

GRANT INDIRECT COSTS POLICY

October 2009

Policy statement on the disposition of indirect costs associated with grant applications.

Commencing with grant proposals submitted to the Provost on October 1, 2009, 25% of indirect funds (sometimes called *overhead* costs or funds) received from any outside grants will be transferred to an account under the control of the Dean of the college or the Vice President of the administrative unit from which the grant proposal originated. The Dean or Vice President may use these funds at his or her discretion. The remaining 75% of the indirect funds will remain in the university's general operating budget for costs associated with administering grants including, but not limited to, accounting, administration, utilities, and facilities maintenance. If a grant originated from more than one college or administrative unit, the 25% return of indirect funds will be divided equally unless the Dean(s) and / or Vice President(s) mutually decide otherwise.

For grants from the Lilly Endowment or any agency that both allows indirect costs and, in addition, pays the grant up-front thus allowing the grant-seeker to earn and retain interest on the balance, the university will retain all indirect funds in the general operating budget. However, the Provost in consultation with the Vice President for Administration and Finance will determine the disposition of the interest associated with the grant.

In an effort to make a grant proposal more attractive or improve its chances of success, the originator of a grant application may not reduce the amount that a granting organization allows for indirect costs nor deviate from the university's standard allowance for indirect costs without the explicit approval of the Provost. Such cases will be considered exceptional. In these cases, the grant proposal's originator will first present convincing evidence to the appropriate Dean or Vice President that waiving or reducing indirect costs will improve the proposal's chances for success or are somehow in the best interests of the university. If the Dean or Vice President supports the request for exception, he or she will forward the proposal to the Provost with appropriate supporting documentation. If such a grant is awarded, all indirect costs will normally remain in the university's general operating budget.