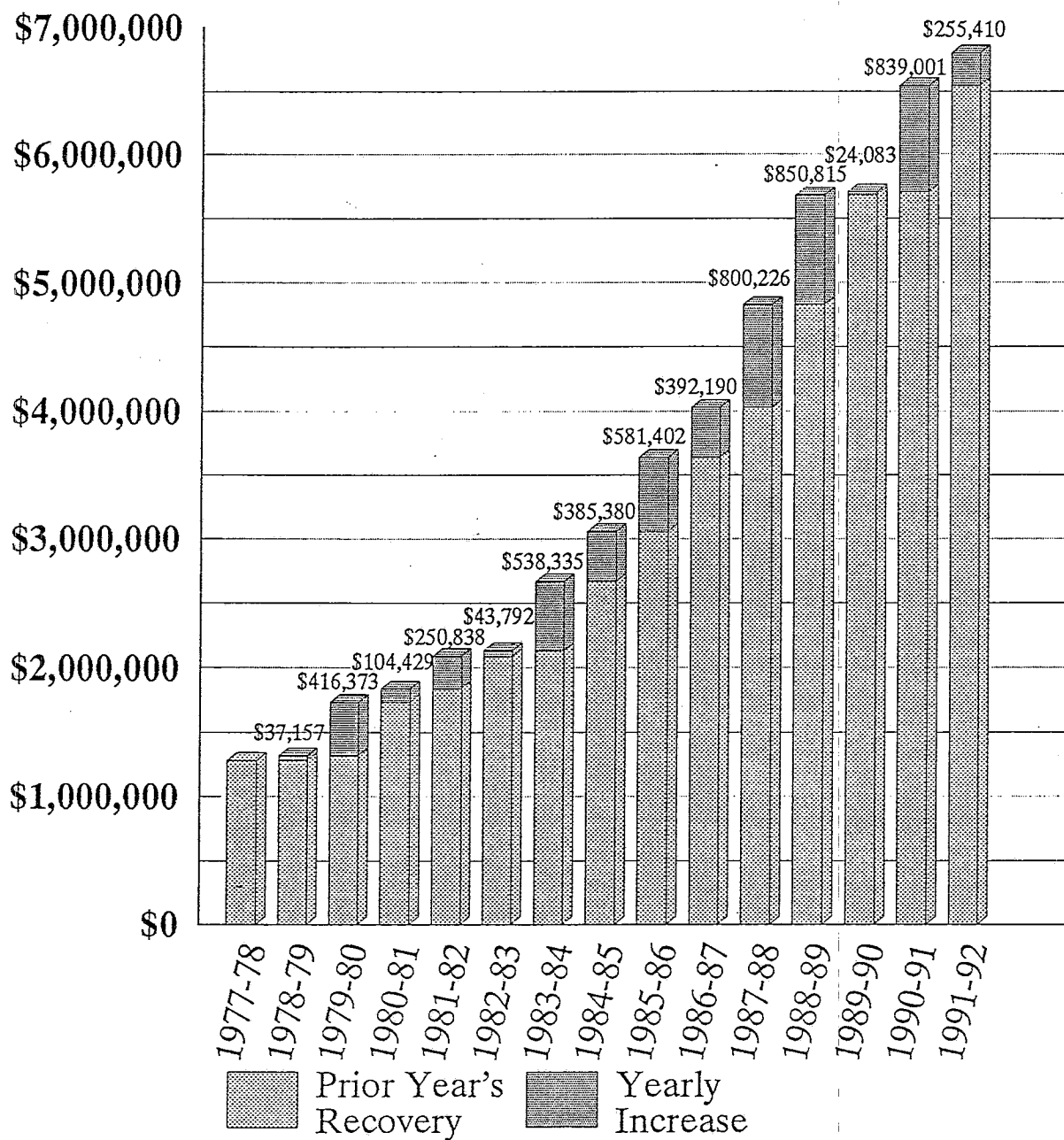
In these difficult times, it is especially important that creative proposals such as this also provide sound security against the future to protect both the University at Albany, the State University, and the Research Foundation. In that regard, the proposed advance of \$250,000 during 1992/93 will be secured by the interest earnings on total Indirect Cost Recovery for 1993/94 (accrued from the corpus on account during 1992/93). In 1991/92 those interest earnings totaled \$327,790, an amount exceeding the proposed advance by almost \$78,000. The amount of those earnings for 1993/94 is estimated to exceed the amount of the requested advance by more than \$100,000. Thus, this proposal is fully secured and presents no financial risk to either the campus, the Central Administration, or the Research Foundation. Any advance may be called by Central Administration at any time after one fiscal year from the time of the advance.

For the longer term, if this proposal is approved, the University at Albany will annually encumber \$100,000 in interest earnings on Indirect Cost Recovery in a special reserve to provide a sinking fund, which will be of sufficient magnitude in 1995/96 to enable the full repayment of the advance for 1992/93. In future years, additional advances may be requested and repaid in a similar fashion with full security provided by annual interest earnings on Indirect Cost Recovery funds.

# Indirect Cost Recovery History



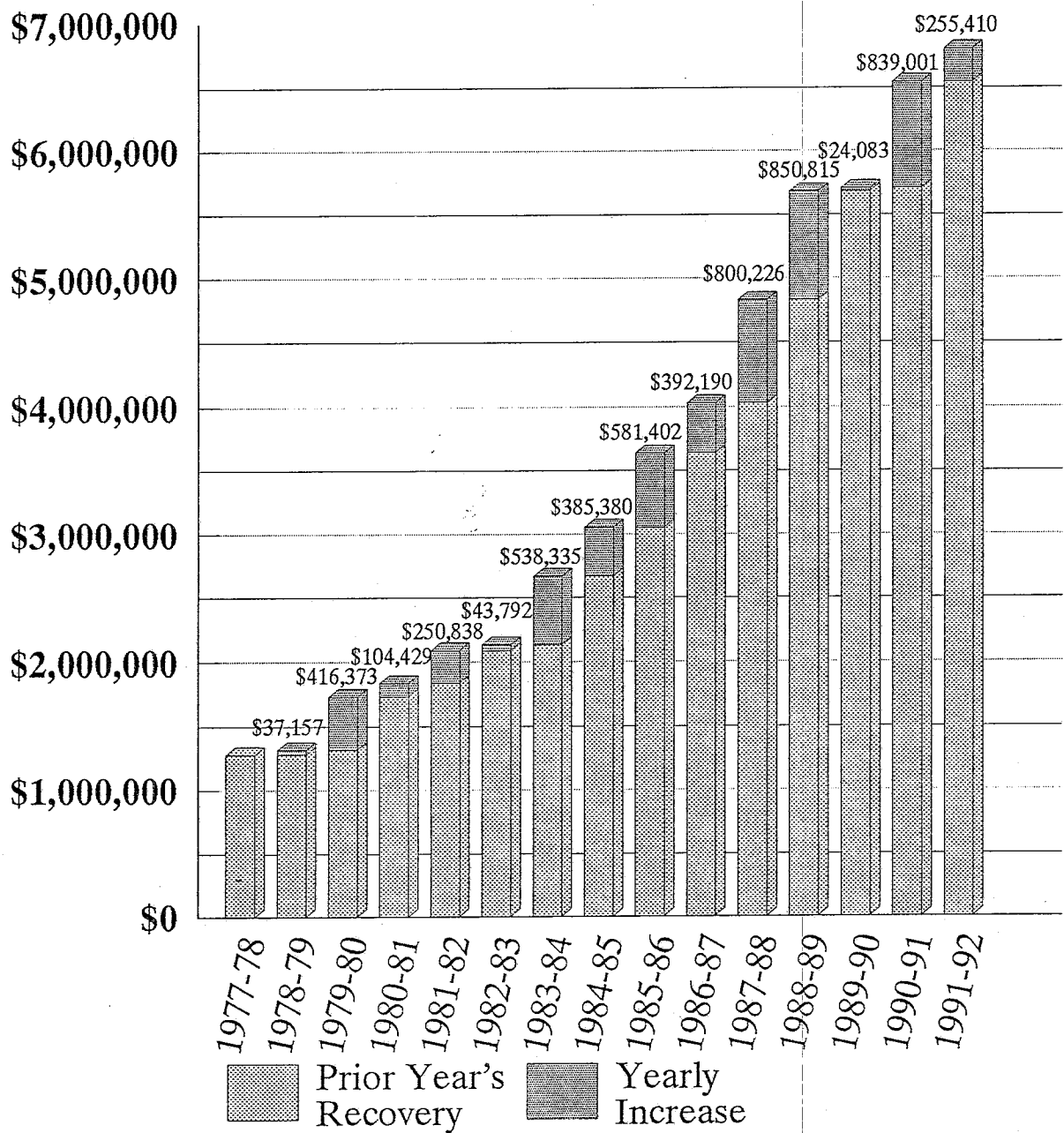
UNIVERSITY AT ALBANY  
STATE UNIVERSITY OF NEW YORK



# Indirect Cost Recovery History



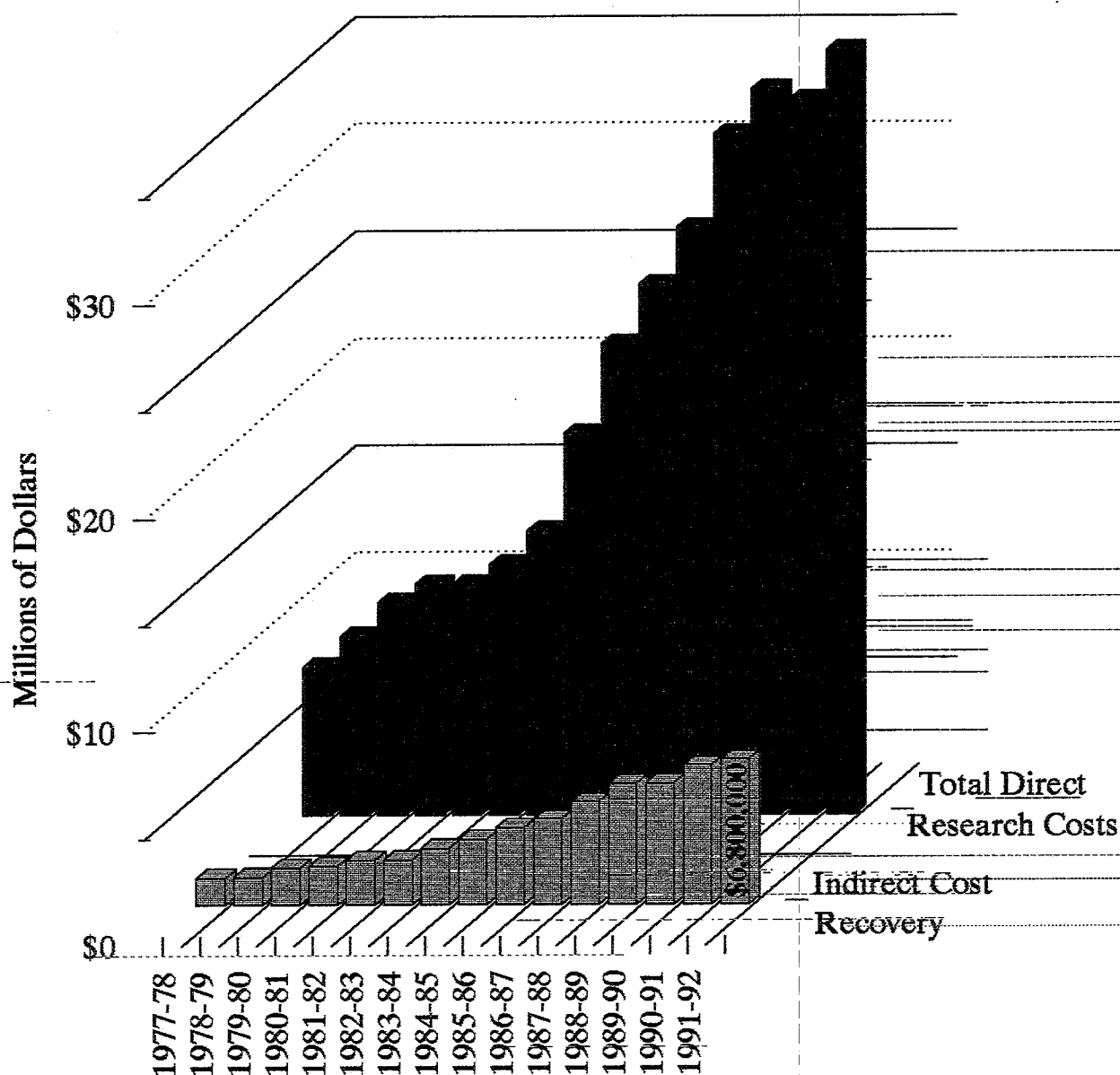
UNIVERSITY AT ALBANY  
STATE UNIVERSITY OF NEW YORK



