Objectives

• What is DAICR?

• How is DAICR Calculated?

• Potential Uses of DAICR Funds
What is DAICR?

- Departmental Administration Indirect Cost Recovery
- Campus returns the portion of F&A Revenue related to Department Administration to the research departments/units.

F&A Rate

- Negotiated every 3-4 years
- Calculates indirect costs as a % of direct costs
- Automatically booked in PeopleSoft
Calculating DAICR – 3 Steps

1. Calculate each unit’s percentage contribution to total campus ICR.

2. Calculate total campus ICR to be returned to units.

3. Calculate each unit’s continuing budget adjustment related to DAICR.

Department Contribution %

- Calculate ICR earned by each unit during the "DAICR Fiscal Year"
  - Runs April 1 through March 31

- Adjust for Split Agreements

- Divide by total campus ICR earned during DAICR Fiscal Year to get each unit’s allocation basis
Example

- For the 12 months ending 3/31, my Department brought in $250,000.
- Total campus ICR for the period was $70 million.

- $250k/$70m = 0.36%
  - This is my department’s contribution percentage (or allocation basis)

Amount to be returned

- Calculate total campus ICR earned during State Fiscal Year
  - July 1 through June 30
- Deductions
  - For FY12, there was 50% of debt service on specific research buildings. This was the last year.
- Multiply by 29% to get total amount to be returned to all units.
  - Represents the DA portion of F&A
Example

• For the Fiscal Year Ending June 30, total campus ICR was $72 million.
• Debt service on research buildings was $3m.
  - $72m – $1.5m = $70.5 million
  - 29% of $70.5m = $20.44 million
• This is the total amount that will be returned to the research units
• This represents the amount of ICR that is related to Departmental Administration

Budget Adjustment

• Multiply each unit’s contribution percentage by the total amount to be returned
• This is the unit’s DAICR continuing budget for the current fiscal year
• Subtract prior fiscal year’s continuing budget to arrive at amount booked as a continuing budget adjustment
  – Prior year budget has already rolled forward at this point
Example

- Department’s Current Year DAICR budget:
  - $20.44 million x 0.36% = $73,584

- Department’s PY DAICR budget = $70,000
  - Due to timing, this budget has already rolled into current Fiscal Year

- Current Year Budget Adjustment = $3,584
### Table Format

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>Department's ICR (After Splits) 4/1-3/31</th>
<th>Total ICR for Campus 4/1-3/31</th>
<th>Department's Contribution</th>
<th>Total Amount Available for Allocation</th>
<th>Department's Share of Allocation</th>
<th>Change from Prior Year (adjustment to continuing budget)</th>
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</thead>
<tbody>
<tr>
<td>FY11-12</td>
<td>350,000</td>
<td>73,549,124</td>
<td>0.48%</td>
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<td>FY10-11</td>
<td>300,000</td>
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<td>FY09-10</td>
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<td>55,653,866</td>
<td>0.45%</td>
<td>16,222,077</td>
<td>72,870</td>
<td>N/A</td>
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</tbody>
</table>

### Suggested Use of DAICR Funds

- Facilities & Administrative costs that support research:
  - Administrative & technical support staff
  - Office supplies, postage, travel, and other expenses in the support account
  - Student hourly assistants to the support account
  - Purchase or repair of general purchase equipment
  - Faculty travel
Resources

• Policy:

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Questions?