

## College of Education Policy on Indirect Cost Return

This policy statement describes the expected sharing of indirect cost return in the College of Education by the dean's office, the primary investigator (PI) in a grant-funded project, and the generating unit.

Indirect costs, also called facilities and administrative costs, are defined by the Office of the Vice President for Research (OVPR) of the University of Georgia as follows: "Facilities & Administrative (F&A) costs are institutional costs which are not readily identifiable with a particular project or activity but which are nevertheless necessary to the general operation of the institution and to the conduct of each of the activities performed. They include an allotted share of such items as operation and maintenance of the physical plant; departmental, school and college, and institutional administration; library operations; charges for use of equipment and facilities; and certain general expenses attributable to sponsored programs. Unless institutions are reimbursed for the F&A incurred in behalf of sponsored activities, resources provided for other educational objectives must be diverted to this purpose. This fact is generally recognized and accepted by representatives of the major agencies sponsoring activities at colleges and universities, and unless they are otherwise prohibited or limited, all are expected to pay their full share of project costs, both direct and indirect" (see <http://www.ovpr.uga.edu/sponprog/pfac.html>).

Twenty percent of the funds received by a project from a funding agency to cover indirect costs are returned to the unit that generated the grant. According to the OVPR, "There is no policy at UGA mandating how, or even if, F&A returns should be shared" (see <http://www.ovpr.uga.edu/faqs/sp.html#19>).

The way indirect cost funds are returned depends on whether the grant is for a research project or for a nonresearch (instruction, public service, etc.) project. In both cases, however, the total returned is 20% of all indirect cost funds. In both cases, all funds are returned to the generating unit.

In the case of research grants, the 20% comprises 5% that is given to the generating unit by the University of Georgia Research Foundation (UGARF) as restricted money in a sponsored account and 15% that is sent by the university (not UGARF) to the generating unit via a budget amendment (i.e., a cost transfer). In the case of nonresearch projects (instruction, public service, etc.), all of the 20% is sent by the university to the generating unit as a cost transfer.

**In the College of Education, the 20% of all indirect cost funds that are returned by UGARF and/or the university to the generating unit or units will be shared as follows: 10% of the 20% to the dean's office, 45% of the 20% to the PI or PIs, and 45% of the 20% to the generating unit or units in the college.** In the case of nonresearch projects, where the 20% comes as a cost transfer from the university, all the funds for all parties are taken from that cost transfer amount. In the case of research

projects, where the 20% comprises 5% from UGARF in a sponsored account and 15% from the university in a cost transfer, the sharing of funds will occur as follows:

Dean's Office: 10% of the 20% total, all of which is to be taken from the 15% cost transfer from the university (so 13.33% of the cost transfer amount will go to the dean's office).

PI or PIs: 45% of the 20% total, all of which is to be taken from the 15% cost transfer from the university (so 60% of the cost transfer amount will go to the PI or PIs).

Generating Unit or Units: 45% of the 20% total, part of which will be all the funds in the 5% sponsored account from UGARF and the other part of which will be the remainder of the cost transfer from the university after the portions for the dean's office and the PI or PIs are subtracted (so 26.67% of the cost transfer amount will go to the generating unit or units).

When a funded project has particular needs not covered by direct funds in the grant budget, the 45% controlled by the PI should be the first source of funds to be used. If the costs to cover such needs exceed the 45% controlled by the PI, the PI may request additional support from the generating unit or from the dean's office, both of which are expected to ensure, through the use of the indirect cost funds from the project that are under their control, that the needs of the PI to carry out the current project and to generate continued funding are met. Remaining funds from indirect cost return in the dean's office and in the generating unit may be used to support other college or unit needs, respectively, with the primary emphasis on encouraging and supporting the research mission and external funding goals of the college or unit. The College of Education Research Advisory Committee will provide faculty input to the dean's office on its use of funds from indirect cost return.

In the case of multidisciplinary projects that involve more than one generating unit, the 45% controlled by the generating units will be allocated on the basis of the differential support provided by each unit. A memorandum outlining the allocation of these funds to each generating unit must be on file in the College of Education Office of Research and External Affairs.

The effective date of this policy is 1 July 2005. Any grant project funded before that date will follow whatever arrangements were made for the distribution of indirect cost return for that project.

Should there be a dispute regarding the distribution or use of funds from indirect cost return, the dispute should be referred for resolution to the Associate Dean for Research and External Affairs.