# Indirect Cost Recoveries Generated From Direct Research Costs



UNIVERSITY AT ALBANY  
STATE UNIVERSITY OF NEW YORK

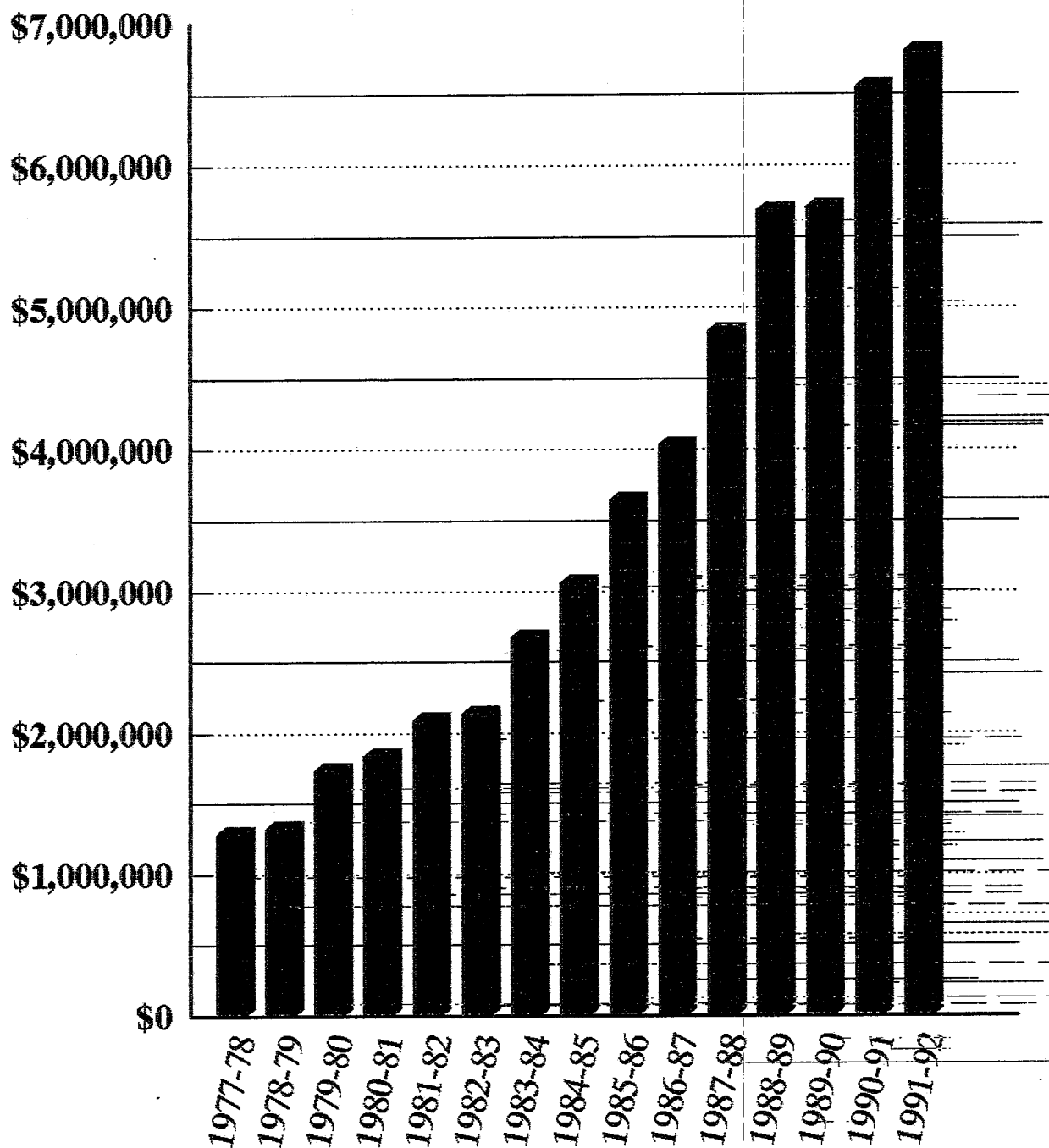




# Indirect Cost Recovery History



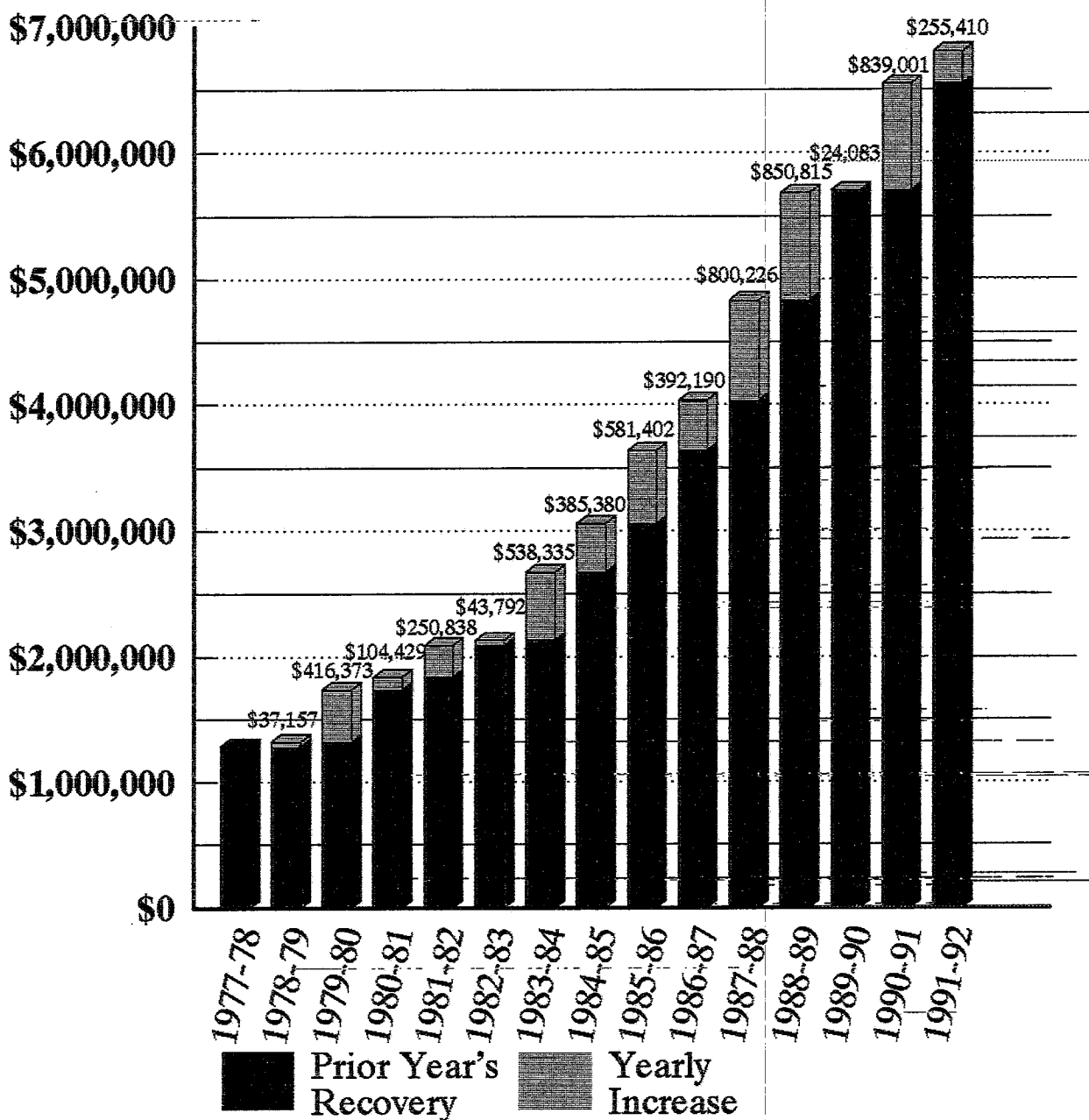
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STATE UNIVERSITY OF NEW YORK



# Indirect Cost Recovery History



UNIVERSITY AT ALBANY  
STATE UNIVERSITY OF NEW YORK

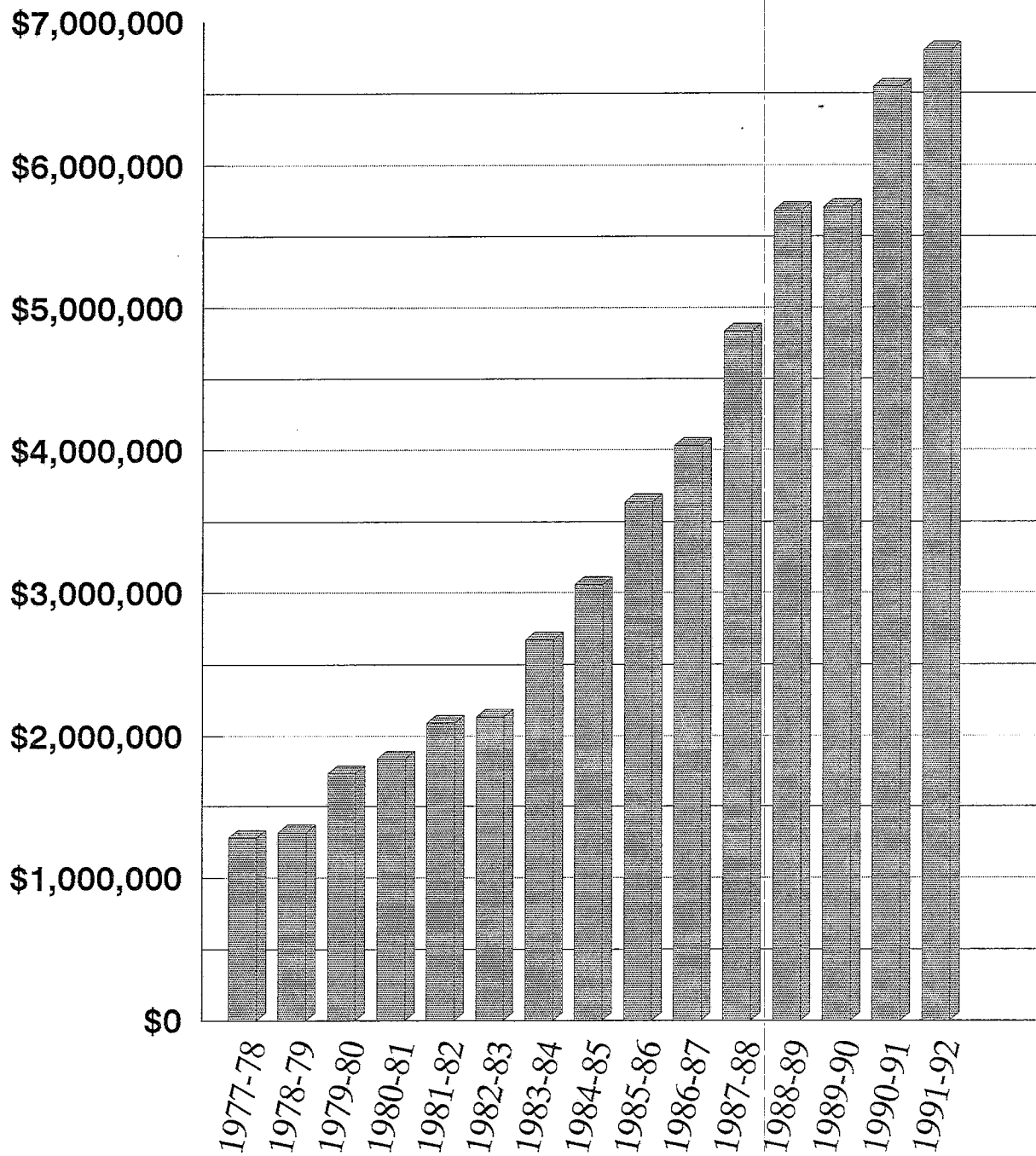


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# Indirect Cost Recovery History



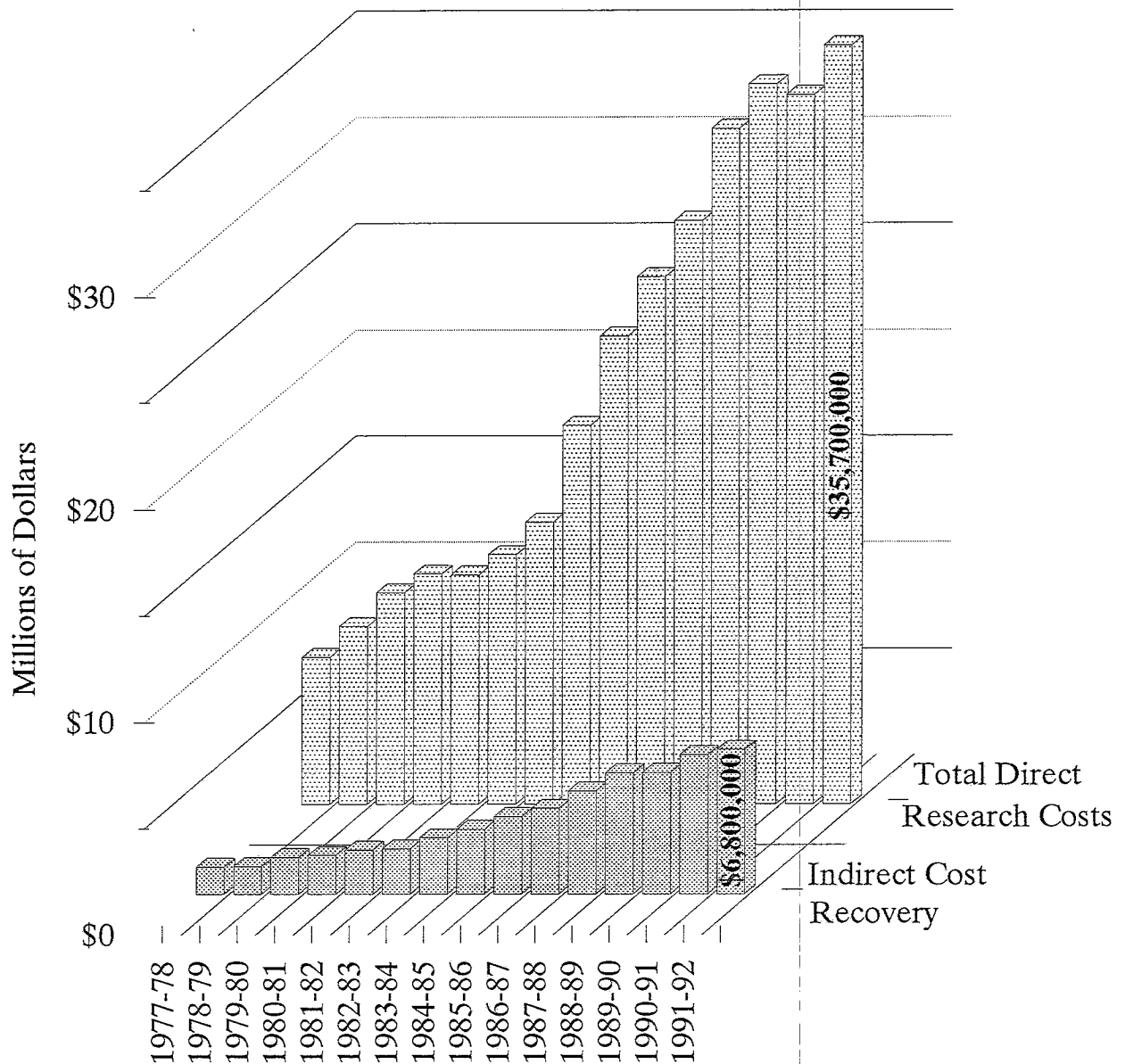
UNIVERSITY AT ALBANY  
STATE UNIVERSITY OF NEW YORK



# Indirect Cost Recoveries Generated From Direct Research Costs



UNIVERSITY AT ALBANY  
STATE UNIVERSITY OF NEW YORK



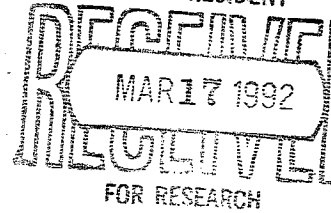


The Research Foundation  
of State University of New York

Scheduled  
for 3pm  
3/24

March 11, 1992

OFFICE OF THE  
VICE PRESIDENT



MEMORANDUM

TO: Mr. Steven Brady  
Dr. Nathan Dean  
~~Dr. David Glass~~  
~~Dr. Jeanne Gullahorn~~  
Dr. Richard Jarvis  
Dr. Dale Landi  
Mr. Ivan Lisnitzer  
Mr. Nicholas Paradiso

FROM: John F. Buckhoff, Jr. *JB*

SUBJECT: Indirect Cost Rate and Fringe Benefit  
Rate Proposals and Issues

You will have received the notice from DHHS on the 26% cap. This is but one issue with respect to rates. They are:

- Impact of the indirect cost pool review.
- Current indirect cost rate re-negotiations (26% cap).
- New indirect cost rate negotiations - July 1, 1993.
- Fringe benefits rate - July 1, 1992 and future years.

We need your advice on all of the foregoing including strategy in connection with each and an indication of issues specific to your campus that should be accommodated. Rather than eat up time and money by meeting, we shall be scheduling a conference call later this month. Stan's office has provided information on the indirect cost rate issues under separate cover. Mary's office distributed information on the fringe benefit rate problem at the Fiscal Designees meeting in October.

Thanks very much.

c: Mr. Hickok  
Dr. Braunagel-Brown  
Mr. Tenbeau



The Research Foundation  
of State University of New York

March 17, 1992

*for conference  
call*

*Copy to Neven*

*3/24*

*3pm*

Dr. Dale M. Landi  
Vice President for Sponsored  
Programs  
State University of New York  
at Buffalo  
516 Capen Hall  
Buffalo, New York 14260

Dear Mike:

I write to bring you up-to-date on the indirect cost issue. Since our recent correspondence on the matter and President Greiner's letter to the Chancellor, events have accelerated.

