



Policy # 81003

INDIRECT COST DISTRIBUTION POLICY

Effective Date: September 1, 2023

Responsible Office: Grants Administration / Sponsored Programs

Division: Research and Sponsored Programs / Finance

I. PURPOSE/OBJECTIVE

Grambling State University is committed to making a positive difference in the world through education and research. The Division of Research and Sponsored Programs advances this University commitment through excellence in research administration. Grambling State University's mission has a focus on preparing graduates "to contribute to the advancement of knowledge." Graduates are being prepared who can engage in research and share the results with the community. Infused in the academic program is training for students that targets the development of critical thinking skills and the acquisition of technical skills that support *discipline specific research/creative works*.

The Division of Research and Sponsored Programs:

- Builds and sustains the infrastructure for Grambling faculty, students, and researchers to engage with sponsors;
- Enables and ensures responsible stewardship of sponsored funds; and
- Creates and sustains a collaborative environment that facilitates compliance with sponsor requirements, applicable regulations, and University policies.

Faculty/Staff and the research infrastructure are both essential to a strong research program and success in acquiring grants and awards. The purpose of the *Indirect Cost Distribution Policy* is to expand the research capacity of the University by incentivizing research and proposal writing.

II. STATEMENT OF POLICY

This policy outlines the formula that will be used to distribute Indirect Costs received from grants/awards. It also highlights how these funds should be used to address the needs of faculty and staff related to expanding and enhancing their creative works. *This policy applies to all grants/awards that have budgeted indirect cost, including those that have indirect cost at a rate different from the University's approved rate.*

- A. Definitions** - Indirect Costs are those funds in a grant or contract budgeted for the overhead associated with the operation of the grant or award. The Indirect Cost Rate is also referred to as Facilities & Administrative (F&A) Cost Rate. Grambling State University's federally approved Indirect Cost Rate is based on Modified Total Direct Cost for funded programs that are conducted on campus. The F&A Cost Rate agreement is on file in the Sponsored Program and Grants Administration Offices.

The term "Research" used in this document is meant to be inclusive of all disciplines and includes research referenced as "creative works".

B. Indirect Cost Distribution

Indirect Cost will be distributed using the following formula.

Unit	Distribution Percentage
Principal Investigator (PI)	50%
Department Unit of the PI	20%
College of the Departmental Unit	5%
Sponsored Programs Office	25%

C. Grant/Contract Awards Excluded from this Policy:

- ↗ Contracts or grants in which the Indirect Cost Rate was waived by the University
- ↗ Contracts or grants in which the granting agency did not allow Indirect Cost

D. Use of Indirect Cost Funds

Indirect Cost funds cannot be used to fund the salary for a reoccurring position.

Principal Investigator (PI) & Co-Principal Investigator (Co-PI) - Funds may be used to support travel related to the grant or other travel that is endorsed by the University. Examples of additional allowable expenditures include student stipends, clerical support, specialized technical support, student travel, equipment, supplies, summer salary (cannot exceed monthly base salary rate), and extra services (must follow the caps already established by the University for extra compensation). If the grant provides summer salary for the project team at the base salary rate for three (3) months, additional summer salary is not allowable.

The Principal Investigator and Co-Principal Investigator may be faculty or staff.

Department Unit of the PI - Funds should be used to support the academic program, creative works of faculty and students. Examples of allowable expenditures are maintenance of equipment, supplies/equipment, faculty and student travel to professional events, and student stipends/scholarships.

College of the Departmental Unit - Funds should be used to support academic programs housed within that college. These funds may be used in a similar manner as the funds are used by the PI and the Department of the PI.

Sponsored Programs Office - The Sponsored Programs Office will use these funds to support strategies that are meant to grow the research capacity of Grambling State University. Allowable expenditures will include seed money awards, travel support, seminars, faculty/staff networking sessions, research equipment, research supplies, and newsletters/magazines.

E. Special Cases

↗ Funded grants and contracts that have a Principal Investigator (PI) and Co-Principal Investigator (Co-PI)

When the funded grant or contract has a PI and one or more Co-PIs, the formula associated with the distribution of the fifty percent (50%) funds allocated from indirect cost should be agreed upon during the proposal writing stage and submitted to the Office of Sponsored Programs in writing.

In the event that a grant was funded prior to the implementation of this policy, the PI and Co-PI must agree upon the manner in which the fifty percent (50%) Indirect Cost Distribution will be allocated among the members of the grant leadership team. This agreement must be submitted in writing to the Office of Sponsored Programs.

↗ Funded Proposal written by an Interdisciplinary Team with members in different departments/units.

When the funded grant or contract was written by a project team that represents different department/units, the formula associated with the distribution of the twenty percent (20%) funds allocated from indirect cost should be agreed upon during the proposal writing stage and submitted to the Office of Sponsored Programs in writing.

In the event that a grant was funded prior to the implementation of this policy, the PI and Co-PI must agree upon the manner in which the twenty percent (20%) Indirect Cost Distribution will be allocated among the department/units. This agreement must be submitted in writing to the Office of Sponsored Programs.

↗ Funded Proposal written by an Interdisciplinary Team with members representing different colleges or divisions.

When the funded grant or contract was written by a project team that represents different colleges/divisions the formula associated with the distribution of the five percent (5%) funds allocated from indirect cost should be agreed upon during the proposal writing stage and submitted to the Office of Sponsored Programs in writing.

In the event that a grant was funded prior to the implementation of this policy, the PI and Co-PI must agree upon the manner in which the five percent (5%) Indirect Cost Distribution will be allocated among colleges/divisions. This agreement must be submitted in writing to the Office of Sponsored Programs.

↗ Funding agency provided funding for the *Project Team* to earn extra compensation above the base salary during the academic year

The project team will not be able to use the Indirect Cost Distribution to support additional compensation if the compensation provided in the funded grant is at or above the allowable extra service compensation rate published by Grambling State University.

↗ Funding agency provided Summer Salary for Faculty

If the grant provides summer salary for the project team at the base salary rate for three (3) months, additional summer salary is not allowable.

In the event that a grant was funded prior to the implementation of this policy, the PI and Co-PI must agree upon the manner in which the five percent (5%) Indirect Cost Distribution will be allocated among colleges/divisions. This agreement must be submitted in writing to the Office of Sponsored Programs.

III. OVERSIGHT

Oversight procedures to distribute funds for the previous fiscal year by the Controller will be outlined through collaboration with the Vice President of Research and Sponsored Programs.

IV. REVISION/REVISED HISTORY

May 28, 2020- Revised
July 1, 2020-Effective Date
Formerly Policy #52703