F&A Formula Allocation Report

Today's webinar

- Approximately 60 minutes
- Use the chat window to type your questions
  - We will answer questions at the end
- The following references will be posted on ccinfo.unc.edu > Training > Resources
  - *F&A Formula Allocation Report* - webinar recording
  - *Understanding Your Formula Allocation Amount* - document
  - *Running the F&A Formula Allocation Report* - document
  - *Using Web Report Studio* - document

Webinar Topics

In this webinar, we will cover:

- The four parts of F&A budget
- How F&A formula allocation is calculated
- The F&A Formula Allocation Report and how to run it
- How to find F&A budget journals

The Four Parts of F&A budget

What makes up your F&A budget?

There are four parts to your F&A budget:

- Permanent budget
- Formula allocation
- Carryforward
- Other allocations entered throughout the year

Permanent Budget and Formula Allocation

- **Prior to ConnectCarolina:**
  - Budget Office entered an initial journal that lumped permanent budget together with formula allocation.
  - Budget Office then determined the actual, earned F&A for each department.
  - Budget Office entered a second journal to adjust the formula allocation amount of the first journal based on actual, earned F&A.

- **With ConnectCarolina:**
  - Budget Office calculates the actual, earned formula allocation up front and enters one budget journal for formula allocation.

Permanent Budget and Formula Allocation

Example

	Prior to ConnectCarolina	ConnectCarolina
Permanent budget	$100,000 ($25,000 + $75,000)	$25,000
Formula allocation		$77,500
Formula allocation adjustment	$2,500	NA
Total	$102,500	$102,500

Amounts are the same!

How Formula Allocation is Calculated

How formula allocation is calculated

- Formula allocation is based on earned F&A from the prior fiscal year. The department receives the amount in the next fiscal year.

- Earned F&A is based on transactions that contain a Project ID and one of these accounts:
  - 559010 – Indirect Cost On Campus
  - 559020 – Indirect Cost Off Campus
  - 559030 – Indirect Cost IMS

- Departments receive a percentage of earned F&A based on two factors:
  - The school
  - The Resource Type of the project

How formula allocation is calculated

The school

- Four schools split the formula allocation amount between the departments and dean's office:

School/Division	Percent to department/ dean's office
College of Arts & Sciences	• 15.6% to department • Additional percentage to dean's office
School of Dentistry	
School of Medicine	
School of Public Health	
All other schools	• 19.5% to department • No amount to dean's office

How formula allocation is calculated

Resource Type

- Many grants are assessed a tax based on:
  a. Type of research:
     - Clinical trials
     - Grants that use animals in their research
     - A combination of the above
  b. Type of funding:
     - Federal
     - Non-Federal
  c. Where the project is located:
     - On or off campus
     - Adjacent to campus
     - Remote
- This combination of factors is called Resource Type

Resource Type	Resource Type Description	Tax Category	tax
ANIMA	Animal	Animal (A)	6%
ANIHM	Animal and Human		
ACTFC	Animal CT Fed On Campus		
CTFA	CT Fed Off Campus Adjacent	Clinical Trial 1 (CT1)	8%
CTNA	CT Non-Fed Off Campus Adjacent		
CTNC	CT Non-Fed On Campus		
CTFR	CT Fed Off Campus Remote	Clinical Trial 2 (CT2)	6%
CTNR	CT Non-Fed Off Campus Remote		
ACTFA	Animal CT Fed Off Campus Adjacent	Animal plus Clinical Trial 1 (AC1)	6% plus 8%
ACTNA	Animal CT Non-Fed Off Campus Adjacent		
ACTNC	Animal CT Non-Fed On Campus		
ACTFR	Animal CT Fed Off Campus Remote	Animal plus Clinical Trial 2 (AC2)	6% plus 6%
ACTNR	Animal CT Non-Fed Off Campus Remote		
CTFC	CT Fed On Campus	Blank (no tax)	
HUMAN	Human subjects		

How formula allocation is calculated

The calculation:

F&A the project earned	X	Department/ dean's office percentage	X	(1 minus the tax rate)	=	amount to department or dean's office

Note: The calculation is based on the project department, not the PI Home Job Department.

Example:

$10,000 earned F&A	X	15.6% (or .156)	X	1 – 8% (or .92)	=	$1,435.20

How formula allocation is calculated

Hypothetical example:

- Suppose the Oral Surgery department in the School of Dentistry earned F&A of $20,000 for fiscal year 2016.
- The department had projects in these tax categories:

  a. one set subject to Animal tax

  b. one set subject to Clinical Trial 1 (CT1) tax

How formula allocation is calculated

Animal Projects

F&A the Animal projects in that dept. earned	X	Dept./ dean's office percentage	X	(1 minus the tax rate)	=	amount to department or dean's office

- Amount to Oral Surgery Department

$10,000 earned F&A	X	15.6% (or .156)	X	1 – 6% (or .94)	=	$1,466.40

- An additional amount goes to the dean's office, since this is the School of Dentistry.