As background, you will recall that final DHHS rate negotiations during the last round bore little relationship to the accounting process. DHHS advised that the combined rates for Albany, Buffalo, Stony Brook and Brooklyn could not exceed 211 points in the final settlement and left the distribution of those points by campus to us. To put that number in perspective, the combined total in the proposals that we had submitted was 233.7 points (including UB's interest costs) versus the prior years total of 214.1 points. In short, DHHS' position was a total reduction of 3.1 points below the previously approved rate totals based on a review of General Administration costs for those campuses. They obviously discounted the interest cost at Buffalo but "without prejudice."

As you know, you then participated in a meeting in Albany with your colleagues from the campuses affected and a collective determination was made on the distribution of that reduction. Recently, on February 18, 1992, I assured you that we would press the matter of UB's interest cost when we had the opportunity to reopen negotiations.

The time is now. We have advised DHHS that we wish, under the provision of revised A-21, to renegotiate the current rates and will have a package for them in 60 days. This opportunity arises now that we have received notice of

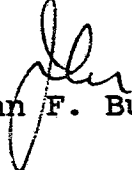
March 17, 1992

the implementation of the 26% administrative rate cap. We have scheduled a Conference Call with you and your colleagues on March 24th to discuss strategy. In the interim, Stan's Cost Accounting Unit is assembling revised proposals.

That's the latest. These renegotiations are of extreme importance to all the research campuses and we need your collective input.

Best regards.

Sincerely,

  
John F. Buckhoff, Jr.

c: Chancellor Johnstone  
Provost Burke  
President Greiner  
Mr. Hickok

bc: Dr. Dean  
Dr. Glass  
Dr. Gullahorn  
Mr. Lisnitzer  
Mr. Brady  
Mr. Paradiso  
Ms. Seward  
Mr. Tenbeau  
Mr. Beaudoin



**UNIVERSITY AT BUFFALO**  
STATE UNIVERSITY OF NEW YORK

Office of the President  
Capen Hall  
Buffalo, New York 14260  
Tel. (716) 636-2901  
Fax. (716) 636-3728

February 27, 1992  
STATE UNIVERSITY OF NEW YORK  
RECEIVED  
OFFICE OF THE CHANCELLOR

MAR - 4 1992  
AM 7 8 9 10 11 12 1 2 3 4 5 6 PM

Chancellor D. Bruce Johnstone  
State University of New York  
State University Plaza  
Albany, NY 12246

Dear Bruce:

Please take a moment to review the enclosed letter to John Buckhoff from UB's Vice President for Sponsored Programs, Dr. Dale M. Landi. In it, the campus requests the Research Foundation's assistance in obtaining approval from the Department of Health and Human Services for full reimbursement of the interest portion of UB's use allowance cost pool.

This request is very important to UB. A positive response from Health and Human Services prior to the July 1 implementation of our 26% cap on reimbursement of administrative costs would mean \$1 million to offset income we will lose in FY 1992-93. We would appreciate any support you can lend to these efforts.

Sincerely,

William R. Greiner

xc: Provost Joseph C. Burke  
Vice Provost Richard S. Jarvis

Enclosure





**The Research Foundation**  
of State University of New York

February 18, 1992

Dr. Dale M. Landi  
Vice President for Sponsored  
Programs  
State University of New York  
at Buffalo  
516 Capen Hall  
Buffalo, New York 14260

Dear Mike:

Reference is made to your letter of February 11 concerning the interest portion of the use allowance cost pool. You are quite right in stating that these costs were "arbitrarily omitted" by DHHS from Buffalo's current negotiated rate.

We will, without question, press DHHS on that matter as well as certain other cost elements. Stan Hickok will be in touch with you.

Sincerely,

  
John F. Buckhoff, Jr.

c: President Greiner  
Dr. Levy  
Dr. Wagner  
Mr. Hickok



UNIVERSITY AT BUFFALO  
STATE UNIVERSITY OF NEW YORK

RECEIVED

FEB 13 1992

OFFICE OF THE EXECUTIVE  
VICE PRESIDENT

Office of the Vice President  
for Sponsored Programs  
516 Capen Hall  
Buffalo, New York 14260  
(716) 636-3321  
FAX (716) 636-2933

February 11, 1992

Mr. John F. Buckhoff, Jr.  
Executive Vice President  
The Research Foundation  
State University of New York  
P.O. Box 9  
Albany, New York 12201-0009

Dear John:

Following up on our recent meeting in Albany, I am writing on behalf of the University at Buffalo (UB) to request that the Research Foundation seek approval, from the Department of Health and Human Services (HHS), of full reimbursement of the interest portion of the use allowance cost pool. We also request that this approval be sought with an effective date of July 1, 1992, the time when the twenty-six percent limitation on reimbursement of administrative costs takes effect at Buffalo.

We believe this request is appropriate and justifiable for a number of reasons as follows:

- Interest costs are specifically allowable as part of the use allowance cost pool under provisions of OMB Circular A-21.
- Interest costs were arbitrarily omitted from Buffalo's current negotiated rate without justification.
- This request does not involve a change in UB accounting or cost allocation methods.
- We believe this request for reimbursement is "consistent with acceptable charging practices followed by a substantial majority of other educational institutions;" and
- UB is listed in Exhibit A of the "Final Revisions to Circular A-21 (October 3, 1991)" as one of ninety-nine educational institutions to which Section J.9.f. applies. This section, you will

Mr. John F. Buckhoff, Jr.  
February 11, 1992  
Page 2

recall, requires the named institutions to "expend currently, or reserve for expenditure within the next five years, the portion of indirect cost payments made for depreciation or use allowances..."

John, I am sure you are aware that this request is of considerable importance to Buffalo since approval by HHS would offset nearly all of approximately \$1 million of indirect cost recovery income to be lost in Fiscal Year 1992-93 due to imposition of the twenty-six percent cap on reimbursement of administrative costs. We appreciate your cooperation and assistance in this matter. Please call if we can help in any way.

Sincerely,



Dale M. Landi  
Vice President for  
Sponsored Programs

DML 321

cc: President William R. Greiner  
Provost (Interim) Kenneth J. Levy  
Sr. Vice President Robert J. Wagner  
Mr. Stanley G. Hickok  
Mr. Leonard W. Vona

Office of the Vice President  
for Research and  
Dean of Graduate Studies



Administration 227  
Albany, New York 12222

518/442-3500  
Fax: 518/442-3560

**UNIVERSITY AT ALBANY**  
STATE UNIVERSITY OF NEW YORK

TO: John F. Buckhoff, Jr., Executive Vice President  
Research Foundation of State University of New York

FROM: Jeanne E. Gullahorn   
Vice President for Research and Dean of Graduate Studies

Stephen E. DeLong   
Acting Vice President for Finance and Business

DATE: March 17, 1992

RE: New York State Agency Indirect Cost Rate

The University at Albany has been trying to establish 20% as a minimum indirect cost rate with state agencies. As you know from previous analyses, this is not a break-even rate; thus we would like to ratchet up from that. At this time when indirect cost recovery is so important to each University Center, we therefore urge your strong support for a return that more realistically recovers our costs of doing business.



The Research Foundation  
of State University of New York

March 11, 1992

MEMORANDUM

TO: Campus RE Fiscal Designees  
FROM: John F. Buckhoff, Jr. *JFB*  
SUBJECT: New York State Agency Indirect Cost Rate

We have been working (negotiating) with DOB on the issue of indirect cost return from grants and contracts sponsored by the various agencies and public benefit corporations in the State government.

It may be that they will propose a flat rate of 15% of total direct costs to us.

Please give me your reaction by FAX as soon as possible.

Thanks.

c: Mr. Tenbeau  
Mr. Hickok  
Ms. Seward

Post-it brand faxtransmittal memo 7671 # of pages 1

To: <i>Danore Chittaro</i>	From: <i>John F. Buckhoff, Jr.</i>
Organization: <i>SUNY Albany</i>	Department: <i>Research Foundation</i>
Phone: <i>518 434 7290</i>	Fax: <i>518 434 7290</i>

1977-78	\$ 1,280,569
1978-79	1,317,726
1979-80	1,734,099
80-81	1,838,528
81-82	<del>1,838,</del> 2,089,364
82-83	2,133,150
83-84	2,671,493
84-85	3,056,873
85-86	3,638,275
86-87	4,030,465
	<del>2,849,529</del>
87-88	4,830,691
	<del>3,277,373</del>
88-89	5,481,506
89-90	5,705,589
90-91	6,544,590
91-92	\$ 6,800,000



**The Research Foundation**  
of State University of New York

University at Albany  
State University of New York

*Service  
MANN  
RIT  
1/13*

TO: Jim Van Voorst  
FROM: Jackie DiStefano *JD*  
DATE: February 10, 1992  
SUBJECT: 1991-92 Indirect Cost Recovery

Attached is the report entitled "Status of Campus Indirect Cost Recovery" which has been updated to include January indirect cost recovery figures.

The projected recovery of \$6,800,000 is the figure included in John Buckhoff's memo to President Swygert dated July 1, 1991.

JD:ch

**Attachments**

cc: K. Lowery  
L. Neveu

(B-10)

STATUS OF CAMPUS INDIRECT COST RECOVERY  
1991-92

	<u>Monthly Projection</u>	<u>Projected Year to Date</u>	<u>Actual</u>	<u>Actual Year to Date</u>
July 1991	\$ 720,800	\$ 720,800	\$ 748,617	\$ 748,617
August 1991	720,800	1,441,600	790,084	1,538,701
September 1991	455,600	1,897,200	473,153	2,011,854
October 1991	516,800	2,414,000	443,828	2,455,682
November 1991	598,400	3,012,400	457,936	2,913,618
December 1991	442,000	3,454,400	482,699	3,396,317
January 1992	401,200	3,855,600	586,833	3,983,150
February 1992	544,000	4,399,600		
March 1992	550,800	4,950,400		
April 1992	476,000	5,426,400		
May 1992	707,200	6,133,600		
June 1992	666,400	6,800,000		
	<u>\$6,800,000</u>		<u>\$3,983,150</u>	

(B-10)





UNIVERSITY AT ALBANY  
STATE UNIVERSITY OF NEW YORK

January 30, 1992

M E M O R A N D U M

TO: Steve DeLong  
FROM: Leo Neveu *LN*  
SUBJECT: Research Foundation Policy on the Allocation and Expenditure of University Revenues

This is to notify you of an imminent policy release by the Research Foundation which will set standards for classification of accounts and expenditures to ensure computation of indirect cost rates in compliance with the provisions of Federal Circular A-21. This is a result of the Indirect Cost Review being conducted by the Research Foundation in response to the nationwide concern about the appropriateness of charges included in indirect cost rates.

The new RF policy will be retroactive to July 1, 1991. It will require categorizing individual accounts as includable or excludable for the purpose of indirect cost rate computation. Two basic actions are required:

1. A sponsor code must be assigned to each account in accordance with the definitions to be promulgated by the Foundation.
2. There must be a control on expenditures to ensure that expenditures are charged only to the proper account, to avoid placing nonadmissible expenditures into the indirect cost pools. This will require retroactive work for this fiscal year. In successive years, this control could be enforced on either a pre-audit or a post-audit basis. (Pre-audit probably would be more labor intensive.)

A copy of the draft is attached. Although it's incomplete, Stan Hickok has informed us that the basic concepts and codes will not change. He also stated that 1991-92 will be used as the basis for the next rate computations.

With your and Jeanne Gullahorn's approbation, I would propose assembling a committee of representatives from the Office for Research, Accounting, Purchasing and Financial Management to develop an implementation plan.

Attachment

c: S. Beditz  
J. Casabella ✓  
J. DiStefano  
K. Lowery  
P. McCord  
J. Van Voorst

12/92

Join -  
need separate acct  
for allocations for total cost  
Sharecost

When issued, these guidelines w/b be applicable  
to <sup>RF</sup> expenditures for 1991-92. Therefore, we  
must endeavor to verify that costs already  
incurred are categorized IAW these guidelines

The basic concepts are already there  
however (including the new codes) -- and we shd  
proceed even now to implement.

#206  
December 5, 1991

To: Fiscal Designees  
From: Office of Administrative Systems  
Subject: POLICY ON THE ALLOCATION AND EXPENDITURE OF RESEARCH  
FOUNDATION REVENUES  
Effective: Immediately  
Contact: Stanley G. Hickok, Office of Secretary-Treasurer, (518) 434-7050

Replaces  
de 1/1/91  
Draft

**PURPOSE**

This communique sets forth the Research Foundation's policy and guidelines regarding the allocation and expenditure of Research Foundation revenues. The communique also describes the responsibilities of operating locations and Central Office for complying with the policy and guidelines.

**BACKGROUND**

Each fiscal year, a Research Foundation Financial Plan is developed that sets forth how Foundation revenues are to be disbursed. The financial plan is approved by the Research Foundation Board of Directors, the State University of New York (SUNY) Board of Trustees, and the New York State Division of the Budget.

On June 13, 1991, the Research Foundation Board of Directors approved an Income Distribution Plan, which is an extension of the Research Foundation Financial Plan, that describes a new methodology for the distribution of indirect costs that are recovered and investment income that is earned by the Foundation. The plan was developed with the University in conjunction with the elimination of the annual payment to the SUNY Income Fund (tithe) and with the development of a plan by SUNY to allocate state funds to certain campuses in recognition of their research and public service missions.

In response to this new methodology, the Foundation has developed revised guidelines that must be adhered to for the allocation and expenditure of these funds in the major categories of indirect costs and direct costs.

## POLICY

The Research Foundation is accountable for the proper allocation and expenditure of its revenues in accordance with the Foundation's Financial Plan and must ensure that the categorization of expenditures for development of indirect cost rates is pursuant to the requirements of OMB Circular A-21 "Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions."

## GUIDELINES FOR MAJOR CATEGORIES

In this section, revised guidelines are provided that must be adhered to for the allocation and expenditure of funds in the major categories of indirect costs and direct costs. When these guidelines were developed, consideration was given to the categorization of expenditures for the development of indirect cost rates in accordance with the requirements of OMB Circular A-21.

Sponsor codes are assigned to each category in order to define the categories in the Research Foundation system, thus allowing the Foundation to account for each category.

*the sponsor code for each appears following the title.*

### INDIRECT COSTS

#### Sponsored Projects Administration — S501

The expenses of the office(s) responsible for the administration of funds awarded for sponsored programs. Such expenses include salaries and fringe benefits, supplies, travel, and office equipment, which are associated with the functions of purchasing, payroll and personnel administration, billings, collection, final reports, postaward contract and grant administration, and budget administration. Also includes the expenses of the office responsible for preaward administration (budget development, application processing, and account establishment). At least 80 percent of the duties of staff assigned to accounts established within this category must be directly related to Foundation-administered sponsored programs.

#### General Administration — S502

The expenses of administrative offices and other expenses of a general nature that do not relate solely to one of the major functions of the campus (for example, instruction, sponsored research). Accounts established within this category may not include staff who devote in excess of 80 percent of their time to administering programs for the Research Foundation.

#### Other Indirect Support

#### Physical Plant Maintenance and Operations — S505

The expenses incurred by a central service organization or at the departmental level for the administration, supervision, operation, maintenance, preservation, and protection of

*Actually  
Sponsored  
Programs*

the institution's physical plant. These expenses are normally incurred for such items as janitorial and utility services; repairs and ordinary or normal alterations of buildings, furniture and equipment; and care of grounds and maintenance and operation of buildings and other plant facilities.

