

INDIRECT COST SHARING PLAN

Distribution of indirect costs recovered by Academic Affairs.



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?

(as of July 1, 2018)	Originating from Academic Affairs			Originating from Student Affairs, ABA, IRT, etc. - Any Grant/Contract
	Indiv/Team Scholarly Grants/Contracts	Student Success/ Institutional Grants	Center/Institute Contracts	
Academic Affairs / ORIED	40.0%	40.0%	40.0%	40.0%
Home Division (VP)	5.0%	5.0%	5.0%	50.0%
Library	1.5%	1.5%	1.5%	1.5%
All Colleges (1% each)	0.0%	7.0%	7.0%	7.0%
PI/Co-PI College(s)	25.0%	35.0%	25.0%	0.0%
PI/Co-PI Department(s)/Center	17.0%	0.0%	20.0%	0.0%
Faculty PI/CoPIs	10.0%	10.0%	0.0%	0.0%
ORIED (UEI held acct)	1.5%	1.5%	1.5%	1.5%
Total	100%	100%	100%	100%

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

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

- **Individual/Team Scholarly Grants/Contracts** – Grants (and sometimes contracts) that directly support a specific program of scholarly work of a faculty member or group of faculty. Examples include National Science Foundation research grants, National Endowment for the Humanities faculty research grants, Research Corp, Spencer Foundation, etc.
- **Student Success/Institutional Grants** – Grants from agencies that seek to improve student and or university outcomes. These are typically grants that underwrite innovative campus programs. Recent campus examples have

been the NSF STEP grant that funded the PASS program within NSM, U.S. Department of Education's Developing HSIs grant, and the systemwide LSAMP program that runs through our campus.

- **Center/Institute Grants and Contracts** – Contracts (and some grants) from agencies and/or others to perform a well-defined 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?

At the proposal stage, a worksheet is completed that outlines how distributions should be split if more than one college, department, and/or PI is involved in the project.

How may the distributed IDC funds be used?

IDC funds are allocated for the following purposes:

- **Home Division** funds are for discretionary support of scholarly and creative activities and to build capacity with their units.
- **Library** funds are to support the scholarly activities and professional development of library faculty.
- **College and department** funds are for the strategic cultivation/support of more research and creative activities and/or for faculty professional development.
- **Academic center and institute** funds are to help offset unbillable costs and build capacity.
- Funds to **faculty principal investigators (PIs)** should 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, Faculty Scholarship Communities, 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?

Funds will be transferred into college, center, and department accounts quarterly after allocations have been determined. Funds for PIs will be deposited into their home department's account. A class code (2936E) has been created to separate the IDC funds from normal operational funds. The class code will also allow departments and colleges to roll-forward IDC funds and not require they be spent by the end of the fiscal year.

What is required of IDC recipients?

Each college, department, and center will be required to provide a brief report each August that summarizes how the funds were used in the past fiscal year. This information will be used to assess the effectiveness of the IDC sharing program and identify issues that may need to be addressed via program revision.

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 AABAC) to ensure that the distributions are optimized to campus needs. Any variation from sharing matrix must be negotiated with AVP of Research, Innovation, and Economic Development prior to submission. If agreed, a memorandum of understanding will be developed that specifically spells out the modified sharing plan.

For more

For the full memo, visit: <https://www.csus.edu/research/FA-share-memo-Final.pdf>.

OFFICE OF RESEARCH, INNOVATION, AND ECONOMIC DEVELOPMENT
California State University, Sacramento
6000 J Street
Sacramento, CA 95819
csus.edu/research
916-278-6402

Current as of August 2018