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Costing Practices

Space Surveys Past and Future: What Could be on the Horizon for the Most Vital Part of Indirect Cost Recovery?

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Introduction

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Agenda

1. Space Survey Introduction
   - Data Request
   - Key Planning Decisions
   - Space Survey Process
   - Space Survey Timeline
   - Best Practices
2. Mississippi State University's Approach
3. Future of Space Surveys

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F&A Rate Calculation

A Facilities & Administrative (F&A) rate is an equation which shows the facilities and administrative costs associated with research (numerator) as a percentage of the direct expenditures on sponsored research grants during the fiscal year (denominator).

$$\frac{\left(\text{Facilities Cost of Organized Research Activities (Uncapped)} + \text{Administrative Costs of Organized Research Activities (Capped at 26\%)}\right)}{\text{Annual Spending on Organized Research Grants}} = \text{F\&A\%}$$

This rate is negotiated with the Federal Government and allows your institution to recover the on-campus costs associated with supporting the research mission.

F&A Rate Calculation

Allocated by Space Survey Statistics

Facilities Costs (Indirect Costs)		Administrative Costs (Indirect Costs)		Total F&A Costs
• Building Depreciation • Equipment Depreciation • Operations & Maintenance (e.g. Utilities/Facilities) • Interest expense • Library	+	• President's Office • Legal • Human Resources • Sponsored Programs • Department Administrators • Clerical and Support Staff	=	Annual Facilities and Administrative costs are aggregated and known as "Pool" costs the numerator in the F&A formula.

Total Base Costs (Direct Costs)

- Organized Research
- Other Sponsored Activities
- Instruction/Departmental Research
- Other Institutional Activities

What Is A Space Survey?

The primary purpose of the Space Survey is to verify **room function, occupants and activities** within specific rooms to provide an accurate basis for the Facilities and Administrative (F&A) Cost proposal as required by the Federal government.

Space surveys are used to help an institution demonstrate how its facilities costs (Building, Equipment, Interest, Operations and Maintenance) are supporting sponsored research.

The recovery of these costs is critical to the University's ability to continue to engage in high quality research.

Poll Question 1

How often does your institution conduct a space survey of the research spaces?

- Annually
- Every 2–3 years
- Only during IDC proposal cycles
- Rarely or never
- Unsure

How is the Space Survey Used?

Direct Costs | **Total Costs** | **F&A Costs**

These are generally what people think about when it comes to federal support for research projects—they solely support the actual research that is about to take place.

Laboratory supplies

Certain research equipment

Salary support for researchers and lab personnel

Travel for conducting research or disseminating research results

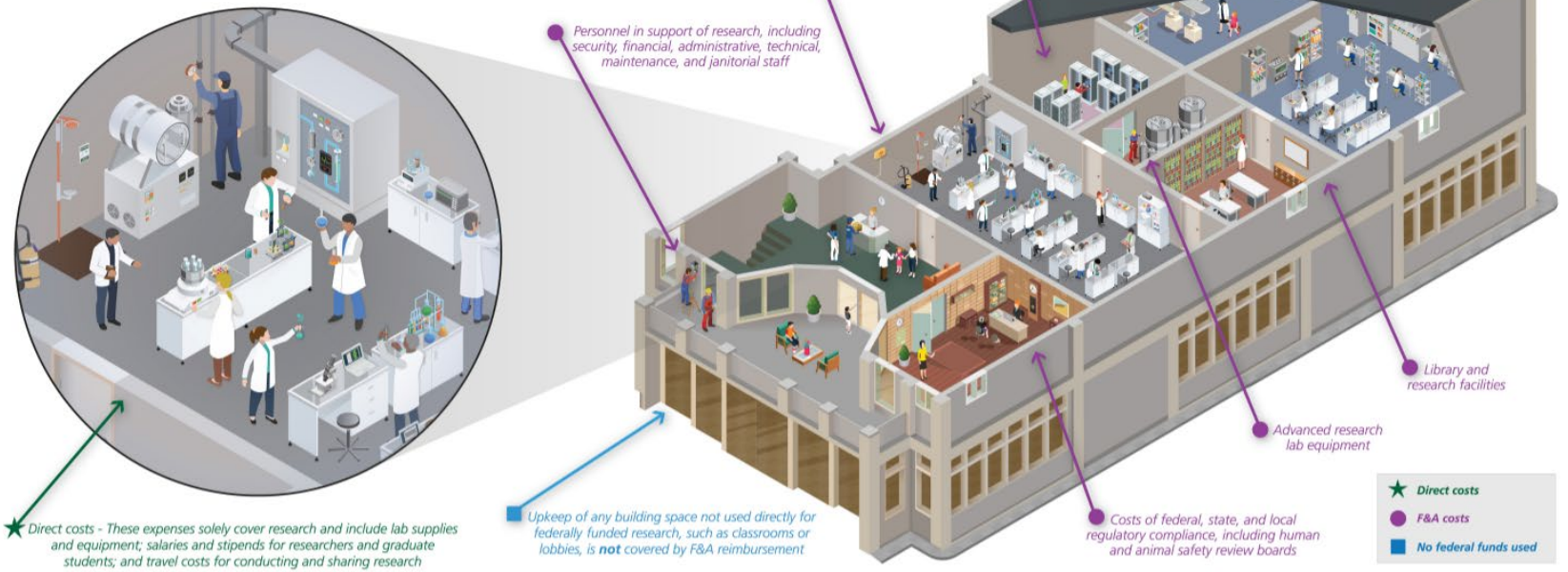
F&A covers a portion of infrastructure & operational costs related to federally-funded research that cannot be attributed to a single project.

