

Policy for Distribution of Indirect Costs

In order to provide an incentive for faculty members and administrators to seek external grants, a policy is hereby established providing for the return of a portion of indirect costs recovered from grants and contracts to the project directors and departments that generate grants. The remainder of indirect costs will be distributed between the Office of Sponsored Programs and the General Fund and/or Matching Fund.

The Project Director Fund: Engaging in sponsored projects requires considerable work and time commitments on the part of project directors. The purpose of returning funds to the project director generating a grant is to provide an incentive to engage in such activities. Funds may be used to support otherwise unfunded scholarly activity and/or university business. That activity may or may not be grant related. Expenses may include, but are not limited to, publication costs, conference travel, and instructional supplies.

If a project director leaves the institution and there is a balance in the Project Director Fund for that individual, the balance will be transferred to the applicable department fund.

Department Funds: The University must use a broad array of resources in carrying out grant-funded projects. The purpose of returning funds to the department from which a grant is generated is to provide resources for departments to encourage and carry out those projects. Funds may be used to encourage grant seeking and to cover expenses that cannot be charged directly to grants (such as equipment or cost overruns). Grant seeking activities may include the hiring of adjuncts to provide course release for grant-funded activities, conference travel to present grant-related findings, cost-sharing or matching, or other grant related activities. Funds cannot be used for ordinary operating expenses, such as office supplies, routinely budgeted personnel costs, normally scheduled travel, etc. Department Funds can be requested by completing and submitting a *Request for ICR Department Funds* form to the Office of Sponsored Programs (OSP). The OSP, in consult with the provost or divisional vice president, will be responsible for approving the use of Department Funds.

At the conclusion of each fiscal year, unobligated balances that have been in the Departmental Fund for at least 12 months will be transferred to the Matching Fund. Faculty and/or staff can request the use of these funds for grant-seeking activities by submitting a request to the Office of Sponsored Programs (See *The Matching Fund*).

The General Fund: Indirect Costs are costs incurred by the university in carrying out the activities of the university. These costs benefit

more than one cost objective and cannot be easily assigned to those cost objectives and cannot be charged directly to grants. These costs include, but are not limited to, utilities, maintenance, security, payroll functions, computing services, accounts receivable and payable, motor pool, and housekeeping. A portion of indirect costs collected on sponsored projects will be returned to the university's general fund as reimbursement of those costs.

The Office of Sponsored Programs Fund: Competitive grant proposals require considerable expenditures of time for both research and writing. The purpose of this fund is to provide faculty and administrators, on a competitive basis, with seed money to gather preliminary data and conduct research that will serve as the basis for grant proposals. Funds may be used for release time, summer stipends, travel expenses, or other justified expenses as needed to develop competitive grant proposals.

The FSU Faculty Development Committee, in conjunction with the Office of Research and Sponsored Programs, will award these funds to faculty on a competitive basis in accordance with procedures and criteria established by the Faculty Development Committee. Awards to applicants will be made based on discussions between the Director of Sponsored Programs and the respective divisional vice president.

In an effort to encourage and facilitate grant seeking on campus, the Office of Sponsored Programs Fund will also be used to provide the campus with the knowledge and tools necessary to be successful in applying for and administering sponsored funds. These tools include on-campus trainings, opportunity databases, and OSP staff professional development.

The Matching Fund: Many sponsored projects require the university to bear a percentage of the total project costs. The University has limited cash resources available to provide matching funds for this purpose. The Matching Fund will primarily provide funds to support sponsored projects for which there is a required level of match and all other sources of match are ineligible or have been denied.

In addition, individuals may apply to the Office of Sponsored Programs for matching funds to provide support for sponsored programs beyond what the Department Fund can immediately provide. Funds may be requested to cover expenses that cannot be charged directly to grants (such as equipment or cost overruns), to hire adjuncts to provide course release for grant-funded activities, for conference travel to present grant-related findings, and other grant-related purposes deemed appropriate by the Office of Sponsored Programs. Matching funds will only be granted for this purpose after the Department Fund has been exhausted.

To apply for Matching Funds, a *Request for Matching Funds* form must be submitted to and approved by the Office of Sponsored Programs.

**Distribution Formula (for Indirect Cost Recovery Totals \leq \$550,000
per fiscal year)**

15% Project Director
10% Department
25% Office of Sponsored Programs
50% General Fund

**Distribution Formula (for Indirect Cost Recovery Totals $>$ \$550,000 per
fiscal year)**

15% Project Director
10% Department
25% Office of Sponsored Programs
50% Matching Fund

Revised: May 15, 2019