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Policies and Procedures on Direct Cost Recovery and Sharing for Facilities under the Direction of the Aquaculture Research Institute

UNIVERSITY OF MAINE AQUACULTURE RESEARCH INSTITUTE



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1	September 10th, 2012		First version
2	August 5 th , 2015		Updated to include Hitchner Disease Isolation Suite

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I. Preamble and Statement of Policy

The Aquaculture Research Institute (ARI) is an inter- and multi-disciplinary research unit that conducts world-class research, graduate education, and educational outreach focused on the development of sustainable aquaculture in Maine and the USA. The ARI has wet-lab facilities at three campuses.

On the Orono campus there are currently 2 wet-lab facilities:

1. The Aquaculture Research Center which houses numerous small-scale research projects.,
2. A BSL2 containment disease research aquarium in Hitchner Hall,

The Center for Cooperative Aquaculture Research (CCAR) at Franklin Maine provides the institute with large-scale research facilities and is particular well suited for technology transfer projects as well as long term experiments and broodstock programs.

The Darling Marine Center (DMC), in Walpole ME, specializes in shellfish aquaculture and provides UMaine's only shellfish hatchery facility for research.

Through these facilities, the ARI provides services to a diverse set of facility users and is committed to providing facilities for research, teaching, and public service that serve the needs of the faculty, the University of Maine, and people of Maine. The ARI has established the policy herein to encourage faculty members and other wet-lab users to seek extramural funds to reimburse costs of services provided at facilities and to create a system to account for and manage the cost-sharing of projects and activities.

Under this policy:

- Project and activity directors are required to provide funds to reimburse the ARI for direct costs incurred by its facilities in support of projects or activities, or must arrange for formal cost-sharing by departmental or other entities.
- Indirect costs and certain categories of direct costs, however, are excluded from cost recovery.

Costs for basic services and labor will be determined by the ARI Associate Director and ARI Management with support from the financial administrator of the College of Natural Sciences, Forestry & Agriculture based on expense data and using generally accepted accounting principles. Actual fees for basic services and labor will be less than or equal to costs and set by the ARI Associate Director. Other project-specific services may be available at full cost reimbursement.

Cost sharing of fees for projects and activities from ARI funds is at the discretion of the ARI Director and Associate Director. There is a general expectation that project sponsors external to the university will provide full funding for services and labor (i.e., no cost sharing). Policies and guidelines on cost sharing of fees will recognize special needs of pre-tenure faculty members and students. Cost-sharing guidelines will be flexible to accommodate unique circumstances and changing college priorities.

Contracts and formal agreements with entities external to the university made before the approval or revisions of these policies will remain unchanged. Projects and activities internal to the university are subject to changes in policy and procedures at the discretion of the Associate Director.

The following specific policies and procedures are set forth to fulfill the goals of this policy statement.

II. Facilities

These policy and procedures are applicable to the facilities listed below. These facilities are primarily used by faculty in the College of Natural Sciences, Forestry, and Agriculture and University of Maine Cooperative Extension for research, teaching, and outreach programs. Undergraduate and graduate students have a significant presence at some facilities. Facilities also are used by other University of Maine and University of Maine System faculty, USDA research staff, industry researchers, student groups, public groups, and others.

- a) Aquaculture Research Center
- b) Hitchner Disease Isolation Suite

III. Definitions

A. Indirect Costs

Indirect costs are incurred for common or joint objectives and therefore cannot be identified with a particular sponsored project, an instructional activity, or any other institutional activity. Examples of indirect costs are facilities and administrative costs, including utilities, maintenance, and administrative compensation. These costs are typically paid out of general university funds. A portion of these costs are recovered through the F&A rate charged to sponsors.

B. Direct Costs

Direct costs are costs that can be identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity or that can be assigned to such activities relatively easily with a high degree of accuracy. Examples of direct costs are the compensation of employees performing work directly in support of an activity and the cost of material consumed or expended in the performance of that work.

C. Basic Services

Generally, basic services include activities at a facility in support of the use and care of the space or animal(s) being used. Basic services include labor, supplies, and commercial services. Basic services do not include support of activities unique to a particular experiment or activity (e.g., experimental treatments, sampling, data collection) or support for activities off-facility. Basic services are defined uniquely for each facility type in Section VI.

D. Unit

A unit is defined as a logical unit of measure to which direct costs for basic services are applied. Units for costing are square foot. Basic service fees are calculated per room. In most cases projects will be required to use a dedicated room for biosecurity reasons. Only selected rooms will be available for sub-dividing within the Aquaculture Research Center. It is not possible to sub-divide rooms for any projects involving pathogens.

E. Unit Cost

The unit cost is the total direct cost for basic services divided by number of units. Unit costs are established annually based on the actual direct costs that are incurred while providing basic services and are developed in compliance with generally accepted accounting principles.