How formula allocation is calculated

Clinical Trial 1 (CT1) Projects

F&A the CT1 projects in that dept. earned	**X**	Department /dean's office percentage	**X**	(1 minus the tax rate)	**=**	amount to department or dean's office

- Amount to Oral Surgery Department

$10,000 earned F&A	**X**	15.6% (or .156)	**X**	1 – 8% (or .92)	**=**	$1,435.20

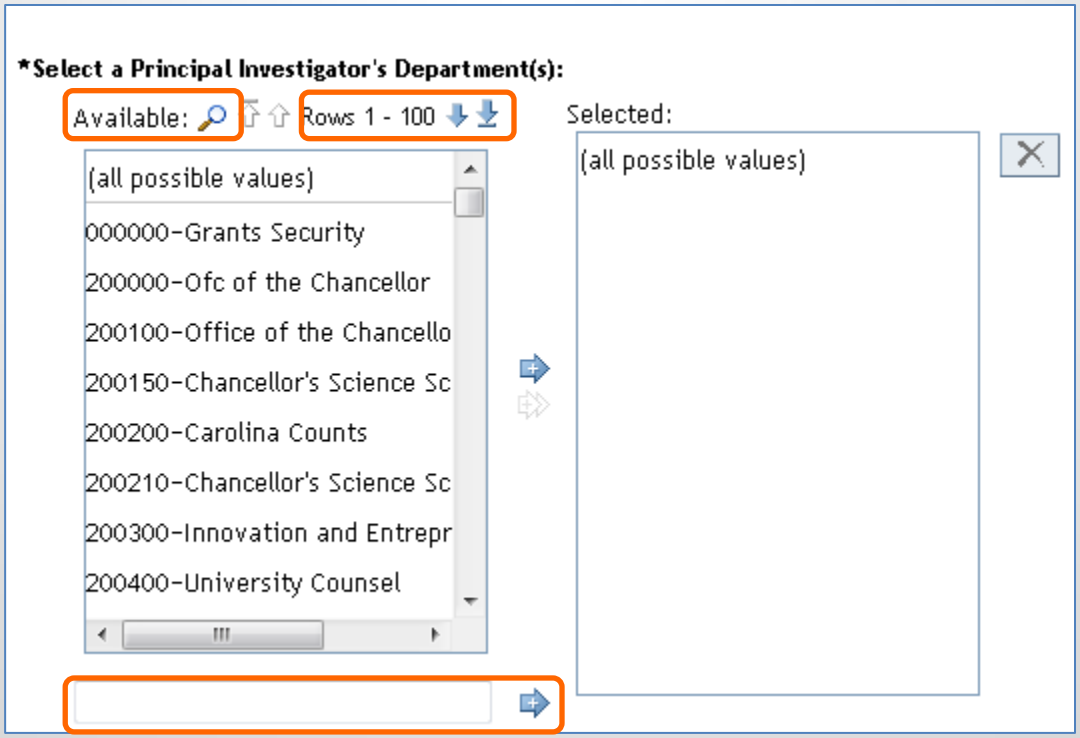
- An additional amount goes to the dean's office, since this is the School of Dentistry.

Running the F&A Formula Allocation Report

Web Report Studio

With Web Report Studio, you need to move the values you want to the **Selected** column using one of these features:

- Search filter
- Up and down arrows
- Freeform field



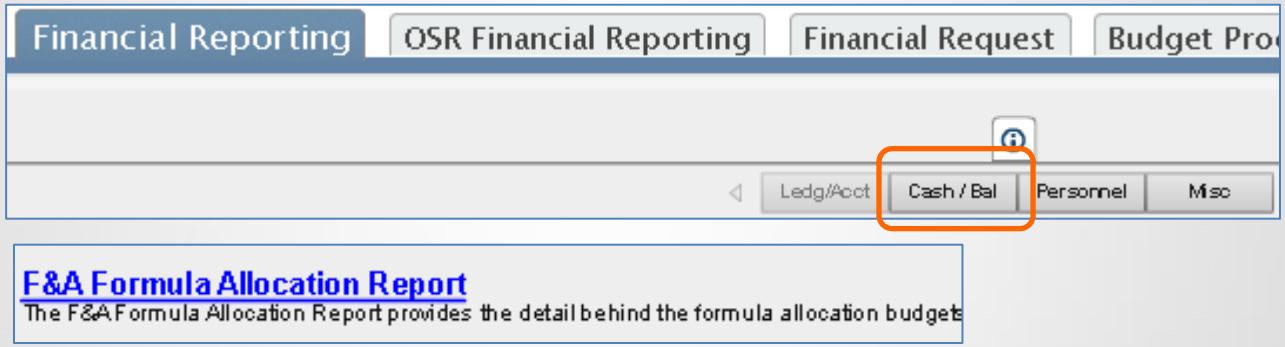
F&A Formula Allocation Report

- Very important to enter filters correctly because security is wide open.
- Six filters on the F&A Formula Allocation Report
  - Fiscal Year
  - Project Department. (The formula allocation amount is based on the project department.)
  - Project
  - Principal Investigator Home Job Department
  - Principal Investigator
  - DLAM

