

GRANT INDIRECT COSTS POLICY

January 2020

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

Commencing with grant proposals submitted to the Provost on March 1, 2020, 40% of indirect funds (sometimes called overhead or Facilities and Administration (F&A) costs or funds) received from any outside grants will be transferred to the Dean of the college or the Vice President of the administrative unit from which the grant proposal originated. The remaining 60% 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 40% return of indirect funds will be divided equally unless the Dean(s) and/or Vice President(s) mutually decide otherwise.

The Dean or Vice President may use these funds at his or her discretion. However, using the model of the College of Arts and Sciences, the following distribution is recommended: 50% to the principal investigator (PI), 25% to the department of the PI, and 25% to the Office of the Dean.

Use of these funds by department chairs and PIs is limited to the following purposes supporting research projects, grant applications and grant-funded projects, and scholarly professional development activities:

- On-campus housing expenses for summer research students.
- Supplies or equipment expenses, particularly those that also support the research/scholarship enterprise, beyond those purchases already supported at the College level.
- Unforeseen expenses, especially those for which there are no specific budgets identified at present.
- Stipends for the development of new grant proposals during times that the PI is not drawing a salary from a grant. (Stipends, as a form of salary, must have the approval of the Dean.)
- Additional students on research projects when the budgeted amount for student support is insufficient to support all interested and qualified students. This includes summer research assistants.
- Additional conference travel for the PI and his/her students, or for other faculty members in the department, beyond that routinely supported by the College or Department.
- Expenses incurred in pursuit of funded projects that were not documented in the original grant proposal and that may not otherwise be eligible for reimbursement from the grant agency.
- Work during a period when the PI has no active grants, permitting continuity in the project that may be essential to achieve future funding.
- Professional development activities related to scholarly activity, including but not limited to membership fees, conference registration, book purchases, subscriptions to professional journals, and publication-related fees.

Funds must be spent within two years of the end of the grant period unless specific arrangements are made with the department chair or Dean.

For grants, such as those from the Lilly Endowment, that allow indirect costs and, in addition, pay 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.

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 Provost and CFO for waiving or reducing the indirect costs. If such a waiver or reduction is awarded, all indirect costs will normally remain in the university's general operating budget.