

Section 16.01

INDIRECT COST RECOVERY (F&A RATE)

Indirect Costs--Costs related to expenses incurred in conducting or supporting research or other externally-funded activities but not directly attributable to a specific project. General categories of indirect costs include general administration (accounting, payroll, purchasing, etc.), sponsored project administration, plant operation and maintenance, library expenses, departmental administration expenses, depreciation or use allowance for buildings and equipment, and student administration and services.

Indirect Cost Rate--The rate, expressed as a percentage of a base amount established by negotiation with the federal agency on the basis of the institution's projected costs for the year and distributed as prescribed in OMB Circular A-21. At SWT, indirect costs are applied to a modified total direct cost (MTDC) base. The indirect cost rate is charged on a set of direct costs known as an indirect cost base.

DISTRIBUTION OF FACILITIES AND ADMINISTRATIVE REVENUE

IDC Distribution--The basic distribution will be 50% to colleges/faculty and 50% to administration. All expenditures from these F&A accounts must be for research purposes as stated in the state legislation (HB 1887 enacted by the 78th Legislature). Each year all expenditures will be reported to the Associate Vice President for Research to identify the research activities that were supported by these monies.

The 50% of the F&A revenue allocated to the central administration will be used to fund the Sponsored Programs administrative positions in the Office of Graduate Studies Research (GSR). Sponsored Project employees are paid from the F&A. It is assumed that as the sponsored projects grow, that additional employees will be added and this pool will provide the salary money. In addition, since there is an impact on the Business Office to cover some of their costs related to grants and contracts. Funds in excess of the amount required for this activity will be used to seed research projects.

Regular Sponsored Programs

Regular sponsored programs include research projects or the other sponsored programs that result from proposals submitted by faculty members in specific college, by centers or institutes, or by community Outreach. For regular sponsored programs, the future distribution will be as follows:

For Colleges

50% to College

20% to Principal Investigator

30% to Dean's Office (10% to be distributed to the originating department to support research, e.g., to fund service/maintenance for equipment)

50% to Office of Graduate Studies and Research

The facilities and administrative revenue returned to the appropriate college is expected to be a primary source of money for start-up costs for new faculty members' research activity. (This does not include the usual office equipment such as computers, printers, office furniture and supplies.)

In some cases, a college may renegotiate the distribution of the college's 50% share (both principal investigator's and dean's office allocations) because of unique needs, such as equipment maintenance contracts or other special considerations. The college distribution must be renegotiated with the Provost and the Associate Vice President for Research and Scholarly Activity every 5 years.

For Centers*, Institutes, Community Outreach or Central Administration

40% to Center, Institutes, or Outreach (Distribution to Principal Investigator if negotiated)

10% to Dean of the College with which the Center/Institute is associated with or the PI has an appointment.

(Examples: The Conrad Blucher Institute is associated with the College of Science and Technology. Most Harte Research Institute Scientists will have appointments with the College of Science and Technology through participation in the Coastal and Marine System Science doctoral program.)

50% to the Office of Graduate Studies and Research

*This category includes employees hired by centers or institutes, rather than colleges, but who serve college programs like the Coastal and Marine System Science doctoral program.

Federal Initiatives and Other Special Initiatives

The generation of funding for special initiatives differs from that of regular sponsored programs. Funding for regular sponsored programs typically is generated by research proposals submitted by faculty members. Funding for special initiatives, however, results from the efforts of the University President or designee(s) working with legislators or others to secure funding for special projects. F&A costs for federal initiatives and other special initiatives may differ from those of regular sponsored programs, and may be handled on a case-by-case basis. A general guideline for the distribution of F&A revenue related to special initiatives, however, follows:

For Colleges

20% Principal Investigator

30% College Dean's Office

50% Central Administration/Graduate Studies and Research

For Centers, Institutes, Outreach and Senior Administrative Offices

30% Center or Outreach or Higher Administration

20% Dean's Office in college with which the Principal Investigator or Center/Institute is associated.

50% Central Administration/Graduate Studies and Research

Screen 009 in FAMIS and account attributes section in Canopy will display the account's IDC base and rate.