

Budget & Payroll

20.07 Distribution and Use of Indirect Cost

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1. Purpose

The University earns indirect cost on grants and contracts. The purpose of indirect cost is to help pay for the associated overhead costs incurred by the University.

2. Distribution Methodology

Indirect Cost will be distributed as follows:

2.1 Academic Department

General University Operating Budget	50%
Vice President Research & Development	8%
Office of Sponsored Programs	12%
Dean	5%
Department Head	5%
Principal Investigator	20%
Total	100%

2.2 Board Approved Centers

General University Operating Budget	50%
Vice President Research & Development	8%
Office of Sponsored Programs	12%
Dean	5%
Director – Board Approved Center	15%
Principal Investigator	10%
Total	100%

2.3 Non-Academic Departments

General University Operating Budget	50%
Office of Sponsored Programs	12%
Principal Investigator	38%
Total	100%

3. Distribution

The University makes the distributions on a monthly basis. IDC that was earned prior to 07/01/2007 is recorded in the following account ranges: 22XXXX. IDC that was earned

07/01/2007 and after will be recorded to accounts in the following account range: 24XXXX.
07/01/2007

4. Use of Indirect Cost

4.1 Indirect costs earned prior to 07/01/2007 (22XXXX accounts) can be spent for any Educational & General purpose. Essentially this means that they can be spent for anything that state funds can be expended for and spending on these accounts follows state funding rules. There will be no additional deposits of earnings to these accounts. The accounts will remain and state funding rules will apply until funding in these accounts has been expended.

4.2 Indirect costs earned on or after 07/01/2007 will follow local expenditure guidelines; however, expenditures on these accounts must be used to further enhance/support research efforts or grant related activities. Allowable expenditures: Non-permanent salaries and Wages, supplies, memberships, travel (in state & out of state), and capital purchases. Food is not an allowable purchase on these accounts.

4.3 Indirect cost funds may not be used to supplement the salary of the Principal Investigator.

5. Accounting for Indirect Cost Funds

5.1 Indirect cost funds are put into separate designated fund accounts specifically earmarked for indirect cost use. These funds may not be transferred to any account, except for another indirect cost account.

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