The purposes of the Sponsored Projects Indirect Costs (IC) Return Program are to support and enhance University capabilities for research and sponsored projects and to help meet some of the needs created in units by sponsored projects activities. The funds in the programs detailed in this document should be spent in ways related to those purposes. Since they are designated Institutional funds, they may not be used for entertainment or alcoholic beverages; they are also subject to state regulations on foreign travel and purchasing. In addition, funds cannot be used toward Faculty salaries. Otherwise, all categories of expenses in support of research and sponsored projects development are appropriate, including professional travel, personnel costs for research (administrative, clerical or student support), materials, equipment, consultants, communication costs, etc. Starting with the IC return allocations of FY 2013-2014, the funds will last over a period of two fiscal years, but no funds will carry over past the second year.

Determination of Return Amounts

At the beginning of the fiscal year (i.e. FY 2012-2013), the IC Return program will be based on the indirect costs recovered during two previous fiscal years (i.e. FY 2010-2011). The total pool of funds available for the program will be allocated each year and may not be related to a fixed percentage of the total indirect costs recovered. The return amount for each eligible project will be determined by prorating the indirect costs generated by the project to proportionally divide the total pool of funds available for allocation.

Faculty/Investigator IC Return

Sixty percent of the return amount generated by a project will be distributed to the Principal Investigator (PI), or in the case of projects with multiple investigators, to the PI and Co-Principal Investigators (Co-PIs) in proportion to their relative contribution to the project. The relative contributions of multiple investigators will be set either through the percent credit described in the proposal at the time of submission or through a determination by the PI at any time after award. If no percent credits are specified, then a default contribution will be determined by equally dividing 90% of the credit among all investigators, including the PI, and by adding the remaining 10% to the PI’s share.
Administrative IC Return

The remaining forty percent of the return amount generated by a project will be allocated to the unit with financial and administrative responsibility for the sponsored project.

Bonus Return

An investigator with an academic appointment who participates in a sponsored project assigned to an interdisciplinary research center will generate bonuses for the investigator, the investigator’s home unit, and the research center. The investigator’s bonus will equal 25% of the return the investigator will receive under the Faculty Incentive program. Bonuses of the same amount will be allocated to both the investigator’s home department and the research center. The bonuses to the home units and the centers are intended to prevent competition for the administrative IC return. The bonus for the investigator will be added to the faculty incentive program; bonuses for the investigator’s home department and the research centers will be added to the Administrative incentive.

Distribution of the IC Returns

Each unit that manages a sponsored project and/or is home to a faculty/investigator will have one account for the Faculty IC Return program and another for the “Administrative IC Return.” The Department Chair, Dean, or Director of the unit will be the authorized signatory for both accounts. The Faculty IC return account in a unit will contain the aggregate of the allocations for all faculty or investigators appointed in that unit. There will be no subaccounts created in the name of individual faculty members. However, the head of the Unit will be responsible for maintaining an accounting of the expenditures on behalf of his or her faculty members. Tables containing the breakdown of the allocations for the faculty will be made available to the heads of the units and the relevant faculty.

Exceptions and Special Circumstances

The Vice President for Research, in consultation with the Provost, may alter the distribution process described above, may authorize exceptions, or may hold the distribution of Faculty and Administrative IC returns for specific projects and/or units where circumstances warrant.