ULAM Billing Changes

Financial Unit Liaison Meeting
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Effective July 1, 2010

- Change in Costing Model
- Effects less than 10 schools/institutes
- Sponsored Awards ONLY
PRE July 1, 2010

- ULAM charged sponsored awards a per diem cost that included both the direct cost and the indirect cost as a direct cost to the sponsored award (aka “Baked Rate”).

- Sponsor Budget:
  - Direct Cost: XXX  \( \rightarrow \text{ULAM DC + IC} \)
  - Indirect Cost: YYY  \((\text{Negotiated IC rate} \times \text{MTDC}^*)\)
  - Total Cost: ZZZ

  *MTDC excludes ULAM direct costs

July 1, 2010 and Future

- ULAM will charge sponsored awards a per diem cost that is ONLY the direct cost. The Indirect will be an auto calculation at month end based on the negotiated indirect cost rate.

- Sponsor Budget:
  - Direct Cost: XXX  \( \rightarrow \text{ULAM DC only} \)
  - Indirect Cost: YYY  \((\text{Negotiated IC rate} \times \text{MTDC}^*)\)
  - Total Cost: ZZZ

  *MTDC includes ULAM direct costs
What Does This Mean?

• For awards that were awarded under the “old” model you could have an overdraft.
  ◦ ULAM’s IC rate was 39.5%
  ◦ FY 2010 most Federal Awards IC is 54.5%

• Sponsored Programs will remain status quo
  ◦ Monitor BOTTOM line – Total Costs

What Does This Mean?

• Need to know your school/college/institute’s policy for overdraft caused by change in methodology

• Some have told us that they will centrally support overdraft caused by change in methodology

• Change budgeting model for future proposals