

## Indirect Cost Return Policy

While grant-funded projects cultivate a heightened spirit of discovery and enrich educational experiences, grant budgets must be developed carefully to ensure that all costs—direct and indirect—are considered. Indirect costs represent the expenses of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the College and the conduct of activities it performs.

Indirect costs result from shared services such as physical plant operation and maintenance, utility costs, use allowance for buildings and equipment, library materials, and general, divisional and sponsored programs administrative expenses. Indirect cost recovery offsets these real and actual costs incurred by the College as part of externally sponsored programs.

To provide incentives for faculty and staff to seek external funding and reward individuals and departments that succeed, the College has adopted a policy for the return of indirect costs, effective June 1, 2007. Updated March 11, 2011.

- Thirty percent (30%) of the indirect costs generated will be returned to the relevant department, upon approval by the appropriate Vice President. Of this amount, twenty percent (20%) will be directed to the faculty or staff member responsible for initiating the grant, and ten percent (10%) will be directed to the relevant Vice President, who is free to distribute these funds appropriately. Indirect cost returns are intended to provide incentives to stimulate additional research, scholarly, and educational endeavors, and may be used for items such as summer salary support, travel to conferences, purchase of specialized equipment, support for students, and stabilizing research funding "in-between" grants.
- Twenty percent (20%) of the indirect costs generated will be returned to the Director of Grant Development to support grantseeking activity by faculty and staff. These funds will provide resources for stimulating more extramural applications and funding, e.g., summer stipends for faculty/staff for grant writing, travel to meet with potential funding sponsors, consultations with recognized experts, participation in professional workshops, and purchase of specialized grant-related materials and supplies.
- Fifty percent (50%) of the indirect costs generated will be returned to the College for general administration.

The return of indirect costs:

1. Occurs once a year, early in the College fiscal year.
2. Is based on indirect costs actually collected by the College in the previous fiscal year.
3. Is identified in the pre-award phase by the Office of Sponsored Programs and calculated in the post-award phase, based on actual grant expenditures, by the Finance Department.
4. Will be distributed to the appropriate department upon approval of the relevant Vice President.
5. Is subject to review by the Vice President for Business and Finance and the appropriate Vice Presidents.