F. Basic Service Fee

The basic service fee is a per unit billing rate that is set annually to recover all or a portion of the direct costs associated with providing basic services at a facility. Fees may be set at a rate lower than the actual unit cost. See Section V.A. for information on computation.

G. Other Services

Other services include services that are above and beyond the defined list of basic services available at facilities. Typically these services are project specific. Support for activities away from facilities is considered part of “other services.”

H. Labor Fee

The labor fee is for recovery of costs for assignment of staff labor to projects or activities other than for basic services. Labor reimbursement also may be required for inefficient operations as a consequence of project activities. The labor fee may be set less than the full cost. See Section V.B. for additional information.

I. Cost Sharing

Cost sharing occurs when the university or college contributes resources in support of an activity, typically a sponsored agreement. The following are three examples of cost sharing relevant to aquaculture facilities: (1) the fee charged for basic services is set lower than the actual unit cost; (2) the college, department or ARI pays all or a portion of the fee for basic services for a project or activity; (3) the college, department or ARI provides facility labor for off-facility projects without reimbursement.

IV. Direct and Indirect Cost Exclusions

Activities that constitute basic services and other services are defined in Sections VI and VII. Some categories of facility expenses are explicitly excluded from cost recovery. Indirect costs are excluded. Direct costs associated with infrastructure at wet-lab facilities (e.g., storage units, cold storage, dry lab usage, interpretation center) are excluded because project-specific costs are difficult to segregate accurately. Also excluded are direct costs associated with use of large equipment for activities not part of basics services. Allowable direct costs that might appear to overlap with indirect cost recovery (e.g., project-specific utility costs) by the university are excluded.

V. Direct Cost Accounting and Fee Application

A. Basic Services

1. Direct costs for basic services at each facility will be determined by the Associate Director in conjunction with:
 - the College of Natural Sciences, Forestry & Agriculture financial administrator for the Aquaculture Research Center,
 - the Cooperative Extension Associate Director for the Hitchner Disease Isolation Suite,

using facility expense data and generally accepted accounting principles. Aggregate expense data for basic services at each facility will be used to compute total direct costs. Expense categories include labor, materials and supplies, equipment, regular maintenance and upgrades, and commercial services that are required to provide the basic service. Labor will include the costs for staff supervision for basic services. The unit cost rate for basic services will be computed by prorating total direct costs to a facility-specific cost unit (square foot) and time unit (month). The unit cost will be recalculated every 3 years after the year-end close.

2. Fees for basic services will be set by the Associate Director to be less than or equal to the unit cost rate. As unit costs are based on services provided and not the value of land or bench space *per se*, per unit rates and fees will be applied uniformly despite variation in the quality of particular wet-lab space.
3. Projects or activities that use space, but do not require basic services will not be charged fees. Project directors should consult with facility managers on space availability and basic service needs.
4. When project directors share space and associated basic services, it is their responsibility to apportion fees among projects and to ensure that the facility manager and ARI Associate Director are kept informed of the agreed arrangements.

B. Labor

1. A common labor cost will be computed for all facilities based on aggregate data for staff salaries, wages, and fringe benefits. The labor cost will include the cost for staff supervision for services provided. Using a common labor cost reduces variation between facilities caused by small and variable staff structures.
2. Fees will be set by the Associate Director to be less than or equal to costs. Project or activity directors may provide labor and avoid fees with approval of the facility manager.

C. Other Services

Generally, exact costs incurred by facilities for these project-specific activities would be determined on a case-by-case basis.

VI. Basic Service Elements

The following basic services are provided at both the Aquaculture Research Center and the Hitchner Disease Isolation Suite facilities and are components of calculations of unit costs.

- Tank with water at desired temperature and flow rate. Differential fees for saltwater and freshwater have been calculated for the Hitchner Disease Isolation Suite and will be calculated at the 2015 cost review for the Aquaculture Research Center¹
- Filtration²
- Daily (weekday, Monday through Friday) check of systems and tanks
- Basic water quality testing
- Management and repair of tank systems during project activities
- Basic healthcare (if health problems arise, the Maine Aquatic Animal Health Laboratory (MAAHL) will investigate and recommend a course of action)
- Specific safety training for users and their employees

For the Hitchner Disease Isolation Suite, additional basic services associated with biocontainment are included and are components of calculations of unit costs. These basic services are provided to ensure biocontainment remains in line with the quality standards of ARI and UMAHL, and a BSL-2 level containment accreditation

- Materials and supplies to ensure biocontainment during the project(e.g. Tyvek suits, biohazard bags)
- Materials and supplies to ensure biocontainment between projects (e.g fish nets, tubing)

VII. Other Services—Examples

Facilities may be able to provide other services. Facility users should discuss options with facility managers. Examples of other services are listed below. Note that support for activities away from the facility is considered part of “other services.”