Facilities
- Building depreciation
- Equipment depreciation
- Interest
- Operations and maintenance
- Library

Administrative
- General administration
- Departmental administration
- Sponsored projects administration
- Student administration and services

Costs of Federally Sponsored Research

The total cost of federally sponsored research includes a combination of both direct and facilities and administrative (F&A) costs. Both types of expenditures are key to an institution's ability to conduct cutting-edge research. F&A consists of the construction and maintenance costs of laboratories and high-tech facilities; energy and utility expenses; and safety, security, and other government-mandated expenses. These costs are real and research cannot be conducted without them.



AAMC · Association of American Universities · AIRI Association of Independent Research Institutes · Association of Public & Land-grant Universities · COGR Council On Governmental Relations

Sample Space Data Request

Official Building List with Codes and Names
Assignable Square Footage
Building Number
Building Description/Name
Owner Department Code
Owner Department Description
Occupying Department Code (if different from owner)
Occupying Department Description (if different from owner)
Room Number
Room Type Code
Room Type Description (Research Lab, Office, Non-Class Lab, etc.)
Principal Investigator ID
Principal Investigator Name

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REQUIRED DATA

Space survey participants should verify space inventory information (left column) to ensure accurate and gather additional information required by the F&A space survey (right column):

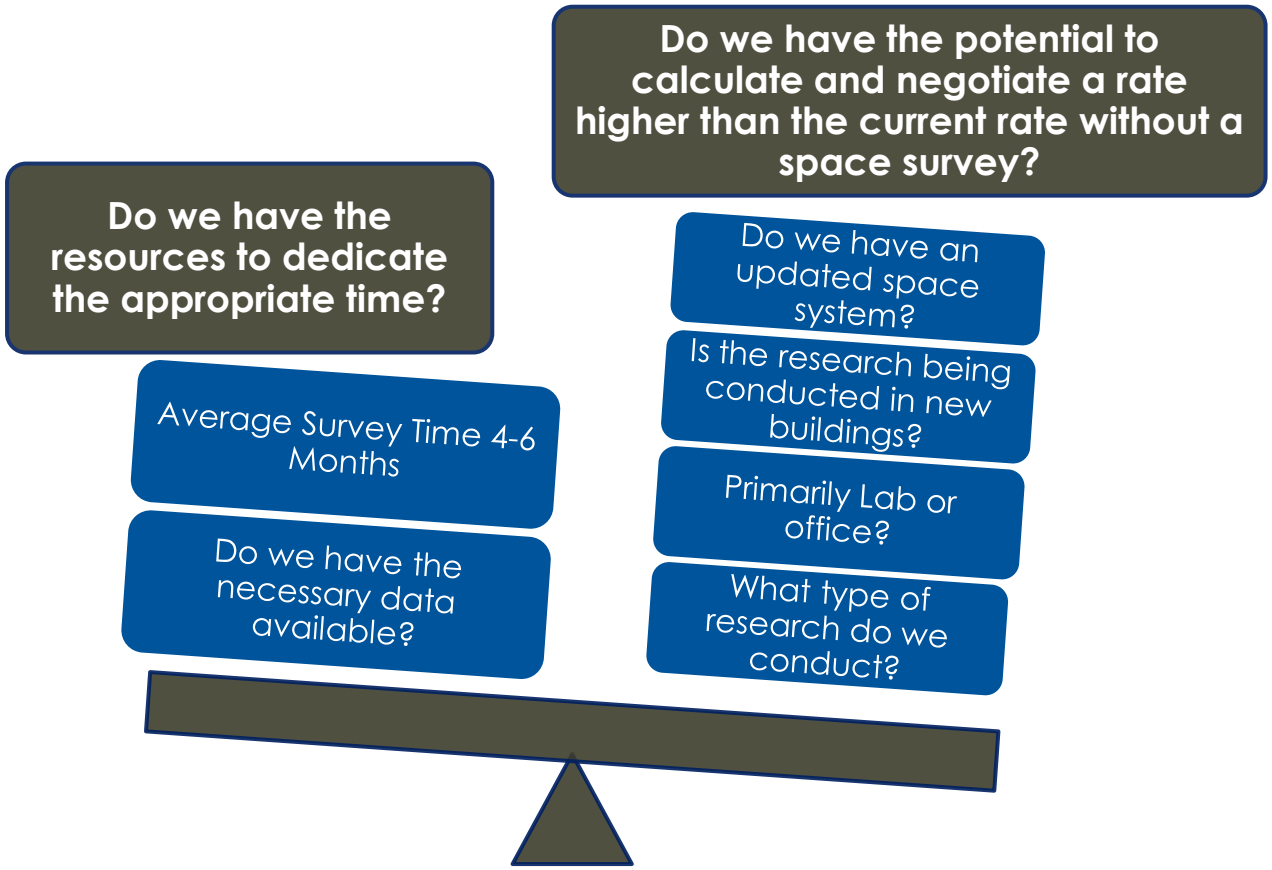
Information to Verify	Information to Gather
▪ Department Number ▪ Building Number ▪ Room Number ▪ Room Type ▪ Assignable Square Footage	▪ Principal Investigator ▪ Sponsored Projects ▪ Occupants ▪ **Space Functions** ▪ Comments

Space Functions

More Common in Labs	Less Common in Labs
• Organized Research (OR) • Departmental Research (DR) • Instruction (INS) • Other Sponsored Activities (OSA) • Other Institutional Activities (OIA) • Service Centers (SC)	• Departmental Administration (DA) • General Administration (GA) • Sponsored Projects Admin (SPA) • Student Services Admin (SSA) • Library (LIB) • Operations & Maintenance (OM) • Non-assignable (not in use) (NA) • Vacant (VAC)

Ensure that the correct function codes are being applied to each surveyed space!

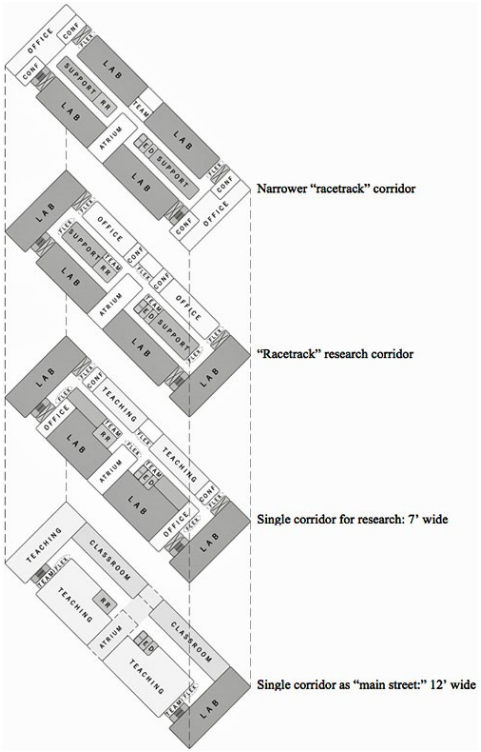
Should we do a Space Survey?



Key Planning Decisions

Do we have complete and accurate space inventory?	➢ Compare ASF by building and identify new/demolish buildings since last proposal.
Which departments will you survey?	➢ What would be Organized Research MTDC/S&W cutoff threshold?
What rooms will you survey?	➢ Only Labs? Animal Space? Dry Labs/Research Office?
Who will perform the survey?	➢ Central, department or outsource? To what extent will they be involved? Who is on campus and who is still remote?