#### Departmental Administration — S506

These expenses incurred for administrative and supporting services that benefit common or joint departmental activities or objectives in academic deans' offices, academic departments and divisions, and organized research units. Organized research units include such units as institutes, study centers, and research centers. Includes expenses incurred at the departmental level for proposal development and other specific costs associated with seeking external support. Also includes the expenses directly associated with the administration of sponsored programs at the departmental level, such as processing personnel forms, purchase requisitions, monitoring accounts, and so on.

#### Student Administration — S507

*Student acct.*  
The expenses incurred for the administration of student affairs and for services to students, including the expenses of such activities as deans of students, admissions, registrar, counseling and placement services, student advisors, student health and infirmity services, catalogs, and commencements and convocations.

#### Library — S508

The expenses incurred for the operation of the library, including the cost of books and library materials purchased for the library.

### **DIRECT COSTS**

#### **General Institutional Services — S509**

The expenses incurred for services or service units of general benefits to all the major functions of the campus, for example, computer center, automotive, mail, telephone central stores, and so on. These expenses must be considered when establishing recharge rates in accordance with University policy. Also, recharges for general institutional services provided to sponsored programs or other activities but which are not charged to those costs centers. This is not a sentence. Do you mean the expenses incurred for recharges for general institutional services?

#### **Direct Sponsored Program Support — S530, S525**

All activities that directly support the conduct of existing sponsored projects or programs. These activities include the following:

- funding of programs in order to provide continuity between periods of externally sponsored support. The purpose of such funding should be to maintain the continuation of the research effort, especially the support of key

personnel).

- purchase of equipment primarily required to maintain current capabilities, such as for replacement or to maintain the unit as "state of the art."
- attendance at scientific conferences not covered within current project funds.

#### **Sponsored Program Development — S520, S525**

Funds expended in support of broad new programs where the purpose is to enhance and/or upgrade the capability of the campus to attract future, externally sponsored support. Is this correct? -- original copy read "externally future sponsored support"

Examples of such support are: purchase of scientific equipment that strengthens or upgrades the research/or training capability of an academic unit, operation of a formal grant-in-aid program involving submission of applications for funding by investigators and review by peer groups or other campus committees, travel to scientific conferences not related to current projects; purchase of scholarly journals or publications; pilot project support necessary to attain competitive position for external funding; and development costs of research centers and facilities. Does not include costs of seeking specific sponsored program support.

#### **Instruction and Departmental Research — S535**

Funds expended for the general teaching and training activities of an institution, whether or not these activities are offered for credits toward a degree or on a noncredit basis and whether or not these activities are offered through regular academic departments or separate divisions, such as summer school. This category also includes research development and scholarly activities within academic departments that are not separately budgeted as organized research. This category may also include the support of graduate and teaching assistants.

#### **Alterations and Renovations of Physical Plant — S540**

The expenses incurred for structural changes to buildings, offices, labs, and so forth, that are of primary benefit to sponsored research or other sponsored activities.

#### **Physical Plant Facilities — S541**

The expenses incurred for new plant facilities or major rehabilitation programs that generally benefit one or more of the major functions of the institution.

#### **Unallocable Indirect Costs — S545**

The expenses incurred that are deemed to be appropriate use of Research Foundation funds distributed to the campus but which are not allocable costs for indirect cost rate calculations. These include entertainment, alcoholic beverages, housing costs of institutional officers, club membership, most advertising, promotion, and public relations

*Costs of  
operations  
research funds  
go in here.*

expenses, severance pay in excess of institutional policy, fines, penalties, parking tickets, lobbying, alumni activities, trustees' costs, and so on. Refer to OMB *Circular A-21* revisions dated 10/3/91.

**Capital Equipment — S542**

The expenses incurred for major equipment acquisition that are of benefit to more than one major function of the campuses.

**RESPONSIBILITIES**

**Operating Locations**

The *fiscal designee* or *delegate* is responsible for

~~Please provide the appropriate copy for this section.~~

**Central Office**

~~For each office at Central Office that has responsibilities, please provide the appropriate copy.~~

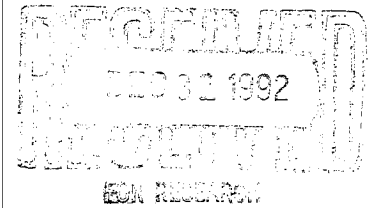
c:



**The Research Foundation**  
of State University of New York

December 29, 1992

OFFICE OF THE  
VICE PRESIDENT



Office of Management and Budget  
725 17th Street, N.W.  
Room 10235  
Washington, D.C. 20503

RE: Proposed Revision to Circular A-21

The Research Foundation of State University of New York is writing this letter in response to the request for public comment on proposed revisions to OMB Circular A-21 published in the Federal Register on December 9, 1992.

The Research Foundation administers on behalf of the State-operated colleges of the State University of New York all sponsored programs supported by the Federal Government and directed by faculty members of the University. In the last fiscal year ending June 30, 1992, expenditures by the Research Foundation from federally funded awards amounted to approximately \$227 million.

This response is on behalf of the Research Foundation of State University of New York's System and responses may also be sent by individual campuses in the System.

In general, the Research Foundation supports the proposed revisions to OMB Circular A-21 and is pleased with the standardization of two cost categories. In addition, the definitions of Operation and Maintenance will ensure consistency of cost between institutions.

However, there are three specific areas to comment on: one is the retention of the 26% cap on Administration, the second is the requirement that all clerical and administrative staff within Departmental Administrative category be treated as indirect costs and the third is the implementation date of the revision.

With regard to the retention of the cap, the Research Foundation finds the cap objectionable because it is arbitrary and does not recognize the individual differences in administrative cost among institutions. Furthermore, the cap ignores the increasing cost of compliance with governmental regulations.



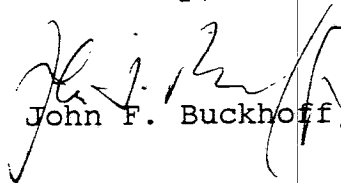
December 29, 1992

The proposed requirement to treat clerical and administrative staff as an indirect cost in the Departmental Administration category needs clarification. We agree with the concept "that costs incurred for the same purpose in like circumstances are treated consistently as either direct or indirect costs." In fact the Circular should expand on this consistency standard in lieu of arbitrarily categorizing all clerical and administrative staff as indirect cost. Many projects, especially large programs, have very unique or extensive administrative support needs that cannot always be satisfied by the resources of the academic department's staff. Consequently, there are often situations that would justify, with sponsor approval, the appointment of clerical staff directly to a project. Therefore, it would seem that the real issue is consistency (direct or indirect) in the specific nature of services provided and not merely in job classifications.

The Research Foundation feels that the effective date of these revisions should be prospective and implemented with the institutions next indirect cost proposal. However, if negotiations are currently in process, the institution should be allowed the option of modifying existing proposals to incorporate the applicable in A-21 revisions.

The Research Foundation appreciates the opportunity to comment on this proposed Circular and is willing to provide additional clarification on the above referenced items at any time.

Sincerely,



John F. Buckhoff, Jr.

c: Operations Managers  
Senior Staff

**THE RESEARCH FOUNDATION  
OF STATE UNIVERSITY OF NEW YORK**



**FAX NUMBER: 434-7290**

**SECRETARY-TREASURER'S FAX RECEIVER  
NUMBER: 434-7001**

**TO:** Fax# 716-645-2933, Dr. Dale M. Landi, Buffalo  
Fax# 315-470-6932, Mr. Nicholas J. Paradiso, ESF Syracuse  
Fax# 315-464-4599, Mr. Steven C. Brady, HSC Syracuse  
Fax# 607-777-4354, Mr. Stephen Gilje, Binghamton  
Fax# 607-777-4000, Mr. Paul C. Parker, Binghamton  
Fax# 518-442-3560, Dr. Jeanne E. Gullahorn, Albany  
Fax# 718-270-4092, Mr. Ivan M. Lisnitzer, HSC Brooklyn  
Fax# 516-632-7112, Dr. David Glass, Stony Brook

**FROM:** Stanley G. Hickok *Stan*

**DATE:** December 24, 1992

**SUBJECT:** RF Draft Response to the Revision to Circular A-21

**THE FOLLOWING INFORMATION IS BEING TRANSMITTED:**

Please review the attached draft response to the Office of Management and Budget regarding the Proposed Revision to Circular A-21.

Please respond to me via facsimile no later than Tuesday, December 29, 1992, as the Foundation plans to fax its response to OMB on Wednesday, December 30, 1992.

**TOTAL NUMBER OF PAGES TRANSMITTED: 2**  
(Excluding this sheet)

# DRAFT

December 23, 1992

Office of Management and Budget  
725 17th Street, N.W.  
Room 10235  
Washington, D.C. 20503

RE: Proposed Revision to Circular A-21

The Research Foundation of State University of New York is writing this letter in response to the request for public comment on proposed revisions to OMB Circular A-21 published in the Federal Register on December 9, 1992.

The Research Foundation administers on behalf of the State-operated colleges of the State University of New York all sponsored programs supported by the Federal Government and directed by faculty members of the University. In the last fiscal year ending June 30, 1992, expenditures by the Research Foundation from federally funded awards amounted to approximately \$227 million.

This response is on behalf of the Research Foundation of State University of New York's System and responses may also be sent by individual campuses in the System.

In general, the Research Foundation supports the proposed revisions to OMB Circular A-21 and is pleased with the standardization of two cost categories. In addition, the definitions of Operation and Maintenance will ensure consistency of cost between institutions.

However, there are three specific areas to comment on: one is the retention of the 26% cap on Administration, the second is the requirement that all clerical and administrative staff within Departmental Administrative category be treated as indirect costs and the third is the implementation date of the revision.

With regard to the retention of the cap, the Research Foundation finds the cap objectionable because it is arbitrary and does not recognize the individual differences in administrative cost among institutions. Furthermore, the cap ignores the increasing cost of compliance with governmental regulations.



UNIVERSITY AT ALBANY  
STATE UNIVERSITY OF NEW YORK

DATE: December 28, 1992

TO: Stanley G. Hickok

FROM: Jeanne E. Gullahorn

The following information is being transmitted:

RE: Draft Response to the Revision to Circular A-21

I have no objections to the response to the  
Office of Management and Budget regarding the Proposed  
Revision to Circular A-21.



The Research Foundation  
of State University of New York

December 16, 1992

MEMORANDUM

TO: Mr. Steven Brady  
Mr. Stephen Gilje  
Dr. David Glass  
Dr. Jeanne Gullahorn  
Dr. Dale Landi  
Mr. Ivan Lisnitzer  
Mr. Nicholas Paradiso  
Dr. Richard Steiner

FROM: John F. Buckhoff, Jr. *JFB*

SUBJECT: Proposed Revisions to OMB Circular A-21

Enclosed is the above. Please review. We are scheduling a conference call to formulate comments which are due on January 8, and discuss in the context of current rate negotiations.

*They are  
scheduled  
12/21 at  
10:30am*

Enclosure

c: Mr. Hickok

Scit brand fax transmittal memo 7671		# of pages	17
To	Dr. Gullahorn	From	Mr. Buckhoff
Co	Albany	Co	SUNY RF
Dept.		Phone #	(518) 434-7015
Fax #	442-3560	Fax #	(518) 434-7290

**COUNCIL ON GOVERNMENTAL RELATIONS**

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

December 8, 1992

TO: PRIMARY REPRESENTATIVES OF PARTICIPATING UNIVERSITIES

FROM: Milton Goldberg *MG*

SUBJECT: Revision of OMB Circular A-21, "Cost Principles for Educational Institutions"

\* // On December 9, 1992, the Office of Management and Budget will publish a revision of Circular A-21, its various parts effective as noted. The revision is intended to strengthen stewardship, promote greater standardization, simplify the indirect costs system and set the stage for still more substantial revisions in the near term. The 25% limit on administrative costs is retained and includes the student services component under the cap. A threshold allowance for administrative costs is offered at 24% of MTDC or a percentage equal to 95% of the most recently negotiated administrative rate, whichever is less. Substance of the revision is summarized here.

**I. TWO STANDARD COST CATEGORIES, FACILITIES AND ADMINISTRATION**

OMB proposes two major cost categories - Facilities and Administration, each having prescribed subcategories of expenditures. The purpose of such a change is to enhance understanding and make the system easier to administer.

- A) Facilities is defined as "Depreciation and use allowance, interest on debt associated with certain buildings, equipment and capital improvements, operations and maintenance expenses and library expenses"; (Any cost not identified as facilities are to be included in Administration and are subject to the 26% limitation.)
- B) Administration is defined as "General administration and general expenses, Departmental Administration; sponsored projects administration; student administration and services; and all other types of expenditures not listed specifically under one of the subcategories of Facilities" (including cross allocations from other pools); and
- C) The 26% limit on administrative costs is retained and includes Student Administration and Services under the Administration cap. Universities may chose to claim a lower threshold allowance. Universities claiming a threshold would not be required to develop a detailed proposal or participate in negotiations for this portion of their indirect cost rate.

**II. CONSISTENT TREATMENT OF COSTS**

- A) Examples of General Administration and general expenses are expanded to provide specific guidance with respect to how particular types of costs are to be treated. The following kinds of expenses are assigned to

General administration and general expense: those expenses incurred by administrative offices that serve the entire university system of which the institution is a part; central offices of the institution such as the President's or Chancellor's office, the offices for institution-wide financial management, business services, budget and planning, personnel management, and safety and risk management; office of General Counsel; operations of the central administrative management information systems; and the central administration of health affairs;

✓ B) Examples of Operation and Maintenance expenses are expanded to include: campus security; earthquake and disaster preparedness; environmental safety; hazardous waste disposal; property, liability and all other insurance relating to property; space and capital leasing; facility planning and management; and central receiving;

C) Interest on debt associated with certain buildings, equipment and capital improvements shall be classified as an expenditure under the category Facilities;

*not new*

D) Indirect cost rates are to be calculated based on all organized research, not just sponsored research. University research, for purposes of Circular A-21, shall be combined with sponsored research under the function of organized research;

E) Fringe benefits shall be treated in the same manner as the salaries and wages of the employees receiving the benefits. The benefits related to salaries and wages treated as direct costs shall also be treated as direct costs; the benefits related to salaries and wages treated as indirect costs shall be treated as indirect costs;

*animal care not paid by American*

F) Within Departmental Administration, laboratory supplies (e.g., chemicals), telephone toll charges, animals, animal care costs, computer costs, travel costs and specialized shop costs shall normally be treated as direct costs. Direct charging of these costs may be accomplished through specific identification of individual costs to benefitting cost objectives, or through recharge centers or specialized service facilities, as appropriate under the circumstances. Office supplies, postage, local telephone costs, memberships, and equipment maintenance and repair costs shall normally be treated as indirect costs;

*Problem? No*

Also within the category of Departmental Administration, "the salaries of technical staff (e.g., laboratory technicians) shall be treated as direct costs. The salaries of administrative and clerical staff shall be treated as indirect costs."

