INDIRECT COST RETURN
Fiscal Year 2015 IDC
Returned in Fiscal Year 2016

Background

State policy provides that earned indirect cost be retained by state colleges and universities. This document provides to operating units the policy for such return.

Policy

A. When a single department and college are involved, the indirect cost funds returned to operating units are distributed as follows: In the case of multiple principal investigators, multiple departments, or multiple colleges, each unit will participate in accordance with the distribution identified on the appropriate proposal transmittal form.

   56% to the college
   44% to the department

   EXAMPLE: Department X receives 100% credit
                  IDC Return = $1000.00

College return equals	$560.00 (56%)
Department return equals	$440.00 (44%)

B. When a single institute, center or laboratory sponsorship of the research project which generated the overhead is involved, the indirect cost funds returned to the operating units are distributed as follows: In the case of multiple principal investigators, multiple centers, or multiple colleges, each unit will participate in accordance with the distribution identified on the appropriate proposal transmittal form.

   26% to the college
   74% to the institute

   EXAMPLE: Institute Y receives 100% credit
                  IDC Return = $1000.00

College return equals	$260.00 (26%)
Institute return equals	$740.00 (74%)

C. When both a department and institute, center or laboratory sponsorship of the research project which generated the overhead are acknowledged, the indirect cost funds returned to the operating units are distributed as follows: In the case of multiple principal investigators, multiple centers, multiple departments, or multiple colleges, each unit will participate in accordance with the distribution identified on the appropriate proposal transmittal form.

   26% to the college
   74% to the institute and department on their portions

   EXAMPLE:

   Department X receives 50% credit
   Institute Y receives 50% credit
   IDC Return = $1000.00

Department portion - $500.00		Institute Portion - $500.00	
College return =	$130.00 (26%)	College return =	$130.00 (26%)
Department return =	$370.00 (74%)	Institute return =	$370.00 (74%)

Records of earned indirect costs and distribution thereof will be made annually by the Research Information Center. No annual distributions will be made of amounts under $100.00; if such instances occur, those funds will be placed in the account(s) of the next higher unit.

FY 2016 IDC DISTRIBUTION DETAILS

Total IDC Recovered in FY2015	**$19,901,645**

DEDUCTIONS:

Infrastructure Overhead (A&F) - Fixed	$1,238,909
Gross Central Initiatives Fund - 28.3% of Total Generated	$5,632,166
Core Facility/Strategic Account	$1,500,000
Bad Debt Reserve - 3.5% of Total Recovery	$696,512
Return to Generating Units - 54.438% of Total Recovery	$10,834,058

CALCULATE THE ACCOUNT CREDIT SPLITS

Each proposal is logged into the Division of Research database. At that time, the data input operators inspect the RAMP Proposal Transmittal data for credit splits. Each Principal Investigator as well as each academic unit participating in the project is logged into the system. For example, if Dr. Smith is working on a project in ME and EE, then two records will be generated; one record listing Dr. Smith in ME and one record listing Dr. Smith in EE. If Dr. Smith is devoting equal time in both departments, then the amount being returned at the academic level will be 50/50. From the above calculation, ME will receive 50% of the Amount Returned per Account and so will EE.

CALCULATE THE AMOUNT RETURNED

If the academic unit is not an institute or center, then the amount returned per college/department is as follows:

- 56% to the college
- 44% to the department

If only an institute or center is involved, then the allocation is as follows:

- 26% to the college
- 74% to the institute

If a department and an institute or center are involved, then the allocation is as follows:

- 26% to the college
- 74% to the department and institute on their portion

Revised January, 2016