Requirements of a Space Survey

University of Arkansas, Fayetteville
Space Survey Dates

• A space survey will be conducted between July 1, 2015 and June 30, 2016.

• Revisions to the survey should be made at any time through June 30, 2016.

• The survey with FY2016 updates and revisions will be used for the next Facilities and Administrative Rate Proposal (Indirect Cost Proposal) filed with the Federal government.
Purpose of Space Survey

• The space survey is a required part of the indirect cost proposal used to allocate depreciation expense to the various functions of the University (research, instruction, administration, operation and maintenance, etc.). Depreciation is a significant component of our indirect cost rate.
Purpose of Space Survey

- The indirect cost rate is used by the Federal government (and other sponsors) to reimburse the University for use of our facilities and administrative costs for sponsored programs. For this reason the space survey has a significant impact on the University’s reimbursement rates for facilities and administrative expenses charged to sponsored programs.
Federal Rate Negotiators Role

- Federal rate negotiators will compare the distribution of salary expense to the various functions in each department to the allocation of depreciation expense for space used by each department. There must be a close correlation. The Federal negotiators typically perform an on-site inspection of Departments where this correlation does not exist.
Space and Salary Correlation

• To facilitate Federal Rate Negotiators comparison of space to salaries, it is important that space should be assigned to the same function as the salaries of the people occupying and using the space.
Space and Salary Correlation

• Many Faculty members have their salaries assigned to multiple functions to reflect the various tasks they perform for the University. Space assignments for faculty assigned to multiple functions should reflect the work performed in that space and the function assigned for the work performed in that space.
Graduate Student’s Space

• Space assigned to Graduate Students should have an instruction component even if the Graduate Student’s salary is totally charged to research. Federal Negotiators refer to the dual role of Graduate Student’s involved in Research. They are conducting research but they are also learning how to conduct research.
Space and Salary Correlation

- All Departments should have a close correlation between percent of salaries charged to a research function (2X function codes) and percent of space assigned to research. If large differences exist between the two percentages, an investigation and explanation will be required.
Space and Salary Correlation

- A correlation should also exist between salaries charged to Departmental Administration (Function 12) and space assigned to Departmental Administration. This correlation should exist for all functions, but the research and departmental administration function will likely get the closest scrutiny of Federal negotiators.
Administrative Adjustment

• To assure an acceptable space survey for the Facilities and Administrative Cost Proposal (Indirect Cost Proposal) a comparison between salaries and space assignments for each Department will be made. Adjustments to space assignments may be made by Research Accounting for any large undocumented variances.
Equipment Depreciation Expense

- Equipment depreciation is assigned to functions based on room location. It is assumed that equipment benefits the same functions as the space in which it is located. Equipment depreciation expense will be assigned to the same function as the room it is located in.
Equipment Depreciation Expense

- Significant exceptions to the assumption that space and equipment depreciation benefit the same functions in a particular room proportionally should be documented and brought to the attention of the Director of Research Accounting.