G) If a cost benefits two or more projects or activities in proportions that cannot be determined reasonably because of the interrelationship of the work involved, the costs may be allocated or transferred to benefitted projects on any reasonable basis. Documentation requirements are specified;

*significant?*

H) Modified Total Direct Costs (MTDC) is more carefully defined to exclude only equipment, capital expenditures, charges for patient care and tuition

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remission, as well as the portion of each subgrant and subcontract in excess of \$25,000;

- I) Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs. Where an institution treats a particular type of cost as a direct cost of sponsored agreements, all costs incurred for the same purpose in like circumstances shall be treated as direct costs of all activities of the institution;
- J) The existing requirements of J.41.b., that "tuition remission" and other forms of compensation be charged directly to a project when a student is working directly on the project, must be adhered to by all institutions. Any institution not charging such costs directly must convert to a direct charging system on a phased basis so that all awards in place on or subsequent to October 1, 1997, are on a direct charge basis.
- \* K) Capitalization for equipment increased to \$5,000 or the level specified in each institution's policy, whichever is less;
- L) Level for use of simplified method for calculating indirect cost rate raised from \$3 million to \$10 million. (This is still an option);
- M) Malpractice insurance is an allowable cost of research programs only to the extent that the research involves human subjects and shall be treated as a direct cost;
- Significance?* N) The concept of predominant use has been eliminated with regard to depreciation and use allowance;
- O) Sabbatical leave costs are considered general fringe benefit costs of the institution and shall be allocated as a general pool of costs to all activities of the institution. The allocation shall be based on the salaries and wages of the class of employees receiving the benefits in accordance with the guidelines for allocating fringe benefit costs in J.8.f.(4); and
- P) Capital expenditures for improvements to land or buildings, which equals the lesser of (a) the capitalization level established by the institution or (b) \$50,000 are unallowable as direct charges, except where approved in advance by the sponsoring agency. Capital expenditures includes the cost of planning, design and site preparation. The unamortized portion of any capital expenditure written off as a result of a change in capitalization levels may be recovered by (1) continuing to claim the otherwise allowable use allowances or depreciation charges on the capital expenditure or by (2) amortizing the amount to be written off over a period of years negotiated with the cognizant agency.

### III. COGNIZANCE AND RATE NEGOTIATION

- A) Predetermined fixed rates for multi-year periods are the preferred method for negotiating indirect cost rates. Predetermined fixed rates for indirect costs for a period of two to four years should be the norm.



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- B) Multiple cognizance is reaffirmed. To the extent the cognizance system might be improved by reassignment of a college or university from one agency's cognizance to another's, will be accomplished as part of the upcoming revision of Circular A-88.

#### IV. TOPICS FOR FURTHER STUDY

In the course of developing this proposed revision, OMB identified several other areas that could benefit from further study and simplification. OMB believes that collaboration with interested individuals and groups is desirable.

- A) A government-wide data base on indirect costs;
- B) Cost of phasing-in the depreciation method in lieu of use allowances for capital assets;
- C) Standard allocation methods to obviate the need for special studies;
- D) The principal bases of inter-institutional differences in administrative costs; and
- E) Alternatives to modified total direct cost (e.g., square footage) for use in allocating facilities costs among individual projects.

The COGR Board of Management has considered the features of the proposed revision and believes the reforms, in large part, to be thoughtful and reasoned, but also believes retention of the cap on administrative costs to be arbitrary. Such a cap fails to recognize real differences in costs. Additionally, the Board has serious concerns with respect to the proposed requirement to treat clerical staff as an indirect cost in the Departmental Administration category.

The time to respond is short - comments are due by January 8, 1993. We will do our best to provide a more complete analysis of the changes in about ten days. That analysis will be transmitted via the COGR E-mail network and by U.S. mail.

Please call or write me to share your views on this proposed revision.

**OFFICE OF MANAGEMENT AND BUDGET****Proposed Revisions to Circular A-21****AGENCY:** Office of Management and Budget.**ACTION:** Proposed Revisions to Circular A-21.**SUMMARY:** This Notice offers interested parties an opportunity to comment on proposed revisions to Office of Management and Budget (OMB) Circular A-21, "Cost Principles for Educational Institutions." This revision implements the previously stated intent of OMB to revise Circular A-21.**DATES:** Interested parties are invited to comment on these proposed changes. Comments must be in writing and must be received by [30 days from publication].**ADDRESSES:** As a convenience to persons interested in providing brief comments (three pages or less), they may be sent via facsimile (fax: 202-395-4915). Comments longer than 3 pages should be sent to: Office of Management and Budget, 725 17th Street NW, room 10235, Washington DC 20503. A copy of the current Circular A-21 may be obtained by calling (202) 395-7332.**FOR FURTHER INFORMATION CONTACT:** Jack Sheehan, Financial Standards and Reporting Branch, Office of Federal Financial Management, Office of Management and Budget (telephone: 202-395-3993).**SUPPLEMENTARY INFORMATION:** The following explains the major changes proposed to Circular A-21:

1. A number of the definitions in the Circular have been clarified to eliminate ambiguity.
2. The cost elements to be included in the major indirect cost pools have been specifically identified to provide greater consistency among university charging practices.
3. More definitive principles are proposed for certain types of costs to promote greater standardization in the treatment of these costs among institutions.
4. General standards for allocating and documenting direct costs involving more than one project have been clarified which should reduce the current uncertainty in this area.
5. Indirect costs are classified into two broad categories: an "Administrative" component and a "Facilities" component. Any costs not identified as "Facilities" as defined in the Circular are to be included in the "Administrative" component and are subject to the existing 26% limitation. Student Services and Administration are also defined as part of "Administration."

6. The proposal makes multi-year "Predetermined Rates" the preferred method for negotiating indirect cost rates.

7. An alternative method for determining the "Administrative" portion of indirect costs is proposed which would reduce the administrative effort currently associated with this area.

8. The proposal would raise the threshold for using the "simplified method" for computing indirect cost rates to \$10,000,000. This would allow more institutions to use this method.

9. The standard method for allocating facilities costs would be simplified and made less subjective by eliminating the concept of "predominantly" used space.

10. The capitalization level for equipment would be increased to \$5000 or the level specified in each institution's policy, whichever is less. This would make the Circular consistent with the proposed revision of Circular A-110, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations."


In addition, the existing requirements of J.41.b., that "tuition remission" and other forms of compensation be charged directly to a project when a student is working directly on the project, must be adhered to by all institutions. Any institution not charging such costs directly must convert to a direct charging system on a phased basis so that all awards in place on or subsequent to October 1, 1997, are on a direct charge basis.

The interagency task force that has been reviewing existing practices and policies of university-funded research has recommended continued study of topics that require additional data gathering and evaluation. They include: (i) establishment of a government-wide data base on indirect costs, (ii) cost of phasing in depreciation (in lieu of use allowances) for capital assets, (iii) standard allocation methods to obviate the need for special studies, (iv) bases of inter-institutional differences in administrative costs, and (v) alternatives to modified total direct cost (e.g., square footage) for use in allocating facilities costs among individual projects.

Many participants and observers of the Circular A-21 rate negotiation process have expressed concern about the divergent approaches to applying certain provisions of the Circular by Federal cognizant agencies. Some have recommended consolidation of cognizance responsibility in a single agency. Others have recommended that OMB continue the current assignment system but provide stronger guidance for and coordination of the cognizant agencies to achieve greater uniformity in their application of Circular A-21.

OMB concurs that changes are in order and will work with the Federal agencies to achieve and maintain uniformity in interpretations of the Circular. To the extent that cognizance might be improved by reassignment of an institution from one agency's cognizance to another's, this will be accomplished during the forthcoming evaluation of OMB Circular A-88, "Indirect Cost Rates, Audit, and Audit Followup at Educational Institutions."

**EXECUTIVE ORDER NO. 12291:** OMB has determined that the proposed revisions to Circular No. A-21 do not qualify as a "major rule" under the criteria in Executive Order No. 12291, "Federal Regulation." The principal effect of the proposed revisions will be to clarify and simplify current requirements. The costs to implement the new revisions are primarily accounting costs for grantees, contractors, and Federal agencies. These new costs, however, are minimal in both absolute and relative amounts, and, in many instances, the revisions should reduce audit and compliance costs.

  
John F. Arthur  
Assistant Director for Administration.

Billing Code 3110-01-M

The following are proposed revisions to sections B, C, D, F, G, H, and J of the Attachment to Circular A-21:

1. Section B.1.b.(2) University Research is revised to read as follows:

(2) University research means all research and development activities that are separately budgeted or accounted for by the institution under an internal application of institutional funds. University research, for purposes of this document, shall be combined with sponsored research under the function of organized research.

2. A new subsection d. is added to section C.4. Allocable costs to read as follows:

d. Allocation and documentation standard.

(1) Cost principles. The recipient institution is responsible for ensuring that costs charged to a sponsored agreement are allowable, allocable, and reasonable under these cost principles.

(2) Internal controls. The institution's financial management system shall ensure that no one person has complete control over all aspects of a financial transaction.

(3) Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined reasonably, the cost should be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined reasonably because of the interrelationship of the work involved, then, notwithstanding subsection C.4.b., the costs may be allocated or transferred to benefitted projects on any reasonable basis, consistent with d.(1) and (2).

(4) Documentation. Federal requirements for documentation are specified in this Circular, Circular A-110, and specific agency policies on cost transfers. If the institution authorizes the principal investigator or other individual to have primary responsibility, given the requirements of d.(2), for the management of sponsored agreement funds, then the institution's documentation requirements for the actions of those individuals (e.g., signature or initials of the principal investigator or designee or use of a password) will normally be considered sufficient.

3. Section D.1. Direct costs-General is revised to read as follows:

1. General. Direct costs are those costs that can be identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs. Where an institution treats a particular type of cost as a direct cost of sponsored agreements, all costs incurred for the same purpose in like circumstances shall be treated as direct costs of all activities of the institution.

4. A new section F.1. Definition of Facilities and Administration is added to read as follows:

1. Definition of Facilities and Administration. Indirect costs are classified within two broad categories: "Facilities" and "Administration." "Facilities" is defined as depreciation and use allowances, interest on debt associated with certain buildings, equipment and capital improvements, operations and maintenance expenses, and library expenses. "Administration" is defined as general administration and general expenses; departmental administration; sponsored projects administration; student administration and services; and all other types of expenditures not listed specifically under one of the subcategories of Facilities (including cross allocations from other pools).

5. Previously numbered section F.1. Depreciation and Use allowances is renumbered F.2. and revised to read as follows:

2. Depreciation and use allowances.

a. The expenses under this heading are the portion of the costs of the institution's buildings, capital improvements to land and buildings, and equipment which are computed in accordance with Section J.12.

b. In the absence of the alternatives provided for in Section E.2.d., the expenses included in this category shall be allocated in the following manner:

(1) Depreciation or use allowances on buildings used exclusively in the conduct of a single function, and on capital improvements and equipment used in such buildings, shall be assigned to that function.

(2) Depreciation or use allowances on buildings used for more than one function, and on capital improvements and equipment used in such buildings, shall be allocated to the individual functions performed in each building on the basis of usable square feet of space, excluding common areas such as hallways, stairwells, and rest rooms.

(3) Depreciation or use allowances on buildings, capital improvements and equipment related to space used jointly by more than one function (as determined by the users of the space) shall be allocated to benefiting functions in proportion to institution-wide salaries and wages applicable to those functions.

(4) Depreciation or use allowances on certain capital improvements to land, such as paved parking areas, fences, sidewalks, and the like, not included in the cost of buildings, shall be allocated to user categories of students and employees on a full-time equivalent basis. The amount allocated to the student category shall be assigned to the instruction function of the institution. The amount allocated to the employee category shall be further allocated to the major functions of the institution in proportion to the salaries and wages of all employees applicable to those functions.

6. Previously numbered section F.2. Operation and maintenance expenses is renumbered F.4. and revised to read as follows:

4. Operation and maintenance expenses.

a. The expenses under this heading are those that have been incurred for the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant. They include expenses normally incurred for such items as janitorial and utility services; repairs and ordinary or normal alterations of buildings, furniture and equipment; care of grounds; maintenance and operation of buildings and other plant facilities; security; earthquake and disaster preparedness; environmental safety; hazardous waste disposal; property, liability and all other insurance relating to property; space and capital leasing; facility planning and management; and, central receiving. The operation and maintenance expense category should also include its allocable share of fringe benefit costs, depreciation and use allowances, and interest costs.

b. In the absence of the alternatives provided for in Section E.2.d., the expenses included in this category shall be allocated in the same manner as described in Section F.2.b. for depreciation and use allowances.

7. A new section F.3. Interest is added to read as follows:

3. Interest. Interest on debt associated with certain buildings, equipment and capital improvements, as defined in Section J.22.e., shall be classified as an expenditure under the category Facilities. These costs shall be allocated in the same manner as the depreciation or use allowances on the buildings, equipment and capital improvements to which the interest relates.

8. Previously numbered section F.3. General administration and general expenses is renumbered F.6. and revised to read as follows:

6. General administration and general expenses

a. The expenses under this heading are those that have been incurred for the general executive and administrative offices of educational institutions and other expense of a general character which do not relate solely to any major function of the institution, i.e., solely to (1) instruction, (2) organized research, (3) other sponsored activities, or (4) other institutional activities. The general administration and general expense category should also include its allocable share of fringe benefit costs, operation and maintenance expense, depreciation and use allowances, and interest costs. Examples of general administration and general expenses include: those expenses incurred by administrative offices that serve the entire university system of which the institution is a part; central offices of the institution such as the President's or Chancellor's office, the offices for institution-wide financial management, business services, budget and planning, personnel management, and safety and risk management; the office of the General Counsel; the operations of the central administrative management information systems; and, the central administration of health affairs. General administration and general expenses shall not include expenses incurred within non-university-wide deans' offices, academic departments, organized research units, or similar organizational units. (See section F.7., Departmental administration expenses.)

b. In the absence of the alternatives provided for in Section E.2.d., the expenses included in this category shall be grouped first according to common major functions of the institution to which they render services or provide benefits. The aggregate expenses of each group shall then be allocated to serviced or benefitted functions on the modified total cost basis. Modified total costs consist of the same cost elements as those in section G.2. When an activity included in this indirect cost category provides a service or product to another institution or organization, an appropriate adjustment must be made to either the expenses or the basis of allocation or both, to assure a proper allocation of costs.

9. Previously numbered section F.4. Departmental administration expenses is renumbered F.7. and previously numbered subsection b. is renumbered c. and a new subsection b. is added to read as follows:

7. Departmental administration expenses.

b. In developing the departmental administration cost pool, special care should be exercised to ensure that costs incurred for the same purpose in like circumstances are treated



consistently as either direct or indirect costs. Guidance on the treatment of specific types of costs frequently incurred within academic departments and similar organizational units is provided as follows.

(1) The salaries of technical staff (e.g., laboratory technicians) shall be treated as direct costs. The salaries of administrative and clerical staff shall be treated as indirect costs.

(2) Laboratory supplies (e.g., chemicals), telephone toll charges, animals, animal care costs, computer costs, travel costs, and specialized shop costs shall normally be treated as direct costs. Direct charging of these costs may be accomplished through specific identification of individual costs to benefiting cost objectives, or through recharge centers or specialized service facilities, as appropriate under the circumstances. Office supplies, postage, local telephone costs, memberships, and equipment maintenance and repair costs shall normally be treated as indirect costs.

c. In the absence of the alternatives provided for in Section E.2.d., the expenses included in this category shall be allocated as follows:

(1) The administrative expenses of the dean's office of each college and school shall be allocated to the academic departments within that college or school on the modified total cost basis.

