

**PRAIRIE VIEW A&M UNIVERSITY
UNIVERSITY ADMINISTRATIVE PROCEDURE**



27.99.99.P0.01 Distribution and Use of Indirect Cost

Approved November 16, 1998
Revised August 25, 2011
Revised March 13, 2012
Revised March 9, 2017
Revised: May 23, 2022
Next Scheduled Review: May 1, 2027

UAP Purpose

The purpose of this University Administrative Procedure (UAP) is to establish the process that will be followed by Prairie View A&M University (PVAMU) with regards to the Distribution and Use of Indirect Cost.

Official Procedures and Responsibilities

1. GENERAL

- 1.1 Prairie View A&M University earns indirect cost on grants and contracts. The purpose of indirect cost (IDC) is to help pay for the associated overhead costs incurred by the university.

2. DISTRIBUTION METHODOLOGY

2.1 Academic Departments

Office of Sponsored Programs	62%
Vice President for Research, Innovation & Sponsored Programs	8%
Senior Vice President for Business Affairs	4%
Dean	5%
Department Head	5%
Principal Investigator	16%
Total	100%

2.2 Board Approved Centers/Chancellor's Research Initiatives (CRIs)

Office of Sponsored Programs	62%
Vice President for Research, Innovation & Sponsored Programs	8%
Senior Vice President for Business Affairs	4%
Dean	5%
Director – Board Approved Center	11%

Principal Investigator	10%
Total	100%

2.3 Non-Academic Departments (excluding Student Financial Aid & Scholarships)

Office of Sponsored Programs	62%
Senior Vice President for Business Affairs	10%
Principal Investigator	28%
Total	100%

2.4 Student Financial Aid & Scholarships

Office of Sponsored Programs	10%
Principal Investigator	80%
Senior Vice President for Business Affairs	10%
Total	100%

3. DISTRIBUTION

3.1 The University makes IDC 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 on or after 07/01/2007 is recorded in the following account ranges: 24XXXX.

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 it can be spent for anything that state funds can be expended for and spending on these accounts follow state funding rules. Food is not an allowable purchase on these accounts. There will be no additional deposits of earnings to these accounts. The accounts will remain open and state funding rules will apply until funding has been expended.

4.2 Indirect costs earned on or after 07/01/2007 follow local expenditure guidelines; however, expenditures on these accounts must be used to further enhance/support research efforts or grant related activities. Examples of allowable expenditures: supplies, memberships, food, travel (in & out of state), and capital purchases.

4.3 Indirect cost funds may not be used for any permanent salary or wage supplements excluding Research Administration, Office of Sponsored Programs, and Human Resources staff.

4.4 Administrative cost allowances earned on Student Financial Aid & Scholarships accounts may be used for departmental operating purposes including salaries and wages of permanent staff.

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.

Contact Office

Office of Accounting Services 936-261-1900