- Animal purchases
- Animal transportation
- Animal testing to meet facility biosecurity requirements
- Feeding
- Sampling
- Elective veterinary procedures
- Student instruction
- Special structure maintenance and construction
- Specialized pest management
- Transportation of equipment for off-site use
- Applying treatments to experimental animals/systems
- Waste removal

¹ Provision of this service element requires regular maintenance and upgrade of water distribution systems and these costs are included in the calculation of unit costs

² Provision of this service element requires regular maintenance and upgrade of filtration systems and these costs are included in the calculation of unit costs

VIII. Equipment Upgrades and Infrastructure/System Alterations

Project specific requirements for equipment upgrades or system alterations are outside the scope of this *direct* cost recovery policy. Needs for facility equipment upgrades or infrastructure alterations must be discussed with facility managers and the Associate Director during the planning phase of projects or activities. Provision of these services are charged as Special Cost Recovery and are calculated from the equipment, materials, supplies and labor required on an individual service basis.

Equipment upgrades and maintenance of water distribution systems and filtration systems are required to ensure provision of the basic service, and these are within the scope of this direct cost recovery policy.

Equipment upgrades and maintenance of facility equipment and infrastructure not directly associated with provision of the basic services are not within the scope of this direct cost recovery policy.

IX. Cost Sharing

Cost sharing of projects and activities by the college, academic unit or ARI is at the discretion of the dean, academic chair or ARI management. The following expectations will guide decisions on cost sharing. All cost sharing must be pre-approved.

A. Faculty and Staff

1. Research—Project directors, typically faculty and staff, from the University of Maine, University of Maine System, and other institutions are generally required to provide funds for full fees for basic services and labor and full reimbursement for other services provided by facilities (i.e., no cost sharing). This applies to extramural and internally funded projects, industry-supported research, pilot projects, and small-grant projects. For non-tenured faculty in the College of Natural Sciences, Forestry, and Agriculture, cost-sharing will be negotiated as part of startup packages.
2. Teaching—Decisions on cost sharing for academic courses at facilities will be made in consultation with academic chairs and directors as part of routine planning for academic programs. This applies to, but is not limited to, required, elective, capstone, and independent study courses. Some unique aspects of teaching programs (e.g., access to animal collections), may require special cost-sharing arrangements. For other University of Maine System programs and other institutions, full fees or reimbursements are required for services and labor provided for courses and related activities (i.e., no cost sharing). Please note, as per section IV, service fees are not applied to the interpretation center, cold storage, or dry lab areas.
3. Outreach and Service Activities—Program and activity directors are generally required to provide funds for full fees for basic services and labor and for full reimbursement for other services provided by facilities (i.e., no cost sharing). Please note, as per section IV, service fees are not applied to the interpretation center, cold storage, or dry lab areas.

B. Graduate Students/Advisors

Faculty advisors or graduate students are generally responsible for providing funds for full fees for basic services and labor associated with graduate student research projects per Section IX.B.1.i. (i.e., no cost sharing).

C. Undergraduate Students

1. Research—For directed research within a faculty research program, faculty members are required to provide funds for full fees for basic services and labor associated with student research projects at facilities. For student research that is part of curriculums or other formal academic programs, the academic unit is responsible for fees for basic services and labor for undergraduate research projects at facilities. Cost sharing will be considered as per Section IX.A.2.
2. Courses—Academic units bear responsibility for providing funds for fees for services associated with courses as outlined in Section IX.A.2.
3. Student Clubs—Clubs or academic units are required to provide funds for fees for basic services or labor provided by facilities. Clubs typically have a low need for basic services; needs for other services are more common. Decisions on cost sharing for student club activities will be made in consultation with academic chairs and directors as part of routine planning for academic programs. Student club activities are often unique (e.g., food guild) and will require special considerations.

D. Industry

Researchers from private industry are required to provide “lab use” fees established jointly by the ARI Associate Director and University of Maine Department of Industrial Cooperation for basic services and labor and full reimbursement for other services provided by facilities (i.e., no cost sharing).

E. Federal Partners

Researchers from federal agencies are required to provide full fees for basic services and labor and full reimbursement for other services provided by facilities (i.e., no cost sharing).

F. Private Organizations

Private groups using facilities are required to provide full fees for basic services and labor and reimbursements for other services provided by facilities (i.e., no cost sharing).

X. General Administrative Procedures

- A. Direct cost fees and cost sharing will need to be incorporated into proposal budgets and approved via the ORSP PARS system or the University of Maine Department of Industrial Cooperation system.
- B. Fees, forms, and information on administrative procedures will be posted on the ARI website.
- C. Faculty must submit requests for space, special services, and labor to appropriate facility managers and provide sufficient information to anticipate subsequent billing.

- D. Requests for cost sharing for research will be directed initially to the associate dean for research (for College cost-sharing), to ARI Director or Associate Director (for ARI cost-sharing) or to the academic chair (for academic department cost-sharing).