(2) The administrative expenses of each academic department, and the department's share of the expenses allocated in (1) shall be allocated to the appropriate functions of the department on the modified total cost basis.

10. Section G.2. The distribution basis is revised to read as follows:

2. The distribution basis. Indirect costs shall be distributed to applicable sponsored agreements on the basis of modified total direct costs, consisting of all salaries and wages, fringe benefits, materials and supplies, services, travel, and subgrants and subcontracts up to \$25,000 each (regardless of the period covered by the subgrant or subcontract). Equipment, capital expenditures, charges for patient care and tuition remission, as well as the portion of each subgrant and subcontract in excess of \$25,000 shall be excluded from modified total direct costs. No other items shall be excluded. For this purpose, an indirect cost rate should be determined for each of the separate indirect cost pools developed pursuant to G.1. The rate in each case should be stated as the percentage which the amount of the particular

indirect cost pool is of the modified total direct costs identified with such pool.

11. Section number G.4. Predetermined fixed rates for indirect costs is revised to read as follows; a new section G.5. is added; and existing section G.5. is renumbered G.6.

4. Predetermined rates for indirect costs. Public Law 87-638 (76 Stat. 437) authorizes the use of predetermined rates in determining the indirect costs applicable under research agreements with educational institutions. The stated objectives of the law are to simplify the administration of cost-type research and development contracts (including grants) with educational institutions, to facilitate the preparation of their budgets, and to permit more expeditious closeout of such contracts when the work is completed. In view of the potential advantages offered by this procedure, negotiation of predetermined rates for indirect costs for a period of two to four years should be the norm in those situations where the cost experience and other pertinent facts available are deemed sufficient to enable the parties involved to reach an informed judgment as to the probable level of indirect costs during the ensuing accounting periods.

5. Provisional rates for indirect costs. Where the cognizant agency determines that cost experience and other pertinent facts do not justify the use of predetermined rates, a provisional rate shall be negotiated. This rate would be subject to adjustment either upward or downward after the close of the accounting period on the basis of actual allowable costs incurred.

12. Previously numbered section G.5. Negotiated fixed rates and carry-forward provisions is renumbered G.6. and previously numbered section G.6. Limitation on reimbursement of administrative costs is renumbered G.7. and revised to read as follows:

7. Limitation on reimbursement of administrative costs.

a. Notwithstanding the provisions of G.1.a., the administrative costs charged to sponsored agreements awarded or amended (including continuation and renewal awards) with effective dates beginning on or after the start of the institution's first fiscal year which begins on or after October 1, 1991, shall be limited to 26% of modified total direct costs (as defined in section G.2.) for the total of General Administration and General Expenses, Departmental Administration, Sponsored Projects Administration, and Student Administration and Services (including their allocable share of depreciation and/or use allowances, interest costs, operation and maintenance expenses, and fringe benefits costs as provided by sections F.6.a., F.7.a.(3), F.8.a., and F.9.a.) and all other types of expenditures not listed specifically under one of the subcategories of facilities in section F. (Note: The inclusion of Student Administration and

Services in the costs subject to the limitation will be applied prospectively to indirect cost rates negotiated after issuance of this revision of Circular A-21.)

13. A new section G.8. is added to read as follows:

8. Alternative method for administrative costs.

a. Notwithstanding the provisions of section G.1.a., an institution may elect to claim a fixed allowance for the "Administration" portion of indirect costs. The allowance could be either 24% of modified total direct costs or a percentage equal to 95% of the most recently negotiated fixed or predetermined rate for the cost pools included under "Administration" as defined in Section F.1., whichever is less. Under this alternative, no cost proposal need be prepared for the "Administration" portion of the indirect cost rate nor is further identification or documentation of these costs required (but see subsection c.). Where a negotiated indirect cost agreement includes this alternative, an institution shall make no further charges for the expenditure categories described in Sections F.6., F.7., F.8. and F.9.

b. In negotiations of rates for subsequent periods, an institution that has elected the option of section G.8.a. may continue to exercise it at the same rate without further identification or documentation of costs, provided that no accounting or cost allocation changes with the effects described in Section G.7.d. have occurred.

c. If an institution elects to accept a threshold rate, it is not required to perform a detailed analysis of its administrative costs. However, in order to compute the facilities components of its indirect cost rate, the institution must reconcile its indirect cost proposal to its financial statements and make appropriate adjustments and reclassifications to identify the costs of each major function as defined in B.1., as well as to identify and allocate the facilities components. Administrative costs that are not identified as such by the institution's accounting system (such as those incurred in academic departments) will be classified as instructional costs for purposes of reconciling indirect cost proposals to financial statements and allocating facilities costs.

14. Section H.1. Simplified method for small institutions is revised as follows:

1. General

a. Where the total direct cost of work covered by this Circular at an institution does not exceed \$10,000,000 in a fiscal year, the use of the simplified procedure described in subsection 2., may be used in determining allowable indirect costs. Under

this simplified procedure, the institution's most recent annual financial report and immediately available supporting information with salaries and wages segregated from other costs, will be utilized as a basis for determining the indirect cost rate applicable to all sponsored agreements.

15. Section J.8.f.(4) Fringe benefits is revised to read as follows:

f. Fringe benefits.

(4) Fringe benefits may be assigned to cost objectives by identifying specific benefits to specific individual employees or by allocating on the basis of institution-wide salaries and wages of the employees receiving the benefits. When the allocation method is used, separate allocations must be made to selective groupings of employees, unless the institution demonstrates that costs in relationship to salaries and wages do not differ significantly for different groups of employees. Fringe benefits shall be treated in the same manner as the salaries and wages of the employees receiving the benefits. The benefits related to salaries and wages treated as direct costs shall also be treated as direct costs; the benefits related to salaries and wages treated as indirect costs shall be treated as indirect costs.

16. Section J.16. Equipment and other capital expenditures is revised to read as follows:

a. For purposes of this paragraph, the following definitions apply:

(1) Capital expenditure means the cost of the asset including the cost to put it in place. Capital expenditure for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective intransit insurance, freight, and installation may be included in, or excluded from, capital expenditure cost in accordance with the institution's regular accounting practices.

(2) Equipment means an article of nonexpendable tangible personal property having a useful life of more than one year, and an acquisition cost which equals the lesser of (a) the capitalization level established by the institution or (b) \$5000 per unit.

(3) Capital expenditures for improvements to land or buildings means improvements which materially increase the value or useful life of the asset and which equals the lesser of (a) the capitalization level established by the institution or (b) \$50,000.

b. The following rules of allowability shall apply to equipment and other capital expenditures:

(1) Capital expenditures for equipment, buildings, and land are unallowable as direct charges, except where approved in advance by the sponsoring agency.

(2) Capital expenditures for improvements to land or buildings are unallowable as direct charges, except where approved in advance by the sponsoring agency.

(3) The unamortized portion of any capital expenditure for equipment or for improvements to land or buildings written off for financial statement purposes as a result of a change in capitalization levels may be recovered by (a) continuing to claim the otherwise allowable use allowances or depreciation charges in accordance with J.12. or (b) amortizing the amount to be written off over a period of years negotiated with the cognizant agency.

(4) Capital expenditures are unallowable as indirect costs. But see Section J.12. for allowability of depreciation or use allowances on buildings, capital improvements, and equipment. Also see Section J.37. for allowability of rental costs on land, buildings, and equipment.

17. A new subsection g. is added to section J.21. Insurance and indemnification to read as follows:

g. Medical liability (malpractice) insurance is an allowable cost of research programs only to the extent that the research involves human subjects. Medical liability insurance costs shall be treated as a direct cost and shall be assigned to individual projects based on the number of patient days supported by each project as a percentage of the total number of patient days.

18. Section J.40. Sabbatical leave costs is amended to read as follows:

40. Sabbatical leave costs. Costs of leave of absence by employees for performance of graduate work or sabbatical study, travel, or research are allowable provided the institution has a uniform policy on sabbatical leave for persons engaged in instruction and persons engaged in research. Sabbatical leave costs are considered general fringe benefit costs of the institution and shall be allocated as a general pool of costs to all activities of the institution. The allocation shall be based on the salaries and wages of the class of employees receiving the benefits in accordance with the guidelines for allocating fringe benefit costs in J.8.f.(4).



The Research Foundation  
of State University of New York

*copy - June*

June 26, 1992

COPY

**M E M O R A N D U M**

TO: Research Foundation Operations Manager  
FROM: Jack Beaudoin *Jack*  
SUBJECT: FY 90-91 Indirect Cost Proposals

I have enclosed a schedule that provides some additional information related to the FY 1990-91 indirect cost proposals that were recently submitted to DHHS.

- Col. 1) The proposed rate based upon the last proposal for FY 1988-89.
- Col. 2) The rate that was negotiated for FY 1992-93 (based upon the FY 1988-89 proposal).
- Col. 3) The FY 1992-93 negotiated rate reduced by DHHS to reflect the impact of the 26% administrative cap.
- Col. 4) The FY 1990-91 proposal, which reflects a rate based upon the new Modified Total Direct Cost (MTDC) base. The new base includes all of the services categories (technical services, computer services, etc.), whereas we had previously limited it to consultant services only.
- Col. 5) The FY 1990-91 proposal reduced to reflect the impact of the 26% administrative cap.
- Col. 6) The FY 1990-91 proposal reduced to reflect the impact of the 26% administrative cap, but adjusted to demonstrate the impact if the old base was used. This provides for a better comparison to the previous proposal & negotiated rate.

R.F. Operations Manager - 2 -

June 26, 1992

If you have any questions, please let me know. We will keep you informed of the status of the current negotiations as soon as we hear anything.

Attachments

c: Mr. Neveu  
Mr. VanVoorst

**SUNY @ ALBANY**  
**RENEGOTIATION OF 1992-93 CAPPED RATES**

	1988-89 Proposed Rate	1992-93 Current Rate	1992-93 DHHS CAP	Prop Rate NEW BASE	1990-91 Proposed Rate w/Cap NEW BASE	OLD BASE
<b>RESEARCH</b>						
USE ALLOW	4.1	3.8	3.8	6.2	6.2	6.5
M & O	15.3	14.2	14.2	17.8	17.8	18.8
LIBRARY	1.5	1.4	1.4	1.4	1.4	1.5
<b>NON-CAPPED</b>	<b>20.9</b>	<b>19.4</b>	<b>19.4</b>	<b>25.4</b>	<b>25.4</b>	<b>26.8</b>
ADMIN. CAP	33.4	31.1	26.0	32.1	26.0	26.0
<b>TOTAL</b>	<b>54.3</b>	<b>50.5</b>	<b>45.4</b>	<b>57.5</b>	<b>51.4</b>	<b>52.8</b>
<b>MTDC BASE</b>				<b>9,566,633</b>	<b>9,566,633</b>	<b>9,064,036</b>
<b>TRAINING</b>						
USE ALLOW	1.6	1.9	1.9	2.6	2.6	2.7
M & O	9.9	9.9	9.9	16.1	16.1	16.6
LIBRARY	1.4	1.4	1.4	1.3	1.3	1.3
STUD. SERV.	1.3	1.4	1.4	1.1	1.1	1.1
<b>NON-CAPPED</b>	<b>14.2</b>	<b>14.6</b>	<b>14.6</b>	<b>21.1</b>	<b>21.1</b>	<b>21.8</b>
ADMIN. CAP	33.4	32.1	26.0	25.2	25.2	25.3
<b>TOTAL</b>	<b>47.6</b>	<b>46.7</b>	<b>40.6</b>	<b>46.3</b>	<b>46.3</b>	<b>47.1</b>
<b>MTDC BASE</b>				<b>3,333,937</b>	<b>3,333,937</b>	<b>3,225,016</b>



**SUNY @ BINGHAMTON  
RENEGOTIATION OF 1992-93 CAPPED RATES**

	1988-89 Proposed Rate	1992-93 Current Rate	1992-93 DHHS CAP	----- Prop Rate NEW BASE	1990-91 ----- Proposed Rate w/Cap NEW BASE	OLD BASE
<b><u>RESEARCH</u></b>						
USE ALLOW	5.8	5.8	5.8	6.1	6.1	6.3
M & O	14.7	14.0	14.0	20.1	20.1	20.7
LIBRARY	1.8	1.8	1.8	2.2	2.2	2.3
<b>NON-CAPPED</b>	<b>22.3</b>	<b>21.6</b>	<b>21.6</b>	<b>28.4</b>	<b>28.4</b>	<b>29.2</b>
ADMIN. CAP	35.4	30.8	26.0	38.4	26.0	26.0
<b>TOTAL</b>	<b>57.7</b>	<b>52.4</b>	<b>47.6</b>	<b>66.8</b>	<b>54.4</b>	<b>55.2</b>
<b>MTDC BASE</b>				<b>3,105,991</b>	<b>3,105,991</b>	<b>3,019,796</b>
<b><u>TRAINING</u></b>						
USE ALLOW	1.7	1.5	1.5	3.0	3.0	3.1
M & O	4.4	4.3	4.3	9.5	9.5	9.9
LIBRARY	2.0	2.0	2.0	2.4	2.4	2.5
STUD. SERV.	1.6	1.6	1.6	1.7	1.7	1.8
<b>NON-CAPPED</b>	<b>9.7</b>	<b>9.4</b>	<b>9.4</b>	<b>16.6</b>	<b>16.6</b>	<b>17.3</b>
ADMIN. CAP	35.6	34.3	26.0	34.7	26.0	26.0
<b>TOTAL</b>	<b>45.3</b>	<b>43.7</b>	<b>35.4</b>	<b>51.3</b>	<b>42.6</b>	<b>43.3</b>
<b>MTDC BASE</b>				<b>2,897,494</b>	<b>2,897,494</b>	<b>2,779,197</b>

SUNY @ BUFFALO  
RENEGOTIATION OF 1992-93 CAPPED RATES

	1988-89 Proposed Rate	1992-93 Current Rate	1992-93 DHHS CAP	Prop Rate NEW BASE	1990-91 Proposed Rate w/Cap NEW BASE	OLD BASE
<b>RESEARCH</b>						
USE ALLOW	10.5	7.5	7.5	13.4	13.4	13.8
M & O	14.5	12.4	12.4	16.4	16.4	16.9
LIBRARY	1.4	1.5	1.5	1.6	1.6	1.6
NON-CAPPED	26.4	21.4	21.4	31.4	31.4	32.4
ADMIN. CAP	34.5	31.1	26.0	33.9	26.0	26.0
TOTAL	60.9	52.5	47.4	65.3	57.4	58.4
MTDC BASE				35,623,676	35,623,676	34,567,350
<b>TRAINING</b>						
USE ALLOW	6.8	6.9	6.9	11.1	11.1	11.3
M & O	13.7	11.3	11.3	15.2	15.2	15.5
LIBRARY	1.5	1.6	1.6	1.7	1.7	1.7
STUD. SERV.	1.5	1.5	1.5	1.3	1.3	1.3
NON-CAPPED	23.5	21.3	21.3	29.3	29.3	29.9
ADMIN. CAP	34.0	29.2	26.0	31.1	26.0	26.0
TOTAL	57.5	50.5	47.3	60.4	55.3	55.9
MTDC BASE				5,527,588	5,527,588	5,418,004

