

# INDIRECT COST CAMPUS SHARING PLAN

*Offices of Research, Innovation, and Economic Development*



SACRAMENTO STATE

## Fiscal Year 2026-27

### What are Indirect Costs (IDC)?

Indirect costs (IDC) - also referred to as facilities and administration (F&A) costs by the federal government - are costs incurred for common or joint objectives and therefore are not readily identifiable with a particular sponsored project, instructional program or other institutional activity. IDC includes expenses associated with maintaining the infrastructure of universities such as utilities, custodial services, plant operations such as heating and cooling services, payroll and accounting services, general office supplies, departmental administration, procurement services, library services, and sponsored projects administration. Due to the nature of these costs, indirect costs are generally stated in grant or contract proposal budgets as a percentage of direct project costs.

### What happens to the recovered IDC?

Most grants and contracts are administered by University Enterprises, Inc. (UEI), a campus auxiliary, who currently retains 60% of the recovered IDC to cover their operational expenses. The remaining 40% is transferred to Academic Affairs. A small number of contracts are required (by funder mandate) to be administered by the university instead of UEI. In these rare cases, a portion of the recovered IDC is allocated to Administration and Business Affairs (ABA), and the remainder is allocated to Academic Affairs.

### How is the IDC recovered by Academic Affairs distributed?

Note: The sharing plan is only applicable to grants/contracts that generate IDC.

Distribution Model for FY 26/27			
Percentage of <u>university</u> share of IDC	Originating from Academic Affairs		All other divisions (Student Affairs, ABA, etc.)
	Individual/Team	Center/Institute	
ORIED (University account)	40%	40%	40%
Home Division Office (VP)	5%	5%	50%
Library	1.5%	1.5%	1.5%
College Sharing	7% (1% ea.)	7% (1% ea.)	7% (1% ea.)
Home College / Unit	25%	25%	0%**
Department/Center	10%	20%	0%**
PI	10%	0%*	0%**
ORIED (UEI account)	1.5%	1.5%	1.5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*PI share for Center/Institute grants and contracts is incorporated into the Department/Center share.

\*\*PI, Department, and College/Unit share for grants and contracts from all other divisions is incorporated into the Home Division Office.

## How are the project types for proposals originating from Academic Affairs defined?

- **Individual/Team Grants and Contracts** – Grants and contracts that directly support a specific program of scholarly work of a faculty member, group of faculty, or department/college.
- **Center/Institute Grants and Contracts** – Contracts (and some grants) from agencies and/or others to perform a well-defined training, analysis or other investigation by faculty members or others (staff, students, etc.) affiliated with an approved academic center or institute.

## How is IDC sharing handled on interdisciplinary/collaborative projects?

Funds will be distributed to the lead PI and their respective college and department, unless the PIs request in writing an alternate split ratio.

## How may the distributed IDC funds be used?

IDC funds are allocated for the following purposes:

- **Home Division** - for discretionary support of scholarly and creative activities and to build capacity with their units.
- **Library** - for resources to support faculty research, scholarly and creative activities; and/or for the professional development of library faculty.
- **College and department** - for the strategic cultivation/support of research and creative activities and/or for faculty professional development. Additionally, funds may be used to recognize staff providing support for externally funded grants and contracts. This may include bonuses, stipends, and/or overtime (in accordance with collective bargaining agreement) and/or staff professional development funds.
- **Academic center and institute** - to help offset unbillable costs and build capacity.
- **Faculty principal investigators (PIs)** - to augment existing and incentivize continued research. Funds may not be used for faculty additional employment.

## How does Academic Affairs/ORIED use its allocation?

The funds allocated to Academic Affairs/ORIED underwrite campus-centric programs that support, incentivize, and reward faculty research including the faculty research and creative activity awards (RCA), honorific faculty research awards, incentive programs, and other support for research. The AA/ORIED funds held in UEI allow flexibility for expenses that might be difficult to otherwise support in university accounts given restrictions in use of state funds.

## How/when will IDC funds be distributed?

Fund disbursement will be distributed biannually according to the following schedule:

Quarter	Time Period	Distribution Date
Q3 and Q4 of FY 2025/26	1/1/26 - 6/30/26	~10/1/26
Q1 and Q2 of FY 2026/27	7/1/26 - 12/31/26	~3/1/27
Q3 and Q4 of FY 2026/27	1/1/27 - 6/30/27	~10/1/27

Funds for academic departments will be transferred into their general fund operating account using class code **2936G** to designate the use of the funds. Funds for PIs will be transferred into the same account using class code **2936H** to distinguish the type of funds. All other units (colleges, non-academic departments, divisions) will be designated using class code **2936E** to separate the IDC funds from normal operational funds. These class codes will also allow departments and colleges to carry-forward IDC funds and not require they be spent by the end of the fiscal year.

Funds for centers/institutes will be transferred to their UEI operating accounts as applicable.

## **What is required of IDC recipients?**

Each college, department, and center may be required to provide a brief report that summarizes how the funds were used in the past fiscal year to help ORIED assess the effectiveness of the IDC sharing program. More details to follow should this need arise.

## **Will IDC share percentages change?**

The sharing plan requires that the percentage distributions be reviewed at least every two years (by ORIED in consultation with the Deans and Academic Affairs) to ensure that the distributions are optimized to campus needs. The next review is scheduled for Spring 2026.

## **Who is the point of contact?**

For any questions, please contact the Offices of Research, Innovation, and Economic Development at [research@csus.edu](mailto:research@csus.edu).

*The campus IDC sharing plan went into effect July 1, 2018. It was revised in July 2020 to reflect new distribution dates. The latest update was posted in April 2026 to reflect distribution dates for FY 26-27, and to clarify college and department uses of distributed IDC funds.*