F&A Formula Allocation Report

Example – Project Department 318300

1. In InfoPorte, navigate to: Finance > Financial Reporting > Cash/Bal tab.



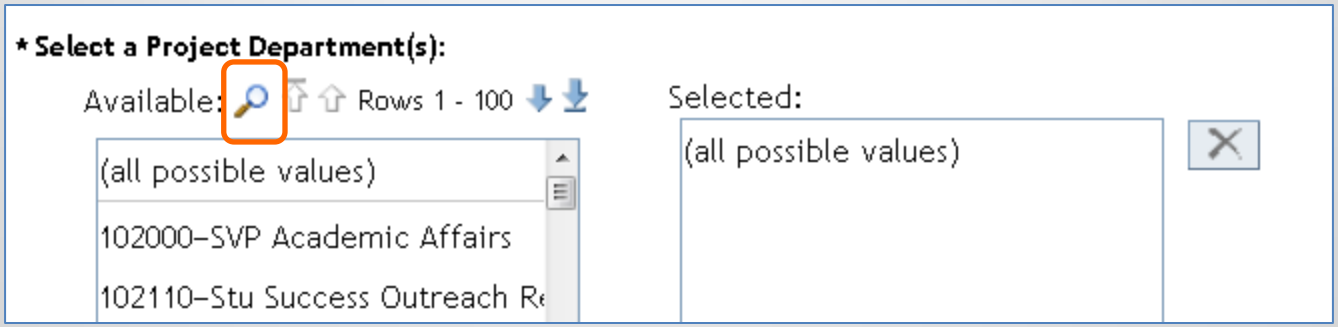
2. Click the **Reset to Default** link to make sure you've cleared values from previous runs.

F&A Formula Allocation Report

3. Select the fiscal year. The report shows information as of fiscal year 2016.

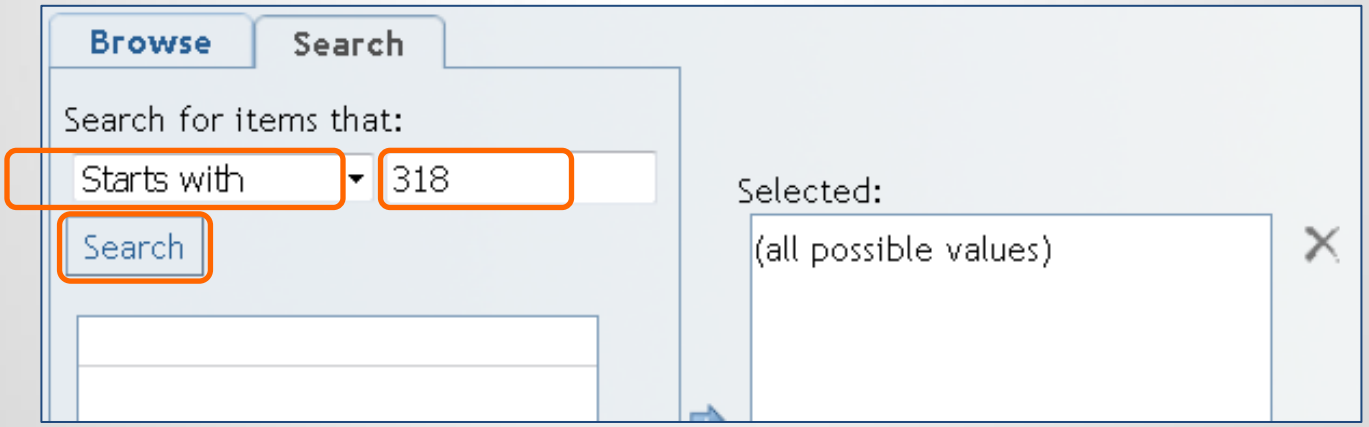
   Note: The reason you select 2016 is that the amount of formula allocation budget you receive for FY 2017 is based on the prior year.