SUNY @ STONY BROOK  
RENEGOTIATION OF 1992-93 CAPPED RATES

	1988-89 Proposed Rate	1992-93 Current Rate	1992-93 DHHS CAP	----- Prop Rate NEW BASE	1990-91 ----- Proposed Rate w/Cap NEW BASE	OLD BASE
<b>RESEARCH</b>						
USE ALLOW	5.3	5.7	5.7	6.5	6.5	6.9
M & O	14.3	13.4	13.4	19.5	19.5	20.7
LIBRARY	1.9	1.9	1.9	2.0	2.0	2.1
NON-CAPPED	21.5	21.0	21.0	28.0	28.0	29.8
ADMIN. CAP	33.5	31.3	26.0	32.2	26.0	26.0
TOTAL	55.0	52.3	47.0	60.2	54.0	55.8
MTDC BASE				36,749,948	36,749,948	34,571,879
<b>TRAINING</b>						
USE ALLOW	3.1	3.3	3.3	5.1	5.1	5.3
M & O	9.6	9.2	9.2	15.9	15.9	16.4
LIBRARY	2.0	2.0	2.0	2.2	2.2	2.3
STUD. SERV.	1.8	1.7	1.7	1.9	1.9	2.0
NON-CAPPED	16.5	16.2	16.2	25.1	25.1	25.9
ADMIN. CAP	36.4	35.6	26.0	33.0	26.0	26.0
TOTAL	52.9	51.8	42.2	58.1	51.1	51.9
MTDC BASE				2,696,375	2,696,375	2,609,261

**SUNY @ BROOKLYN  
RENEGOTIATION OF 1992-93 CAPPED RATES**

	1988-89 Proposed Rate	1992-93 Current Rate	1992-93 DHHS CAP	----- Prop Rate NEW BASE	----- 1990-91 Proposed Rate w/Cap NEW BASE	----- OLD BASE
<b><u>RESEARCH</u></b>						
USE ALLOW	3.2	3.2	3.2	3.7	3.7	3.9
M & O	20.3	18.1	18.1	26.3	26.3	27.6
LIBRARY	1.5	1.5	1.5	1.4	1.4	1.5
NON-CAPPED	25.0	22.8	22.8	31.4	31.4	33.0
ADMIN. CAP	38.1	32.9	26.0	40.9	26.0	26.0
TOTAL	63.1	55.7	48.8	72.3	57.4	59.0
MTDC BASE				9,930,696	9,930,696	9,456,618
<b><u>TRAINING</u></b>						
USE ALLOW	2.9	2.9	2.9	3.1	3.1	3.2
M & O	18.7	17.4	17.4	22.4	22.4	22.8
LIBRARY	1.6	1.6	1.6	1.6	1.6	1.6
STUD. SERV.	2.1	2.1	2.1	1.5	1.5	1.5
NON-CAPPED	25.3	24.0	24.0	28.6	28.6	29.1
ADMIN. CAP	38.8	35.8	26.0	35.9	26.0	26.0
TOTAL	64.1	59.8	50.0	64.5	54.6	55.1
MTDC BASE				1,899,703	1,899,703	1,869,445

**SUNY @ SYRACUSE  
RENEGOTIATION OF 1992-93 CAPPED RATES**

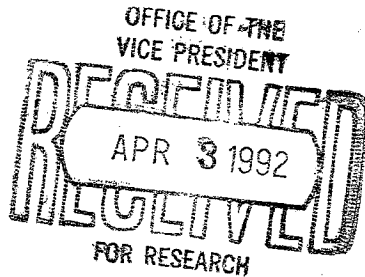
	1988-89 Proposed Rate	1992-93 Current Rate	1992-93 DHHS CAP	Prop Rate NEW BASE	1990-91 Proposed Rate w/Cap NEW BASE	OLD BASE
<b><u>RESEARCH</u></b>						
USE ALLOW	4.2	4.3	4.3	6.6	6.6	6.7
M & O	19.2	19.0	19.0	22.4	22.4	22.6
LIBRARY	1.4	1.5	1.5	1.6	1.6	1.6
<b>NON-CAPPED</b>	<b>24.8</b>	<b>24.8</b>	<b>24.8</b>	<b>30.6</b>	<b>30.6</b>	<b>30.9</b>
ADMIN. CAP	29.6	28.8	26.0	28.7	26.0	26.0
<b>TOTAL</b>	<b>54.4</b>	<b>53.6</b>	<b>50.8</b>	<b>59.3</b>	<b>56.6</b>	<b>56.9</b>
<b>MTDC BASE</b>				<b>9,513,152</b>	<b>9,513,152</b>	<b>9,420,625</b>
<b><u>TRAINING</u></b>						
USE ALLOW	3.2	2.9	2.9	4.5	4.5	4.7
M & O	15.3	17.8	17.8	18.7	18.7	19.4
LIBRARY	1.6	1.7	1.7	1.7	1.7	1.8
STUD. SERV.	2.6	1.7	1.7	2.1	2.1	2.2
<b>NON-CAPPED</b>	<b>22.7</b>	<b>24.1</b>	<b>24.1</b>	<b>27.0</b>	<b>27.0</b>	<b>28.0</b>
ADMIN. CAP	26.4	25.5	25.5	25.4	25.4	25.6
<b>TOTAL</b>	<b>49.1</b>	<b>49.6</b>	<b>49.6</b>	<b>52.4</b>	<b>52.4</b>	<b>53.6</b>
<b>MTDC BASE</b>				<b>483,676</b>	<b>483,676</b>	<b>465,911</b>

**SUNY @ FORESTRY  
RENEGOTIATION OF 1992-93 CAPPED RATES**

	1988-89 Proposed Rate	1992-93 Current Rate	1992-93 DHHS CAP	Prop Rate NEW BASE	1990-91 Proposed Rate w/Cap NEW BASE	OLD BASE
<b>RESEARCH</b>						
USE ALLOW	3.8	3.8	3.8	5.6	5.6	5.7
M & O	14.9	13.6	13.6	20.1	20.1	20.6
LIBRARY	1.7	1.7	1.7	2.0	2.0	2.1
NON-CAPPED	20.4	19.1	19.1	27.7	27.7	28.4
ADMIN. CAP	36.7	33.9	26.0	36.0	26.0	26.0
TOTAL	57.1	53.0	45.1	63.7	53.7	54.4
MTDC BASE				4,073,329	4,073,329	3,972,751
<b>TRAINING</b>						
USE ALLOW	2.2	2.2	2.2	3.9	3.9	4.2
M & O	10.6	8.5	8.5	16.1	16.1	17.4
LIBRARY	1.3	1.3	1.3	1.8	1.8	1.9
STUD. SERV.	3.3	3.3	3.3	3.2	3.2	3.5
NON-CAPPED	17.4	15.3	15.3	25.0	25.0	27.0
ADMIN. CAP	36.4	32.1	26.0	42.6	26.0	26.0
TOTAL	53.8	47.4	41.3	67.6	51.0	53.0
MTDC BASE				290,336	290,336	269,216



**The Research Foundation**  
of State University of New York



March 30, 1992

**MEMORANDUM**

TO: Vice President Brady  
Vice President DeLong  
Vice Provost Dean  
Vice President Glass  
Vice Provost Gullahorn  
Vice President Landi

Vice President Lisnitzer  
Vice President Paradiso  
Vice President Scullard  
Vice President Wagner  
Vice President Watts

FROM: John F. Buckhoff, Jr. *JFB*

SUBJECT: Indirect Cost Pool "Scrub"

You have previously received response to DHHS. Our position is that we do not owe the Feds anything. Current approved rates still represent an under-recovery of full allowable cost. Your assistance during the process has been very much appreciated.

Two more steps remain. Working with you, we are preparing new proposals to renegotiate present rates in response to the 26% rate cap. Once done and again, working with you, we will be preparing proposals for FY 94-96 rates this Fall and Winter.

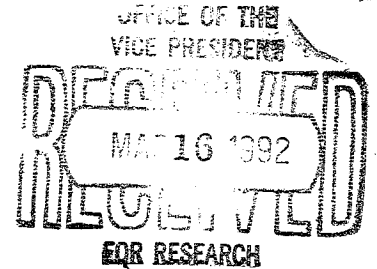
The climate is not the best but appropriate resolution of all three items is our objective. We, fortunately, enter the process in better shape than some of our colleagues across the Country. We will keep you advised.

c: Mr. Hickok



**The Research Foundation**  
of State University of New York

March 11, 1992



M E M O R A N D U M

TO: Jeanne E. Gullahorn  
FROM: Stanley G. Hickok *Stan*  
SUBJECT: Indirect Cost Proposals

Enclosed is the attachment to the DSSH letter faxed to you on Monday, March 6, 1992, concerning revised indirect cost rates for your campus.

Enclosure



**COLLEGES AND UNIVERSITIES RATE AGREEMENT**

EIN #: 1146013200F3

DATE: February 7, 1992

INSTITUTION:  
RFSUNY - ALBANY  
POST OFFICE BOX 9



FILING REF.: The preceding Agreement was dated August 24, 1990

ALBANY

NY 12201

**JOINT RATES**

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section II.

**SECTION I: INDIRECT COST RATES\***

RATE TYPES: FIXED      FINAL      PROV.(PROVISIONAL)      PRED.(PREDETERMINED)

TYPE	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
PRED.	07/01/90	06/30/93	50.5 (A)	On-Campus	Research (1)
PRED.	07/01/92	06/30/93	45.4	On-Campus	Research (2)
PRED.	07/01/90	06/30/93	32.5	Off-Campus (B)	Research (1)
PRED.	07/01/92	06/30/93	26.0	Off-Campus (B)	Research (2)
PRED.	07/01/90	06/30/93	46.7	On-Campus	Training (1)
PRED.	07/01/92	06/30/93	40.6	On-Campus	Training (2)
PRED.	07/01/90	06/30/93	32.7	Off-Campus (B)	Training (1)
PRED.	07/01/92	06/30/93	27.4	Off-Campus (B)	Training (2)

**\*BASE:**

Modified total direct costs consisting of salaries and wages, fringe benefits, materials and supplies, consultant services, and travel. These base costs do not include capital expenditures (buildings, individual items of equipment; alterations and renovations); hospitalization and other fees associated with patient care whether the services are obtained from an owned, related or third party hospital or other medical facility; rental/maintenance of off-site activities; student remission and student support costs (e.g., student aid, stipends, dependency allowances, scholarships, fellowships).

**TREATMENT OF PAID ABSENCES:**

Vacation (except item j. on list of fringe benefits), holiday, sick leave pay \* and other absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims for the costs of these paid absences are not made. \*(except for item k. on list of fringe benefits).

**TREATMENT OF FRINGE BENEFITS:**

The fringe benefits are charged using the rate(s) listed in the Fringe Benefits Section of this Agreement. The fringe benefits included in the rate(s) are listed in the Special Remarks Section of this Agreement.

INSTITUTION:  
RFSUNY - ALBANY

AGREEMENT DATE: February 7, 1992

SECTION I: INDIRECT COST RATES (CONT.)\*

RATE TYPES: FIXED      FINAL      PROV.(PROVISIONAL)      PRED.(PREDETERMINED)

<u>TYPE</u>	<u>EFFECTIVE PERIOD</u>		<u>RATE(%)</u>	<u>LOCATIONS</u>	<u>APPLICABLE TO</u>
	<u>FROM</u>	<u>TO</u>			

PROV.	07/01/93	UNTIL AMENDED	Same as FYE 6/30/93 rates		
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- (1)(2) See Special Remarks
- (A) See Special Remarks (4) for explanation of use of joint rates
- (B) See Special Remarks (5) for explanation of off-campus rates

INSTITUTION:  
RFSUNY - ALBANY

AGREEMENT DATE: February 7, 1992

SECTION I: FRINGE BENEFITS RATES\*\*

RATE TYPES: FIXED                  FINAL                  PROV. (PROVISIONAL)                  PRED. (PREDETERMINED)

<u>TYPE</u>	<u>EFFECTIVE PERIOD</u>		<u>RATE (%)</u>	<u>LOCATIONS</u>	<u>APPLICABLE TO</u>
	<u>FROM</u>	<u>TO</u>			
FIXED	07/01/90	06/30/91	26.0	All	(a)
FIXED	07/01/91	06/30/92	27.0	All	(a)

(a) All grants and contracts

\*\*DESCRIPTION OF FRINGE BENEFITS RATE BASE:

Salaries and wages exclusive of all student compensation.

INSTITUTION:  
RFSUNY - ALBANY

AGREEMENT DATE: February 7, 1992

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SECTION II: GENERAL

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A. LIMITATIONS:

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the institution were included in its indirect cost pool as finally accepted; such costs are legal obligations of the institution and are allowable under the governing cost principles; (2) The same costs that have been treated as indirect costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the institution which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:

This Agreement is based on the accounting system purported by the institution to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowances.

C. FIXED RATES:

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:

The rates in this Agreement were approved in accordance with the authority in Office of Management and Budget Circular A-88, and should be applied to grants, contracts and other agreements covered by the Office of Management and Budget Circular A-21, subject to any limitations in A above. The institution may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:

If any Federal contract, grant or other agreement is reimbursing indirect costs by a means other than the approved rate(s) in this Agreement, the institution should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of indirect costs allocable to these programs.

ADDENDUM TO RATE AGREEMENT

**INSTITUTION:** Research Foundation of State University of  
New York and University at Albany

February 7, 1992  
**Agreement Reference Date**

**ADDRESS:** Albany, New York 12201

SPECIAL REMARKS:

1. Applicable to Awards Effective prior to July 1, 1992
2. Applicable to Awards Effective after June 30, 1992.
3. The rates in this agreement have been negotiated or revised, as appropriate, to reflect the administrative cap provisions of the revision to OMB Circular A-21 published by the Office of Management and Budget on October 3, 1991. No rate affecting the institution's fiscal periods beginning on or after October 1, 1991 contains total administrative cost components in excess of that 26 percent cap.
4. These indirect cost rates apply when grants and contracts are awarded jointly to Research Foundation of SUNY and University Center at Albany.
5. Projects partially performed off-site are apportioned between their on-site and off-site components in instances where the structure of the project permits an accurate apportionment of costs. Otherwise, if 50% or more of the indirect cost rate base costs of the project are determined to be on-site, the entire project is treated as on-site. If less than 50% of the indirect cost rate base costs are determined to be on-site, the entire project is treated as off-site.
6. The fringe benefit costs listed below are reimbursed to the grantee through the direct fringe benefit rates:
  - a) Pension
  - b) Social Security
  - c) NYS Unemployment
  - d) NYS Disability
  - e) Group Hospitalization
  - f) Workmen's Compensation
  - g) Group Life
  - h) Dental Insurance
  - i) Long Term Disability
  - j) Payment of accrued vacations for terminating employees and any payments in lieu of vacation taken, in accordance with University/Foundation policy.
  - k) Sick leave in excess of thirty days

INSTITUTION:  
RFSUNY - ALBANY

AGREEMENT DATE: February 7, 1992

F. SPECIAL REMARKS:

See Addendum

BY THE INSTITUTION:  
RFSUNY - ALBANY

\_\_\_\_\_  
(INSTITUTION)

\_\_\_\_\_  
(SIGNATURE)

\_\_\_\_\_  
(NAME)

\_\_\_\_\_  
(TITLE)

\_\_\_\_\_  
(DATE)

BY THE COGNIZANT AGENCY  
ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
\_\_\_\_\_  
(AGENCY)

  
\_\_\_\_\_  
(SIGNATURE)

James L. Keene  
\_\_\_\_\_  
(NAME)

DIRECTOR, DIVISION OF COST ALLOCATION  
\_\_\_\_\_  
(TITLE)

February 7, 1992  
\_\_\_\_\_  
(DATE)

HHS REPRESENTATIVE: Joseph Guarnieri

Telephone: (212) 264-2069

Components of Published Indirect Cost Rate

Institution : RF SUNY- Albany

FY Covered by Rate : FYE 6/30/91-92

Rate Component	50.5%
1. a. Use Allowances - Bldgs & Improvements	1.44%
b. Use Allowances - Equipment	2.35%
2. Operation & Maintenance	14.18%
3. General Administration	8.18%
4. Departmental Administration	11.07%
5. Sponsored Projects Administration	11.86%
6. Library	1.43%
7. Student Services	0.00%
8. Carry-Forward Adjustment	0.00%
9. Other-Central Admin./University Wide Admin.	0.00%
Published On-Campus Rate- Research	50.5%

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Components of Published Indirect Cost Rate

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Institution : RF SUNY- Albany  
 FY Covered by Rate : FYE 6/30/93

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Rate Component	45.4%
1. a. Use Allowances - Bldgs & Improvements	1.44%
b. Use Allowances - Equipment	2.35%
2. Operation & Maintenance	14.18%
3. General Administration	0.00% *
4. Departmental Administration	26.00% *
5. Sponsored Projects Administration	0.00% *
6. Library	1.43%
7. Student Services	0.00%
8. Carry-Forward Adjustment	0.00%
9. Other-Central Admin./University Wide Admin.	0.00% *
 Published On-Campus Rate- Research	 45.4%

\* Reflects provisions of revised OMB Circular A-21, Sections G.6 and G.7, dated October 3, 1991.