RECONCILE SPACE DATA



- Floor plans to actual space
- Space database to floor plans
- Gross square footage to NASF
- Compare to previous proposal space data (if available)
- Make sure all space is accounted for
  - All owned/leased buildings (may not be on main campus) whose costs are in the facilities pools

DETERMINE SPACE SURVEY DEPARTMENTS

1. **Categorize on-campus sponsored activities on Financial Ledger during the fiscal base year**
   - Instruction, Departmental Research, Organized Research, Other Sponsored Activities, Training grants, Clinical Trials, etc.
2. **Establish OR MTDC or S&W survey threshold**
   - Example: Survey would account for 90% of on-campus OR S&W $
   - *Tips: S&W is usually better approach as sometimes MTDC fringe and other expenses might skew a department's statistics*
3. **Identify Service Centers and Research Institutes, and their space**
4. **Review departments occupying the most expensive research buildings**
5. **Review financial base and space alignment**

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Space Allocation Methodologies

There are three main allocation methods used to allocate Net Assignable Square Feet to various space functions. Common areas such as hallways, stairwells, and restrooms are usually excluded from the proposal.

Single Function

- Assign 100% to the function of usable square feet

Example:

- Central Payroll (GA)
- Library (LIB)
- Residence Halls (OIA)
- Classrooms (INS)

Joint Use Space

- For space used by more than one function
- Allocate to benefiting functions on the basis of department or institution's salaries and wages (S&W) or full time equivalent (FTE)* statistics

Simplified / Alternate Method

- Survey research intensive departments
- Functionalize other departments based on S&W or FTE distribution
- Maintain consistency in allocation method by room types

** FTE method is more commonly seen for universities with health science centers, as physician or clinician's high clinical salaries may skew a department's S&W to OIA.*

SELECT SURVEY ROOM TYPES

Research-intensive rooms and departments

All rooms, research intensive departments

All rooms, all departments

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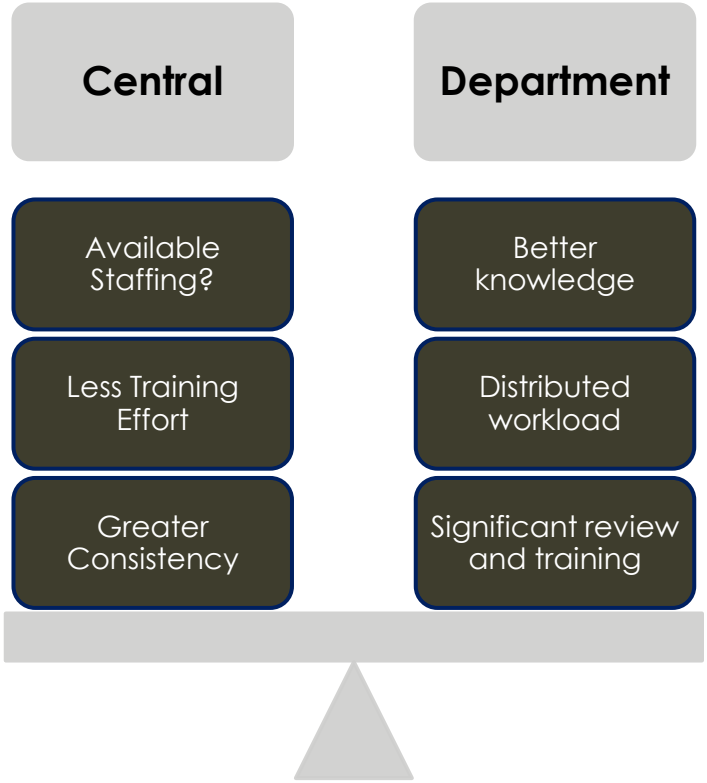
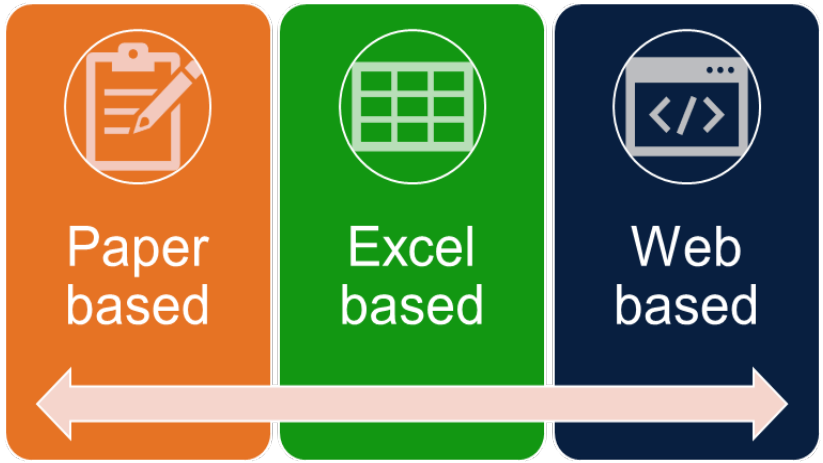
SELECT SURVEY ROOM TYPES