4. Select the filters you want. In this example, we'll use the magnifying glass to filter by project department.



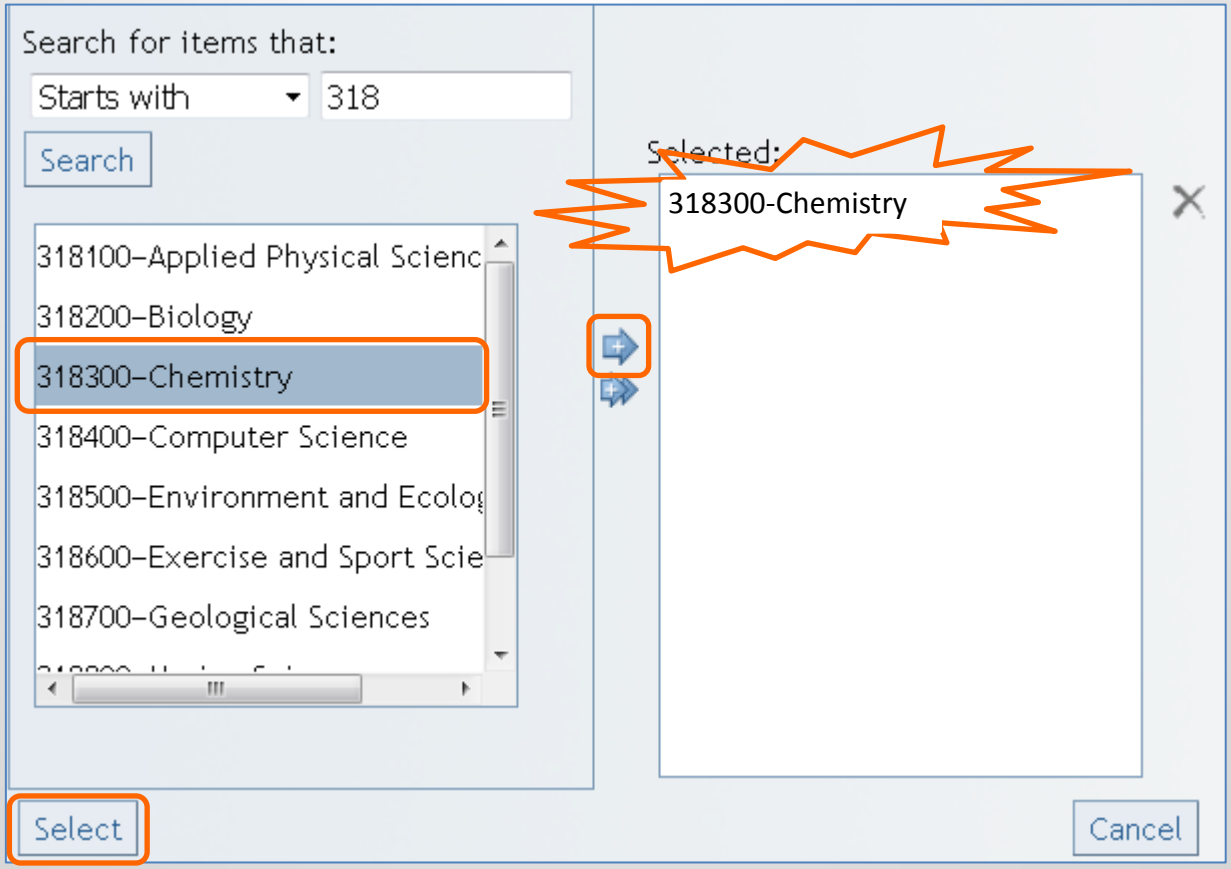
F&A Formula Allocation Report

5. Select an operand.
6. Enter the search value.
7. Click the **Search** button.



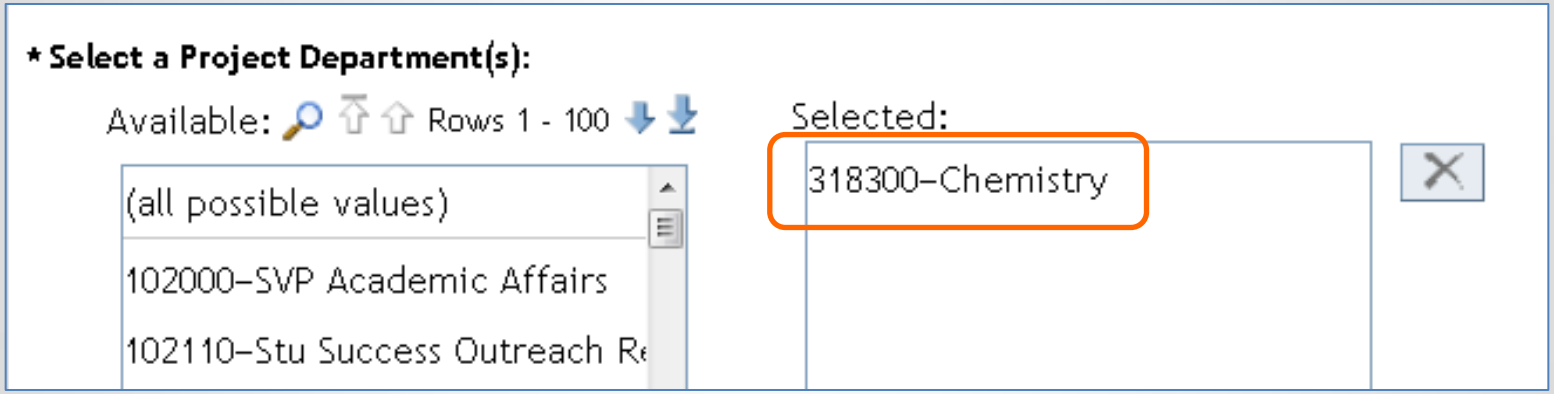
F&A Formula Allocation Report

7. Select the value you want.
8. Click the single arrow.
    - The value appears in the Selected column in the search window.
9. Click the **Select** button.