Name \_\_\_\_\_  
 Title \_\_\_\_\_  
 Date \_\_\_\_\_



Components of Published Indirect Cost Rate

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Institution : RF SUNY- Albany

FY Covered by Rate : FYE 6/30/91-92

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Rate Component	32.5%
1. a. Use Allowances - Bldgs & Improvements	0.00%
b. Use Allowances - Equipment	0.00%
2. Operation & Maintenance	0.00%
3. General Administration	8.54%
4. Departmental Administration	11.57%
5. Sponsored Projects Administration	12.39%
6. Library	0.00%
7. Student Services	0.00%
8. Carry-Forward Adjustment	0.00%
9. Other-	0.00%
 Published Off-Campus Rate- Research	 32.5%

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Components of Published Indirect Cost Rate

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Institution : RF SUNY- Albany

FY Covered by Rate : FYE 6/30/93

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Rate Component	26.0%	
1. a. Use Allowances - Bldgs & Improvements	0.00%	
b. Use Allowances - Equipment	0.00%	
2. Operation & Maintenance	0.00%	
3. General Administration	0.00%	*
4. Departmental Administration	26.00%	*
5. Sponsored Projects Administration	0.00%	*
6. Library	0.00%	
7. Student Services	0.00%	
8. Carry-Forward Adjustment	0.00%	
9. Other-	0.00%	*
 Published Off-Campus Rate- Research	 26.0%	

\* Reflects provisions of revised OMB Circular A-21, Sections G.6 and G.7, dated October 3, 1991.

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Components of Published Indirect Cost Rate

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Institution : RF SUNY- Albany

FY Covered by Rate : FYE 6/30/91-92

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Rate Component	46.7%
1. a. Use Allowances - Bldgs & Improvements	1.88%
b. Use Allowances - Equipment	0.00%
2. Operation & Maintenance	9.99%
3. General Administration	9.57%
4. Departmental Administration	10.68%
5. Sponsored Projects Administration	11.86%
6. Library	1.38%
7. Student Services	1.36%
8. Carry-Forward Adjustment	0.00%
9. Other-	0.00%
 Published On-Campus Rate- Training	 46.7%

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Components of Published Indirect Cost Rate

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Institution : RF SUNY- Albany

FY Covered by Rate : FYE 6/30/93

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Rate Component	40.6%
1. a. Use Allowances - Bldgs & Improvements	1.88%
b. Use Allowances - Equipment	0.00%
2. Operation & Maintenance	9.99%
3. General Administration	0.00% *
4. Departmental Administration	26.00% *
5. Sponsored Projects Administration	0.00% *
6. Library	1.38%
7. Student Services	1.36%
8. Carry-Forward Adjustment	0.00%
9. Other-	0.00% *
 Published On-Campus Rate- Training	 40.6%

\* Reflects provisions of revised OMB Circular A-21, Sections G.6 and G.7, dated October 3, 1991.

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

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**Components of Published Indirect Cost Rate**  
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Institution : RF SUNY- Albany

FY Covered by Rate : FYE 6/30/91-92  
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Rate Component	32.7%
1. a. Use Allowances - Bldgs & Improvements	0.00%
b. Use Allowances - Equipment	0.00%
2. Operation & Maintenance	0.00%
3. General Administration	9.34%
4. Departmental Administration	10.42%
5. Sponsored Projects Administration	11.58%
6. Library	0.00%
7. Student Services	1.32%
8. Carry-Forward Adjustment	0.00%
9. Other-	0.00%
 Published Off-Campus Rate- Training	 32.7%

Name -----

Title -----

Date -----

Components of Published Indirect Cost Rate

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Institution : RF SUNY- Albany

FY Covered by Rate : FYE 6/30/93

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Rate Component	27.4%
1. a. Use Allowances - Bldgs & Improvements	0.00%
b. Use Allowances - Equipment	0.00%
2. Operation & Maintenance	0.00%
3. General Administration	0.00% *
4. Departmental Administration	26.00% *
5. Sponsored Projects Administration	0.00% *
6. Library	0.00%
7. Student Services	1.36%
8. Carry-Forward Adjustment	0.00%
9. Other-	0.00% *
 Published Off-Campus Rate- Training	 27.4%

\* Reflects provisions of revised OMB Circular A-21, Sections G.6 and G.7, dated October 3, 1991.

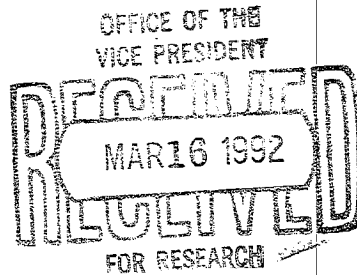
Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_



**The Research Foundation**  
of State University of New York



March 11, 1992

Dr. Jeanne E. Gullahorn  
Vice President for Research and  
Dean of Graduate Studies  
State University of New York  
at Albany  
1400 Washington Ave.  
Albany, New York 12222

Mr. Steven DeLong  
Interim Vice President for  
Finance and Business  
State University of New York  
at Albany  
1400 Washington Ave.  
Albany, New York 12222

Dear Jeanne and Steve:

On Monday, March 9, 1992, I faxed to Jeanne Gullahorn a copy of a letter from the Department of Health & Human Services (DHHS) concerning revised indirect cost rates for grants and contracts with effective dates after June 30, 1992. This revision results from the imposition of a 26% cap on administrative costs.

As indicated in the DHHS letter, the revision to OMB Circular A-21 provides for the renegotiation of these rates, if the institution so elects, for the non-capped components of these rates, i.e., maintenance and operations of physical plant and library. To do this, an indirect cost proposal must be submitted based on actual costs for the most recent fiscal year in accordance with the revised Circular. I have advised DHHS that the Foundation will submit revised proposals since the imposition of the cap will reduce indirect cost recovery for the system by as much as four million dollars annually once fully implemented.

We have established a 60 day target date for completion of the proposals and have already begun the process of gathering RF and SUNY Central data. Since the development of these proposals will require much greater participation on the part of campus staff, campus visits will be scheduled as soon as practical. Some of the issues to be dealt with are:

- Survey of space used for sponsored programs
- Utility allocation (metering of buildings)

Dr. Gullahorn  
Mr. DeLong

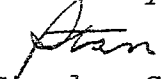
- 2 -

March 11, 1992

- Personnel Activity Reporting (PARS) for cost sharing
- Departmental administration survey
- Identification of housing costs for President
- Scrubbing accounts for unallowable costs
- Review of campus administrative staff assignments
- Interest calculations for buildings placed in service after July 1, 1982
- Certification of proposal by campus official (Draft attached)

In addition to dealing with these issues, we will need to establish a working relationship with your staff to be sure our common goal is met. My office will be in touch with you shortly.

Sincerely,

  
Stanley G. Hickok  
Secretary-Treasurer

Enclosure

c: President H. Patrick Swygert  
Ms. DiStefano  
Mr. Neveu  
Mr. VanVoorst  
Mr. Buckhoff  
Mr. Beaudoin  
Ms. Seward



**DRAFT**

Certificate of Indirect Costs

This is to certify that to the best of my knowledge and belief:

- (1) I have reviewed the indirect cost proposal submitted herewith;
- (2) All costs included in this proposal (identify date) to establish billing or final indirect costs rate for (identify period covered by rate) are allowable in accordance with the requirements of the Federal agreement(s) to which they apply and with the cost principles applicable to those agreements.
- (3) This proposal does not include any costs which are unallowable under applicable cost principles such as (without limitation): advertising and public relations costs, contributions and donations, entertainment costs, fines and penalties, lobbying costs, and defense of fraud proceedings; and
- (4) All costs included in this proposal are properly allocable to Federal agreements on the basis of a beneficial or casual relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements.

Research Foundation Central Office:

I declare under penalty of perjury that the foregoing is true and correct.

Signature: \_\_\_\_\_

Name of Official: \_\_\_\_\_

Title: \_\_\_\_\_

Date of Execution: \_\_\_\_\_

Research Foundation Campus Office:

I declare under penalty of perjury that the foregoing is true and correct.

Signature: \_\_\_\_\_

Name of Official: \_\_\_\_\_

Title: \_\_\_\_\_

Date of Execution: \_\_\_\_\_

SUNY Central Administration:

I declare under penalty of perjury that the foregoing is true and correct.

Signature: \_\_\_\_\_

Name of Official: \_\_\_\_\_

Title: \_\_\_\_\_

Date of Execution: \_\_\_\_\_

SUNY at Campus Name:

I declare under penalty of perjury that the foregoing is true and correct.

Signature: \_\_\_\_\_

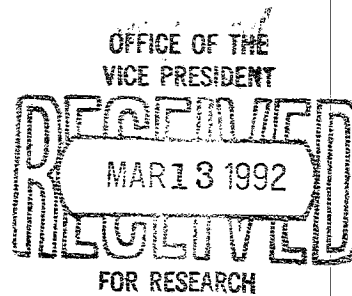
Name of Official: \_\_\_\_\_

Title: \_\_\_\_\_

Date of Execution: \_\_\_\_\_



The Research Foundation  
of State University of New York



mtg scheduled  
3/16 3:30  
Mon A0253  
March 11, 1992

M E M O R A N D U M

TO: Jeanne E. Gullahorn

FROM: Jack Beaudoin *Jack Beaudoin*

SUBJECT: 1990-91 Indirect Cost Proposals

As a follow-up to Stan Hickok's recent communications on March 6, I am writing to outline a number of issues that we need to address immediately. As you are aware DHHS has recently disseminated negotiation agreements that reflect research rates, adjusted for the 26% administrative cap, effective July 1, 1992. We have an opportunity to re-negotiate these rates and minimize this reduction, but only if we submit a complete indirect cost proposal for the 1990-91 fiscal year. This is an unexpected turn of events, since our plan was to develop the next proposal based upon the 1991-92 fiscal year.

This is an enormous task that we must complete within a very short time-frame, i.e. sixty days. I have enclosed a draft that describes the areas we need to give attention to. As I mentioned in our telephone conversation, we will discuss these issues and a specific plan of action at the meeting that is scheduled for your campus with all pertinent campus personnel (both RF & State). Either myself or a member of my staff will be present to outline our objectives, answer questions, etc.

I'm sure you can appreciate the urgency of this project and its financial implications. We will need the collaborative effort of many individuals in order to successfully accomplish our objective.

Enclosure

c: Mr. DeLong  
Ms. DiStefano  
Mr. Neveu  
Mr. VanVoorst

**DEVELOPMENT OF INDIRECT COST PROPOSALS  
FISCAL YEAR 1991**

**SPECIFIC PLAN**

We have outlined our specific plans to account for both State and Research Foundation expenditures that will be separately certified as follows:

**STATE EXPENDITURES:**

- 1) Satisfy conditions of the previous negotiation which included the following:
  - A) Expenses included in the General Administration and General Expense should be analyzed to ensure they meet the criteria described in A-21.
  - B) A determination to ensure that all costs applicable to "third party" activities are properly identified and excluded from all indirect cost pools. This would include medical practice plans, hospital affiliation agreements, FSA, campus foundations, etc.
  - C) Review and test allocation of Maintenance & Operations to Hospital and Auxiliary Enterprises. The "utilities metering" project will be helpful in assessing building consumption statistics.
- 2) Thorough review of all indirect cost pools which should include the following:
  - A) Identify the housing and personal living expenses of University officers.
  - B) Analyze the composition of all campus costs that are recharged or charged directly to sponsored programs.
  - C) Scrubbing of pools, to identify any unallowable costs, as defined in A-21.
  - D) Identification of interest paid to an external party on or after July 1, 1992 for Bldgs, rehab, or capital equipment.
- 3) Review and update, where necessary, annual surveys and statistical data that is required from each campus:
  - A) Departmental administration survey of secretarial and clerical staff, administrative assistants and other SUNY professionals. In January, departmental rosters with instructions to document this effort for the current fiscal year were disseminated. The same process will have to be extended to the year in question, substituting names where

appropriate, eliminating departments that have minimal sponsored program activity, etc.

B) Space utilization survey of sponsored programs. A monitoring report entitled "Projects that have not Reported Space" will be provided to assist you in updating the space file.

C) Obtain, review, and discuss Hospital statistics relating to the patient care rate developed by the Health Science Centers.

D) Status on completion of PARS reporting FY 1990-91.

- 4) Advise and discuss the additional Circular A-21 requirement regarding use allowance applicable to SUNY Buffalo & Stony Brook:

"These institutions must expend or reserve for expenditure within the next five years, the portion of indirect cost payments made for use allowance, to acquire or improve research facilities... An assurance of this must be submitted as part of each indirect cost proposal..."

#### RESEARCH FOUNDATION EXPENDITURES:

- 1) The RF funded accounts must also be scrutinized for unallowable costs not in accordance with the guidelines set forth in Circular A-21. This review will consist of the following:

A) Personnel Costs - An update of the data supplied in the 1991 indirect cost review is essential. This includes identification of the individual's function and the percent of effort associated with Sponsored Funds Administration. The survey will also include the identification of each individual's physical location.

B) Other Than Personal Services - As in the review of state expenditures, FY 1990-91 transactions must be reviewed for unallowable cost. Recent changes to the guidelines pertaining to the structure & classification of RF accounts will enhance the identification of these costs.

C) RF Central - a similar review of the personnel & expenditures in the Albany office will also be required.

TRANSMISSION REPORT

DEC 25 1992 13:15

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UNIVERSITY AT ALBANY  
STATE UNIVERSITY OF NEW YORK

To: Leo Neveu -

FYI, Any  
Comments or Relevance  
to me?

*Jeanne*  
3-18-92

JEANNE E. GULLAHORN  
Vice President for Research  
Dean of Graduate Studies  
518/442-3500