Common Survey Room Types	Definitions
Dry Laboratory / Research Office	A room used mostly for laboratory experimentation, computational and non-bench type research, training in research methods, or structured creative activity in a specific program and which includes office-type accommodation.
250 Research/Nonclass Laboratory	A space used for laboratory experimentation, research, or training in research methods; professional research and observation; or structured creative activity within a specific program or for sponsored research (whether sponsored with federal, state, private, or institutional funds).
255 Research/Nonclass Laboratory Service	A space that directly serves one or more research/nonclass laboratories as an extension of the activities in those spaces.
570 Animal Facilities	A space that houses laboratory animals used for research and/or instructional purposes.
575 Animal Facilities Service	A space that directly serves an animal quarters facility as an extension of the activities in that facility.
580 Greenhouse (Less common)	A building or space, usually composed chiefly of glass, plastic, or other light-transmitting material, that is used for the cultivation or protection of plants or seedlings for research, instruction, or campus physical maintenance or improvement purposes.
585 Greenhouse Service (Less common)	A space that directly serves a greenhouse facility as an extension of the activities in that facility.

SURVEY TECHNIQUES





We have seen more Universities go towards the Excel based or Web based surveys.

Space Survey

Steps for Surveying a Room

Step 5

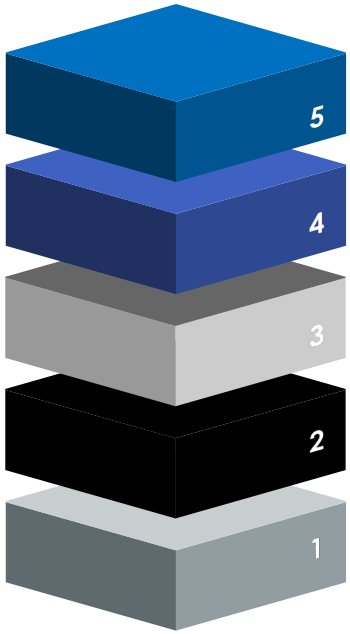
- Confirm **functional coding** to reflect room usage for the fiscal year. Use occupant pay as a guide for coding space.

Step 3

- Identify the **projects/grants** that are funding the activities taking place in the room

Step 1

- Verify the **physical attributes** of each room such as building name, room number, room type, and approximate square footage for accuracy