F&A Formula Allocation Report

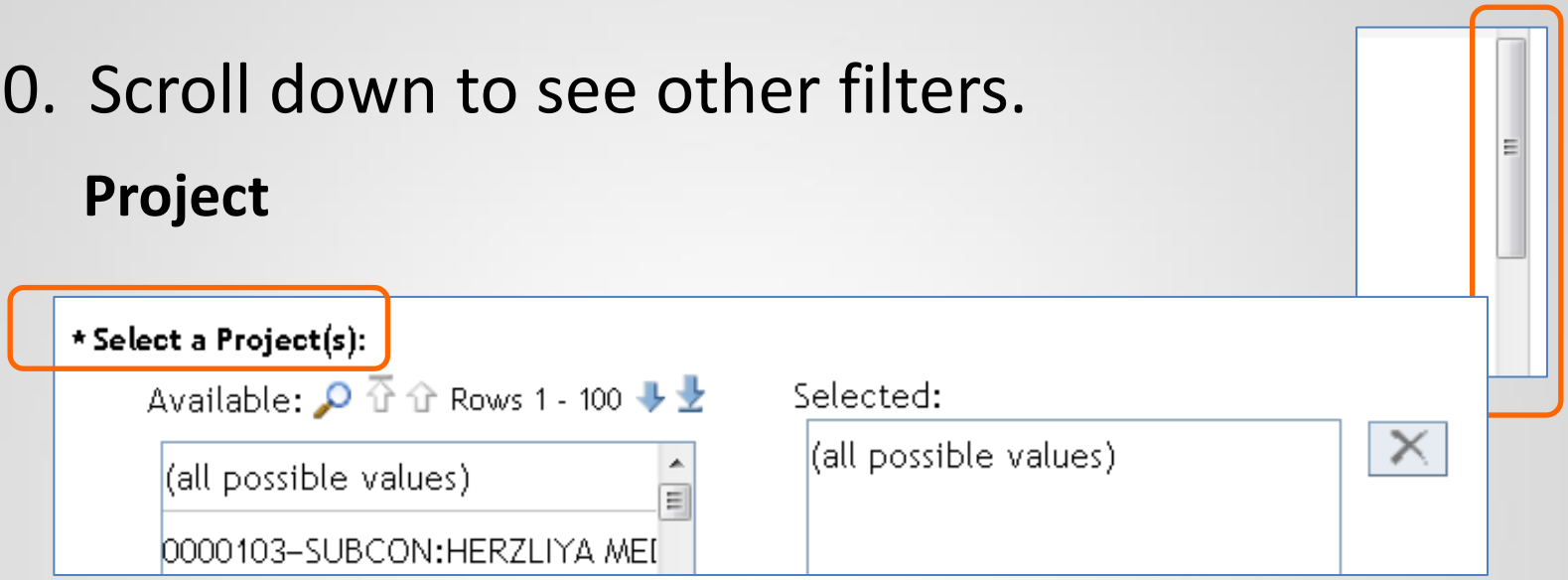
Result – the department you selected appears in the **Selected** column.



F&A Formula Allocation Report

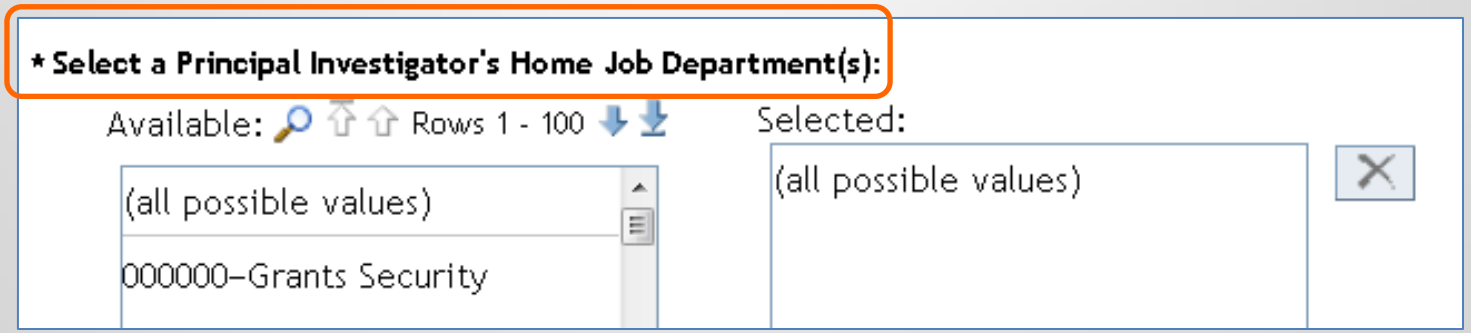
10. Scroll down to see other filters.

Project



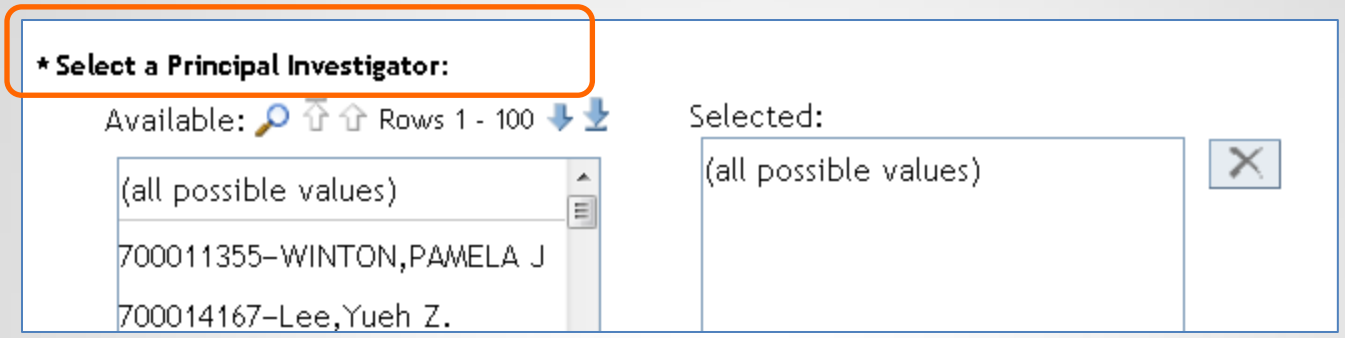
Principal Investigator Home Job Department

- The report is based on the project department.



