

Guidelines for the Use of Return of Indirect Costs from Sponsored Programs & Research

Overview

Externally sponsored agreements, such as federal grants, often provide funding beyond the direct costs associated with a proposed project. These indirect cost funds (IC; also referred to as facilities and administrative, or F&A) are determined with a formula based on a negotiated cost base and percentage. At GSU, F&A funds are distributed across various levels including the College, Department/Division and Principal Investigator. IC funds are returned to units and faculty in order to promote the growth of external fundable activity.

How the Return of Indirect Costs are Distributed:

Financial Services maintains records of earned F&A and will report on a quarterly basis to the principal investigator, Chairs, Deans, Provost and OSPR what amount has been earned and how it has been distributed. Current distribution at GSU for earned F&A is: 50% to the GSU general fund, 20% to the college/administrative unit and 10% each to the principal investigator, department/division and Provost. For managing residual funds on sponsored fixed price and fee for service awards, the procedure guidelines for managing residual funds on sponsored fixed price and fee for service awards will be followed.

Recommended Use of Return of Indirect Costs:

The uses of indirect costs funds are not described in a grant budget and there is room for discretion for how the funds can be spent. The return of indirect costs funds should be used to sustain a current sponsored project or develop other university projects for which external funding is expected to be sought. Appropriate expenses could include:

- travel to meet with a program officer or for another purpose connected with sponsored programs and research,
- supplies for a current/pending research or sponsored project,
- equipment with a research or sponsored project purpose,
- publication costs associated with activities from a research or sponsored project,
- Undergraduate Students, Graduate Students, Temporary Help to assist with working on a research or sponsored project (such as gathering data),
- other non-personnel costs that support a research or sponsored project,
- cost share that is required for a grant proposal and there is no other funding source available and
- grant proposal review or writing assistance.

Please note the funds should NOT be used for personnel costs other than for students or temporary help working on research or sponsored projects.

Recommended Timeframe for Use

While there is no predetermined time limit for IC funds and funds can roll over into subsequent years, it is important to have an active and productive use of such funds at all levels. Unspent funds may be at risk for being re-absorbed. For this reason, the return of indirect accounts will be reviewed by OSPR on a yearly basis, in order to ensure the funds are being used in a timely manner. A plan for use may be requested if there is no activity on the account for a period of a year.

NOTE: Governors State University policies and procedures apply to the use of returned indirect costs funds. (i.e., travel policies and purchasing procedures).