Step 4

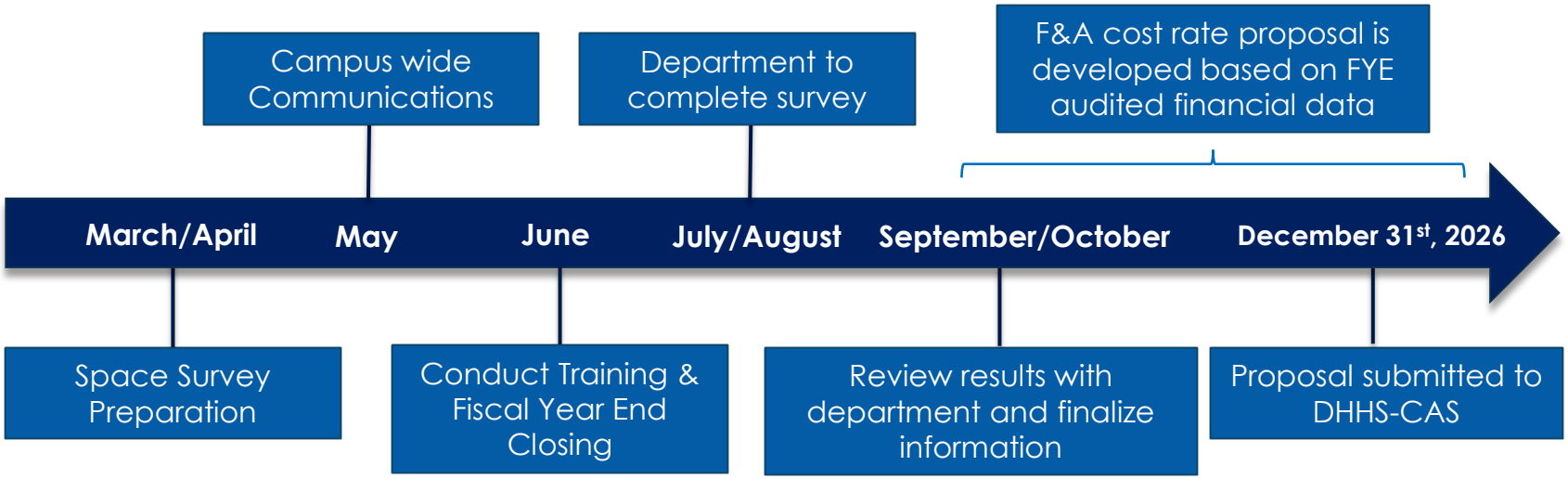
- Identify the **personnel** who were working in the space during the fiscal year

Step 2

- Identify the **activities** which took place in the room during base year

Ideal Timeline

Sample Timeline (based on FYE of 6/30/26)



If survey is conducted after FY ended, emphasize with department the survey time frame is looking back in time

Typical Process

After determining final survey departments and room types:

Allow at least 4 - 6 months for the process!

23

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Best Practices

Review Space Assignments in Off Years	➢ Ensuring the **space inventory** is **up-to-date** will reduce the time and effort needed during the space survey
Communicate Early with Faculty Members and Stakeholders	➢ Start conversations with key stakeholders as **early as possible**. Communication is most effective when coming from **senior leadership to emphasize the importance and timeliness of this process**
Create Support Packages for Departments	➢ Including a departments full room inventory, employees and funding sources would help **ensure everything is being captured appropriately.**

Space Survey Review

- Look for 100% single function rooms (especially 100% Organized Research)
- Review departments with inconsistent information
- Large projects or significant changes in research trends
- Occupancy of new building space and departments that have moved around
- Review CAS Best Practice Manual
- Review DCAA Chapter 13 – Audits at Educational Institutions

Poll Question 2

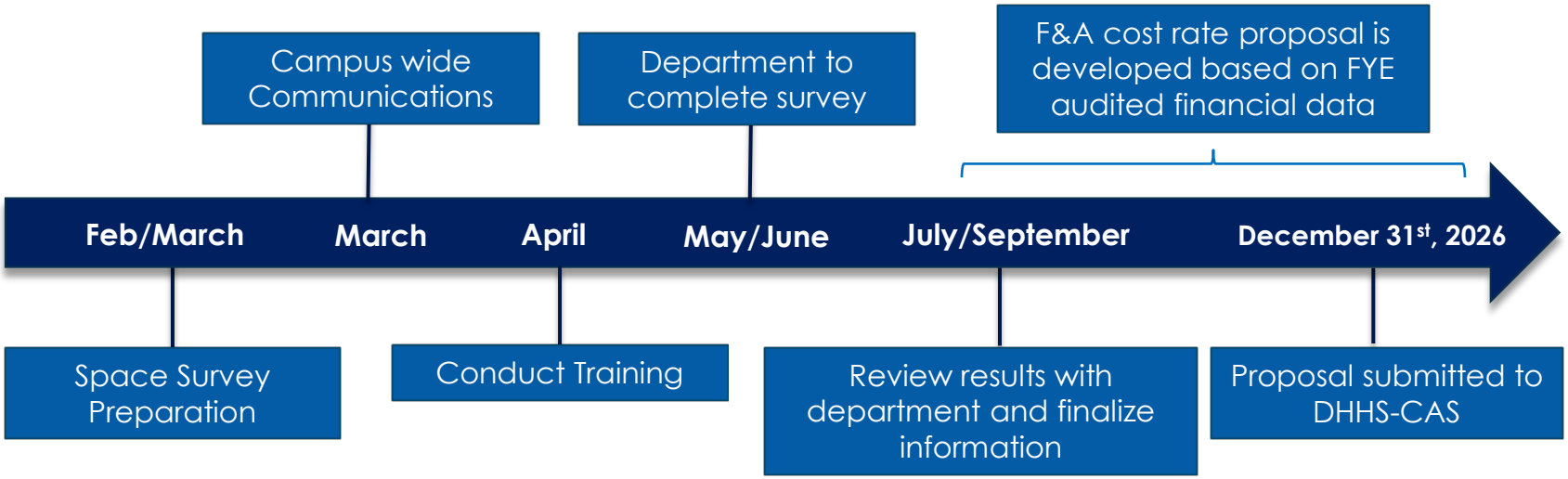
Which area is the biggest challenge in your space survey process?

