

F&A Reconciliation Guidance

Purpose:

The purpose of this document is to provide guidance in reconciling F&A on sponsored awards.

Key Terms:

F&A Costs: F&A (or Facilities & Administration) costs are those costs that cannot be directly assigned to a particular project, an instructional activity, or any other institutional activity with a high degree of accuracy. Typical costs may include but are not limited to: building utility costs, building and equipment depreciation, compensation of central administrative employees such as those working in Sponsored Projects or Human Resources, Department Administrators. Refer to [Facilities & Administrative Costs](#) & [F&A FAQ's](#) for further guidance.

F&A Rate: The applicable predetermined rate used to calculate facilities & administration costs. This rate may fluctuate by fiscal year, location (i.e. on/off campus) or activity. Follow the link to access the [Brown University Rate Agreement](#) in effect.

Modified Total Direct Costs (MTDC): MTDC consists of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel and up to the first \$25,000 of each subaward.

Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000.

Budget Date: Determines the applicable F&A rate applied. Refer to approved rate agreement at the time the project was awarded.

Procedure:

As a best practice, award activity and F&A should be reconciled on a monthly basis. If an award is subject to a fluctuating F&A rate agreement, we highly recommend performing an initial reconciliation using project-to-date expenses as outlined below. **Important** - the F&A rate applied on awards with fluctuating rates is based on the **budget date**. Once F&A is reconciled at the project to date level, monthly reconciliations should be prepared using the appropriate rate.

1) Run a Sponsored Award Budget to Actuals Report (SABA) through the most recent accounting period.

2) **PROJECT TO DATE RECONCILIATION:** Click on the drop down menu on the 'Total Direct Expenses' line item in the 'Project to Date Expenses' column, and view by 'Budget Date'. Select 'Ledger Account' as a second filter. Hit the refresh button. Export to Excel.

Ledger Account	Sponsored Award Budget	Monthly Expenses	Fiscal Year to Date Expenses	Project to Date Expenses
Subcontracts	1,032,074.21	0.00	9,595.20	929,649.58
Travel and Business				
Business & Travel	19,000.00	0.00	0.00	33,040.43
Facilities and Debt Service				
Debt Service	0.00	0.00	0.00	
Property & Utilities	0.00	0.00	0.00	
Other Operating Expenses				
Capital Expenses	0.00	0.00	0.00	
Post Doc Support	0.00	0.00	0.00	
Other	-146,443.21	0.00	0.00	
Internal Funding Sources				
Internal Funding Transfers	0.00	0.00	0.00	
University Contribution	0.00	0.00	0.00	
Total Operating Expenses	1,674,849.00	0.00	11,215.32	
Total Direct Expenses	2,768,709.00	0.00	44,384.83	2,505,368.30
Facilities & Administrative Expenses (F&A)	746,957.00	0.00	21,743.58	805,472.48
Total Expenses	9,616,666.00	0.00	66,178.41	9,910,840.78

Budget Date	64100 Subcontracts	64000 Purchased Services	50100 Regular Faculty Salaries	51300 Exempt Salaries	53200 Graduate RA Stipends	56910 Faculty Fringe Benefits - Full Rate	50200 Non-Reg Faculty Salaries	65150 Graduate RA Tuition	68000 Internal Services	56930 Staff Fringe Benefits - Full Rate	53250 Graduate Summer Stipend - RA	67100 Travel & Business International	50400 Faculty Summer Salary	67000 Travel & Business Domestic	53720 Graduate RA Health/Dental Insurance	53620 Graduate RA Health Service Fee	57920
12/31/2014	0.00	0.00	2,268.19	0.00	0.00	684.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01/31/2015	0.00	0.00	2,268.18	1,475.73	1,277.78	684.99	0.00	0.00	0.00	445.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/11/2015	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	270.00	0.00	0.00	0.00	0.00	0.00
02/12/2015	1,279.44	6,308.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/26/2015	368.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	742.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/28/2015	0.00	0.00	2,290.42	1,475.73	2,555.56	691.71	0.00	0.00	0.00	445.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/05/2015	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,771.62	0.00	0.00	0.00	0.00	0.00
03/27/2015	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	709.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/31/2015	0.00	0.00	2,290.42	2,295.57	2,555.56	691.71	0.00	0.00	0.00	693.26	0.00	0.00	0.00	878.52	0.00	0.00	0.00
04/24/2015	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,801.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	356.00	0.00
04/30/2015	0.00	0.00	2,290.42	2,295.57	2,555.56	691.71	0.00	0.00	0.00	693.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00
05/31/2015	0.00	0.00	2,290.42	2,295.57	2,555.56	842.59	499.59	0.00	0.00	693.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00
06/30/2015	0.00	0.00	2,290.42	2,295.57	0.00	842.59	499.59	0.00	3,612.00	693.26	2,555.56	0.00	0.00	0.00	0.00	0.00	0.00

3) Identify ledger accounts that are excluded from MTDC (i.e. health services fees, health insurance, tuition, & capital equipment, etc) and if applicable, delete those columns from your excel spreadsheet.

4) The Amount column totals are hard coded and include any exclusions that were deleted in the previous step. Replace the totals with a sum formula on each row to calculate total charges for each budget date line.

- 5) **CALCULATE MTDC:** Sort transaction by fiscal year and subtotal the amounts column. This subtotal represents the MTDC.
- 6) Multiply the MTDC by the applicable F&A rate for each fiscal year and sum the result.
- 7) Compare the total recalculated F&A to the project to date F&A expense on the sponsored award budget to actual.
- 8) Determine the variance. Contact your grant/contract accountant if a variance is determined and provide the reconciliation performed for further investigation.
- 9) Once the project to date reconciliation is complete, monthly reconciliations should be done using the applicable rate and monthly expense column on the SABA.

The OSP Post Award team is available if you need further clarification or need additional training. Please contact your Grant/Contract Accountant.

updated 3/16/22