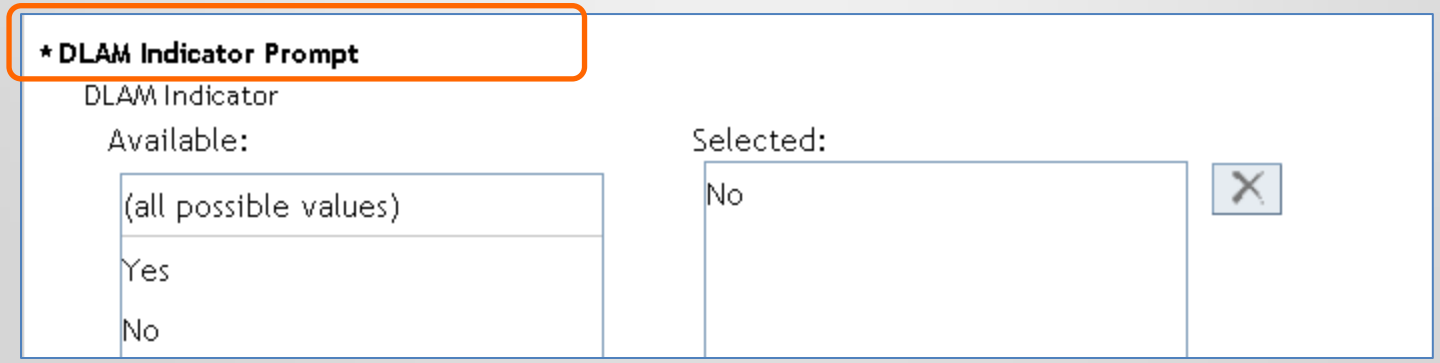
F&A Formula Allocation Report

Principal Investigator



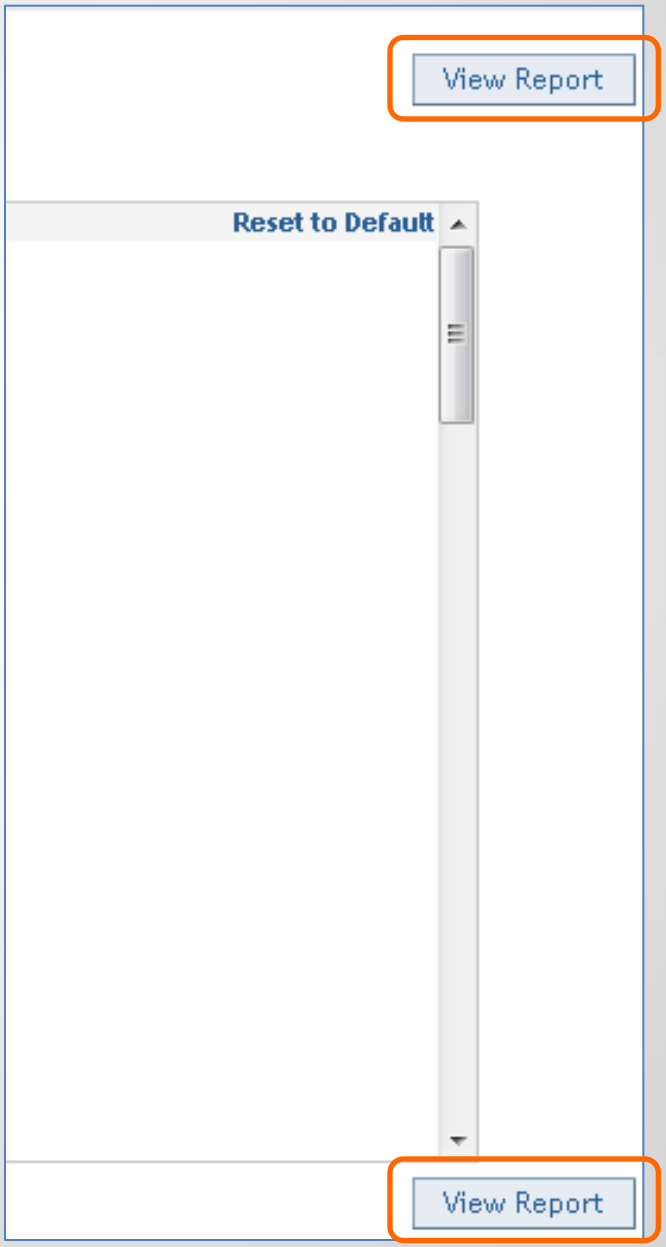
DLAM

- DLAM is not included in the F&A amount your department receives.
- The default for the DLAM filter is “No”, so the default report matches the amount your department received.



F&A Formula Allocation Report

11. Click the **View Report** button.



F&A Formula Allocation Report

Report Results

- Each unique chartfield string has an earned F&A amount.
- There could be multiple rows for the same Project ID if any of the chartfields are different.
- The Indirect Cost amount is based on the Project ID and Account.

FY	Fund	Source	Account	Department	Program	Project ID	Project Description
2016	25210	49000	559010	318300		5044705	Alkane Methathesis and Dehydro
2016	25210	49100	559010	318300		5044705	Alkane Methathesis and Dehydro
2016	25210	49200	559010	318300		5044705	Alkane Methathesis and Dehydro

F&A Formula Allocation Report – Report Results

Total Indirect Cost	Project Dept (used in allocation)	Project Dept Descr	Resource Type	Dept Rate	Dept Allocation	Dean's Office Rate	Dean's Office Allocation
$-553.34	318300	Chemistry		15.600%	$-86.32	3.900%	$-21.58
$61,026.36	318300	Chemistry		15.600%	$9,520.11	3.900%	$2,380.03
$-5,967.84	318300	Chemistry		15.600%	$-930.98	3.900%	$-232.75

- **Total Indirect Cost** – total indirect cost for each unique chartfield string.
- **Project Dept** – the department used in the allocation formula.
- **Resource Type** – type of research, such as ANIMA, that determines the tax rate. Resource Type on some projects is blank.
- **Dept Rate** – the tax rate applied to the department.
- **Dept Allocation** – the amount distributed to the department.
- **Dean's Office Rate** – the tax rate applied to the dean's office.
- **Dean's Office Allocation** – the amount distributed to the dean's office.