- Planning and coordination
- Data accuracy and documentation
- Staff training and engagement
- Other
- Unsure

Mississippi State University Approach

The **KEY** is to start conversations as **EARLY** as possible

Mississippi State University Timeline



Who Was Involved?

Sponsored Projects Offices

Business and Finance
(Payroll and Accounting)

Service Centers and
Core Facilities

Deans' Offices
Research Intensive
Departments and Institutes
(PIs and Coordinators)

Facilities (Physical Plant)
Space Management
Building Managers

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CAMPUS COMMUNICATIONS

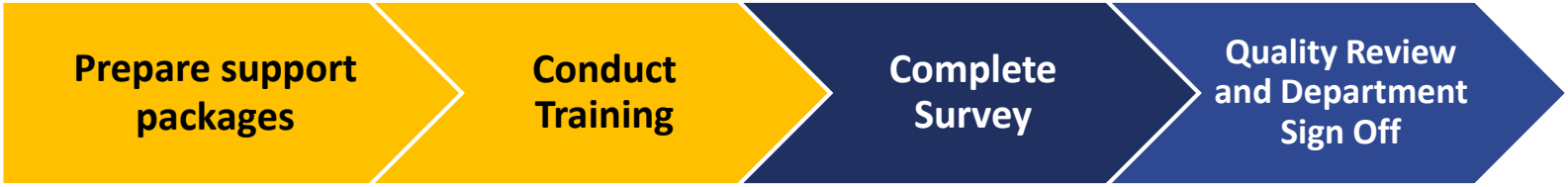
Since F&A space survey is usually conducted every 4-5 years, it would be beneficial to communicate with campus stakeholders **early** on to plan for resources and request data required for the space survey. The communication is most effective when coming from **senior leadership to emphasize the importance and timeliness of this process**.

Dean's Office / Academic Departments	Facilities Space Management
• Purpose and Importance of the F&A space survey • Fiscal Base Year of the survey period • Explain this process may be different from annual space inventory update (if applicable) • Regulatory Requirements (Under Uniform Guidance) • Who should be involved and estimated time commitment • Timeline of space survey and review process • Upcoming training sessions (offer 3 – 5 sessions)	• Purpose of the F&A space survey • Explain this process may be different from annual space inventory update (if applicable) • Regulatory Requirements (Under Uniform Guidance) • Request full campus space room by room inventory • Request floor plan access (if available) • Schedule meeting to understand available fields / information captured in current space system

Mississippi State University Approach

Space Preparation

After determining final survey departments and room types:



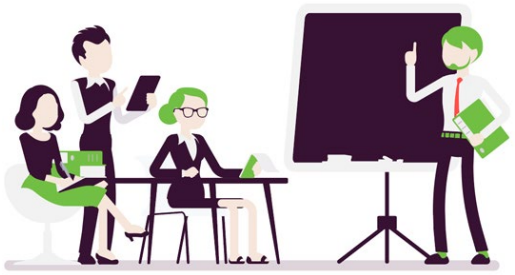
Allow for additional time to create support packages to assist the departments and work with facilities to work through the space data

32

SPACE TRAINING CONTENT

1. Purpose and importance of the survey
2. Survey Timeframe
3. Definitions
4. Guidelines for Coding Space
   - Checklist
   - Unique Scenarios
   - Decision Tree
5. System demo if using web-based tool
6. Timeline and Expected completion date
7. Let departments know what to expect during quality review
8. Training content will be included in F&A proposal

