SUBJECT: Distribution of Recovered Indirect Cost to Colleges/PI’s/Library/IT/BoR Centers/BoR Institutes

PURPOSE: To provide guidelines for distribution of recovered indirect cost to colleges/principal investigators/library/IT/BoR approved centers and institutes.

DEFINITIONS

Indirect Costs: Indirect costs are the normal costs of conducting business that cannot be identified and allocated to specific projects (insurance, utilities, building maintenance, etc.).

Recovered Indirect Costs: Indirect cost recovery occurs as the university bills the sponsor and “recovers” institutional costs that were incurred by the university to support the external project.

GENERAL POLICY

A reasonable percentage of recovered indirect cost will be distributed each year depending upon the financial health of the institution.

AUTHORITY

Internal Management Directives, IMDs, are issued in accord with AP-OP-01.1.

POLICY

1. 10% of recovered indirect for each college (not including funds generated by Board of Regents Approved Centers/Institutes) will be returned to the Dean of the college

2. Beginning in FY 17: 10% of recovered indirect for PI accounts in the college (not including funds generated by Board of Regents approved Centers/Institutes) will be
returned for the PI to a separate PI indirect return account in each college. While the Dean will manage the funds, they will be made available to the PI.

3. 1% of the total recovered indirect of all colleges will be returned to the Dean of the Library

4. 1% of the total recovered indirect of all colleges will be returned to Information Technology

5. 25% of recovered indirect for Board of Regents-Approved Centers and Institutes that are in good standing, will be returned to the Director of the Center/Institute.

All returns are subject to the following conditions:
- For ongoing projects the account must be in good standing (deliverables are accepted, the account is not overdrawn, and the sponsor is paying invoices)
- For closed/closing projects the final invoice was paid
- If the college/center/institute has overdrafts in their restricted accounts, up to 50% of each year’s return of indirect will be used to liquidate the overdrafts

The Office of Research and Sponsored Programs will calculate each year’s proposed return of indirect based on actual recovered funds. Accounts receivables will not be included in the calculation. Awards with co-PI’s in different colleges will result in a split distribution of indirects. The actual recovered IDC will be divided among all PI’s based on the distribution of indirects provide in the routing form for the proposal, unless there was a change in PI after the award, and each co-PI’s distribution will be included in their respective college’s return. On some existing grants it may not be possible to identify each of the co-PIs. In those cases, the entire indirect return will be based upon the college of the PI of the award. The Center/Institute will receive 25% of the recovered indirects, subject to the conditions listed above. The total college return will be the sum for all such grants subject to the criteria listed above less the college portion for Institutes and Centers.

Because the university indirect calculation includes 1% for the library, 1% of the total actual recovered funds by the Colleges, subject to the criteria given above, will be distributed to the Dean of the Library. Because research uses I.T. services, 1% of the total actual recovered funds by the Colleges, subject to the criteria given above, will be distributed to the Chief Information Officer.

Indirect will be returned only when the research budget is in good fiscal standing. The Office of Research and Sponsored Programs will notify the Deans/Directors of any returns in a given fiscal year. If there is a disagreement with the amount of the return, the Dean/ Director, Provost, and/or President will confer to determine the amount of the return. Recovered indirect cost funds distributed will be allowed to carry over fiscal years.

Norman L. Whitley
Provost