

 <p>Category: Financial</p> <p>Policy applicable for: Faculty/Staff</p>	<p><i>Policy Title:</i> Facilities and Administrative Distribution</p> <p>Effective Date: 07/01/2008</p> <p>Prior Effective Date: mm/dd/yyyy</p> <p>Enabling Acts: University Board Approved Resolution</p>	<p><i>Policy Number:</i> 2.1.11</p> <p>Policy Owner(s): Sr. VP for Administration and Finance VP for Research</p> <p>Responsible Office(s): Sponsored Research Services</p>
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Background

In 1947, the federal government realized that in order to have a successful university-based research infrastructure that supported federally funded research programs that the institution incurred a cost of doing research. This “indirect” cost of doing research has been supported by the federal government since that time. Indirect costs are also called “Facilities and Administrative” or F&A costs. These costs include facilities costs such as electricity, heating and air conditioning and administrative costs for research compliance, legal affairs, chemical safety, sponsored research services and accounting, and government cost compliance.

Besides supporting the institutional costs indicated above, the university made the decision some time ago to allocate a portion of the F&A reimbursement to the provost, deans and their departments based on the amount of F&A brought in by grants in their programs, due to the research infrastructure required at the college and departmental level. This allocation formula was last revised in the 1990s and adjusted in 2001 for the Millennium Plan.

The cost of doing research has increased significantly over the past years due to increased compliance and federal regulations, but the distribution formula has not changed. With the dissolution of the Millennium Plan, it was determined that a new distribution formula was needed.

This policy describes the revised distribution formula.

Policy

Pursuant to an approved University Board Resolution, the distribution formula for Facilities and Administrative costs (also called indirect costs) associated with sponsored research as well as with technical assistance agreements shall be as follows:

General Funds	52%
Research Support	21%
Provost	1.5%
Deans	3.5%
Departments	22%

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