Good content can lend weight to the survey



Tips: *For Virtual training, use Poll Questions to engage your audience and walk-through unique scenarios.*

SUPPORT PACKAGES

- List of room inventory to confirm assigned rooms
- Floor plans or access to floor plans
- Lists of employees and funding sources
- Lists of awards/accounts with base determination
  - Definitions
    - Room types
    - Space functions
- FAQ, help desk, training materials with common scenarios
- In addition to the items necessary for the space survey, the participants were asked to review equipment location information to ensure its accuracy

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Space Survey RECAP

- **Start planning early!**
- Communicate with space management, sponsored project office, and accounting office for data request as soon as possible. Allow for more time than normal on this task.
- Communicate with Dean's Office / Academic Departments and let them know base year is coming and to be prepared for the space survey.
- Reconcile space data to identify any significant changes early. Any missing ASF? Request floor plans if available.
- Determine best tools to use to gather supporting documentation.
  Spreadsheet? Web-based tool?
- Identify available resources to help with training logistics, quality review and meeting coordination.

Poll Question 3

How integrated is your space survey process with other institutional planning efforts?

- Fully integrated with research and facilities planning
- Partially integrated
- Minimal integration
- Not integrated at all
- Unsure

Poll Question 4

Do you currently use space survey data for purposes beyond IDC proposals?

- Yes, regularly
- Occasionally
- Not yet, but planning to
- No
- Unsure

The Future of Space Surveys

Based on the current federal climate the space survey process can still be used for other initiatives such as:

- FAIR Model analysis
- Cost of research analysis
- PI utilization analysis
- Internal space allocation discussions
- National surveys such as HERD Survey, SERF Survey etc.

FAIR Model Overview

The **Financial Accountability in Research (FAIR) model** represents a new framework for recovering indirect costs—also known as Facilities & Administrative (F&A) costs—developed collaboratively by the research community and federal stakeholders. The **Joint Associations Group (JAG)** on Indirect Costs, which includes ten national organizations such as AAU, AAMC, ACE, COGR, and NACUBO, is leading this initiative.

This effort offers an alternative to the 15% cap proposed by the government in February. The goal is to create a model that:

- Accommodates institutions of all sizes and types
- Enhances transparency and compliance in research cost structures
- Aligns federal funding practices more closely with those of private foundations by allowing more costs to be treated as direct
- Reduces administrative burden for both institutions and federal agencies

FAIR Model Overview

Essential Research Performance Support (ERPS) consists of 4 different elements of costs:

- **Regulatory Compliance (RC):** Costs associated with compliance with human and animal subject protections, biosafety, radiation safety, clinical trial monitoring, system security plans and project-specific research security policies, and other related regulations.
- **Award Monitoring, Oversight and Reporting (AMOR):** Costs related to administrative, financial, and performance management of federal awards.
- **Essential Research Performance Facilities (ERPF)**, Costs for research space, including utilities, maintenance, operations, building depreciation, leases, and other facility expenses directly supporting research activity.
- **Research Information Services (RIS):** Costs related to journal subscriptions, database access, institutional repositories, and related resources.

Cost of Research and PI Utilization

Cost of Research Analysis:

- Understanding the true cost of research requires accurate allocation of facility & utility expenses. A space survey helps break down those costs into detailed components, enabling more precise cost analyses and informed decision-making.

Productivity Analysis:

- Measure square footage per Principal Investigator (PI) against research outputs such as grant funding.
- Identify trends where space investment correlates with productivity, highlighting areas of high or low return.
- Use these insights for future space requests and optimize allocations during budget planning and reviews.

Facilities

Strategic Space Planning	• Data on room usage and occupancy can inform decisions on renovations, reallocations, and optimizing research space utilization.
Capital Planning & Budgeting	• Space surveys can feed into capital project prioritization and long-term facility planning.
Operational Efficiency	• Identifying underutilized or vacant spaces can support cost-saving initiatives and sustainability goals

Utilizing Space Survey for Facilities Reporting and Updates

Institutional Surveys

The space survey can be utilized for sponsor and institutional surveys such as the HERD, SERF etc.

These surveys require accurate reporting of research expenditures and space utilization.

Space survey data provides validated room-level functionalization, which strengthens institutional reporting credibility and research rankings.

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Thank You