F&A Formula Allocation Report

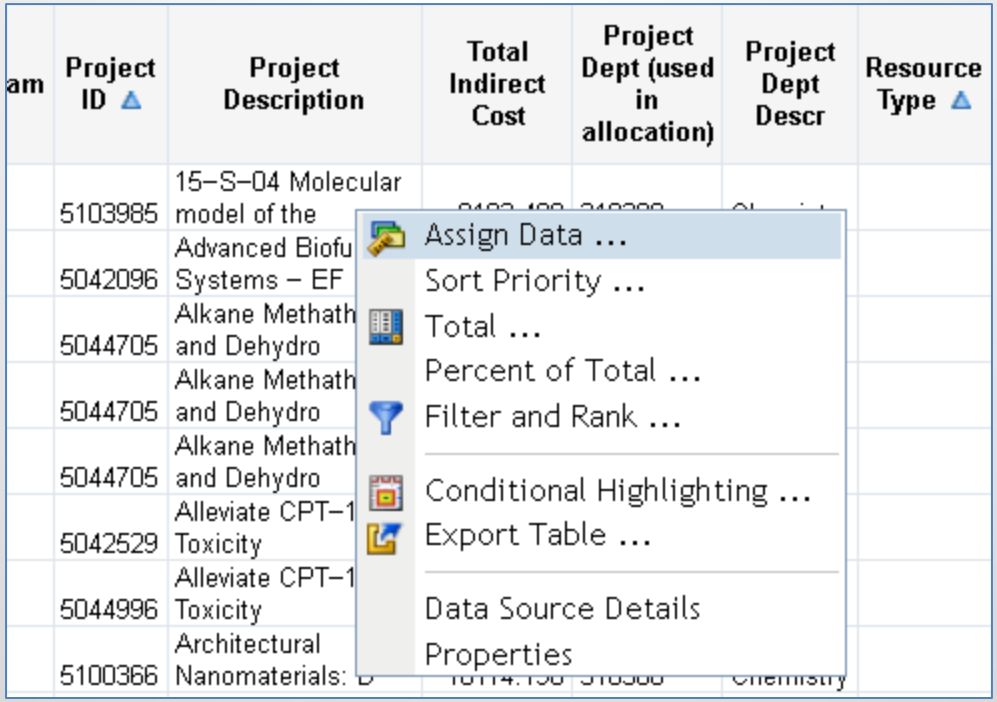
Report Results

- PI PID
- PI Name
- DLAM Indicator – default is “No”

PI PID	PI Name	PI Home Job Dept	PI Home Job Dept Descr	DLAM Indicator
720286253	Miller,Alexander James Minden	318300	Chemistry	No
720286253	Miller,Alexander James Minden	318300	Chemistry	No
720286253	Miller,Alexander James Minden	318300	Chemistry	No

Web Report Studio

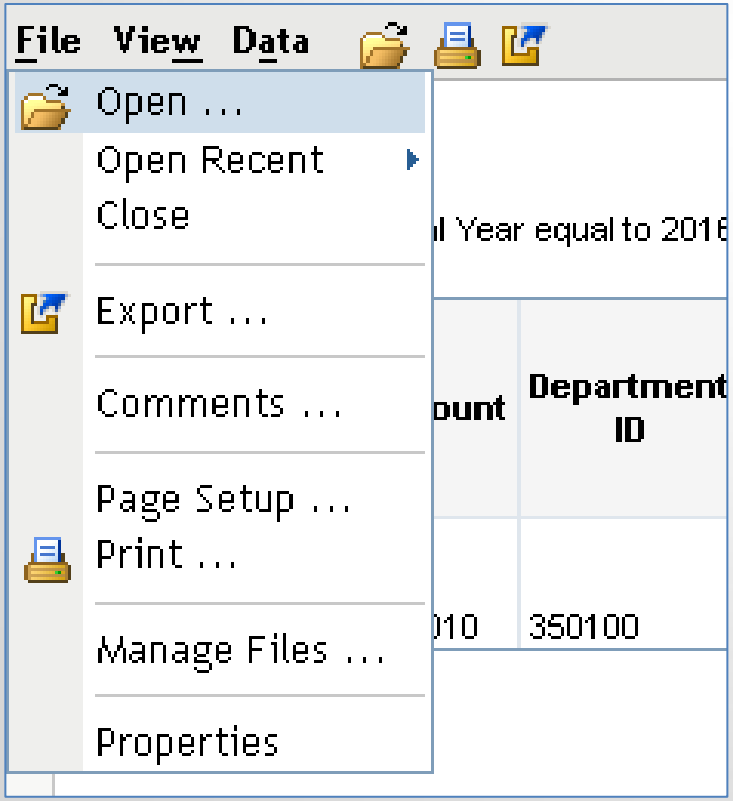
- Right click in any cell to display formatting options
- Most commonly used features are:
  - Sort Priority
  - Export Table
- See Working with Web Report Studio for a description of all the features.



Web Report Studio

Use the top toolbar to:

- Refresh the data and run a new report
- Open, close, or print a report



F&A Formula Allocation Report

Note:

- A few of the fields on the report may change with different instances of running the report.
- The reason is that a few of the tables for the report are not effective dated. They always contain whatever the latest values are, not the history.
- But! The amount of formula allocation to the department for each project does not change.
- The fields that may change are:
  - PI PID and Name – if the PI for the project changes
  - PI Home Job Department and Description – if the PI for the project changes
  - Project Department – if the department name changes (not very common)

Budget Journals for Formula Allocation

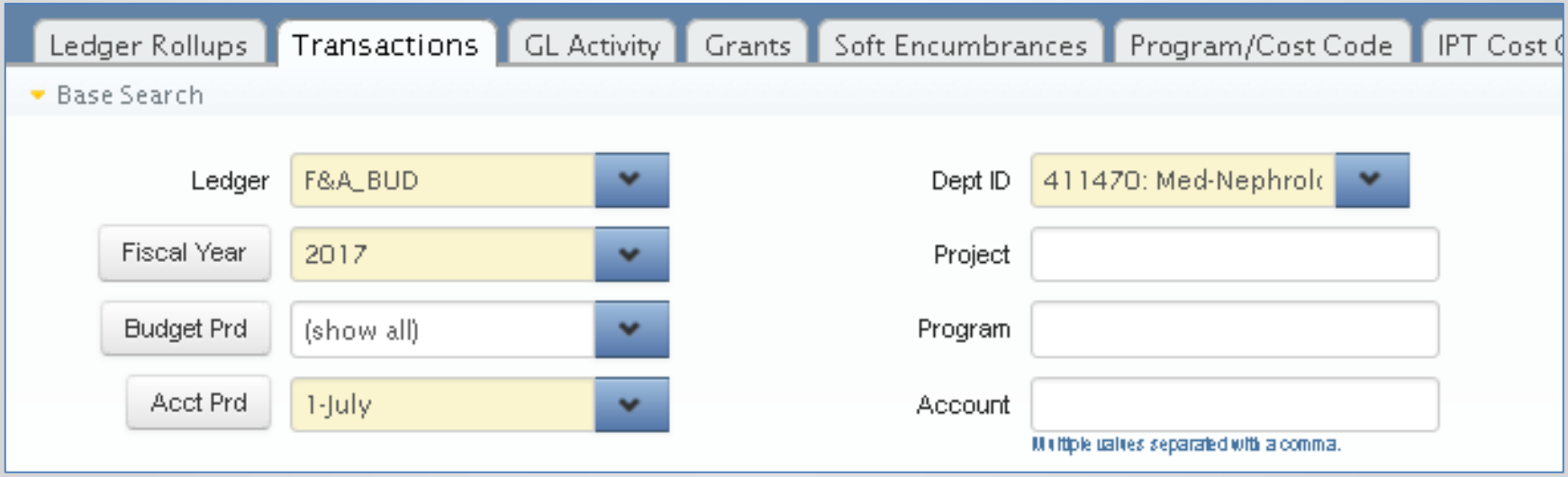
F&A Budget Journals

F&A budget journals have a designated prefix:

- Permanent budget – RBF000001
- Formula allocation budget – FORM17001
- Carryforward – FACF000001
- Individual – 0000004389

InfoPorte Transactions Tab

- You can see the F&A budget journals from the Transactions tab in InfoPorte
- Make sure to use the right filters:
  - Ledger – F&A_BUD
  - Fiscal Year – 2017
  - Budget Prd – show all
  - Acct Prd – 1-July



InfoPorte Transactions Tab

Formula Allocation and Permanent Budget examples

F&A Formula Alloc @ 19.5%	GL_BD_JRNL	FORM170006_01-JUL-2016		FORMULA ALLOCATION @ 19.5%	40,530.36
Est Beg Bal for F&A Perm Budg	GL_BD_JRNL	RBF0000001_01-JUL-2016		RECURRING BUDGET	-605.00

Carry Forward examples

F&A FY16 carry forward	GL_BD_JRNL	FACF232859_01-JUL-2016	FROM FY16	CarryFwd=Budget - Expenses	-514.98
F&A FY16 carry forward	GL_BD_JRNL	FACF232859_01-JUL-2016	FROM FY16	CarryFwd=Budget - Expenses	248,794.02

Formula Allocation Budget Journals

- There is a separate budget journal for each combination of department/dean's office and tax category – **37** possible combinations
- The Budget Office only enters budget journals for the combinations that had activity in a given fiscal year

Budget Journal ID	Journal Date	Budget Journal Description
FORM170001	07/01/2016	F&A Formula Alloc @ 15.6%
FORM170002	07/01/2016	F&A Formula Alloc @ 15.6%X.94
FORM170003	07/01/2016	F&A Form Alloc @15.6%X.92

Summary Review

- Four components to F&A budget: permanent, formula allocation, carry forward, and ongoing
- Budget journals for F&A have a unique prefix depending on the type of journal
- Formula allocation budget journals entered separately from permanent budget
- The factors in the calculation for formula allocation are:
  - earned F&A
  - the school
  - the Resource Type
- Allocation uses project department not PI home job department
- You can see your results with or without DLAM

Q&A

Thank You!