



UCCS CAMPUS POLICY

Policy Title: Distribution of Indirect Cost Returns (ICR) from Externally Sponsored Programs

Policy Number: 900-003

Policy Functional Area: RESEARCH

Effective: April 6, 2006
Approved by: Pam Shockley- Zalabak, Chancellor
Responsible Vice Chancellor: Executive Vice Chancellor of Academic Affairs (EVCAA)
Office of Primary Responsibility: EVCAA
Policy Primary Contact: AVC Research, 719-255-3779
Supersedes: February 21, 2005
Last Reviewed/Updated: April 6, 2006
Applies to: Faculty, Staff & Administration

Reason for Policy: The purpose of the policy statement included herein is to define the distribution formula for indirect cost recoveries (ICR), and to reiterate the guidelines for the use of these funds.

I. INTRODUCTION

The purpose of the policy statement included herein is to define the distribution formula for indirect cost recoveries (ICR), and to reiterate the guidelines for the use of these funds.

II. POLICY STATEMENT

A. CU System Administrative Policy Statement (APS) "Policy on Indirect Cost Recoveries," dated July 1, 1990.

B. Policy:

First, this policy is intended to be consistent with the below referenced CU System Administrative Policy Statement as it relates to both distribution and use of ICR funds.

With regard to the uses of such indirect cost recoveries, the APS goes on to state the following:

1. The policy shall recognize that ICR is reimbursement for past expenditures and should not be used simply for incentive for the new development of future awards.

2. The policy should recognize that investment in the development and maintenance of an infrastructure for research, including adequate administrative support staff, is the primary purpose of indirect cost recoveries.
3. The policy may allow the sharing of a portion of ICR to be provided to the school, center or division that attracted the sponsored award. The funds should be viewed as a means of supporting the infrastructure necessary to support the research mission and to attract future awards.
4. The policy shall specify that all ICR funds will be allocated according to the campus's budget. ICR funds shall be budgeted as part of the regular budgeting process of the campus and recognized as part of a school, center, or division expense allocation.
5. The policy should specify the consequences to a school, college, center, or institute of waiving all or a part of indirect cost recoveries. These consequences must be a reasonable disincentive to the practice.
6. ICR funds are not restricted funds and, therefore, are allocated at the discretion of the campus. Recognizing this, unallocated ICR funds may be used to build revenue reserves for additional research space, equipment, personnel, and other infrastructure. A campus may choose to allocate a portion of unallocated earnings to the department that obtained the sponsored award, but must follow regular budget procedures in providing this allocation. These funds may only be allocated in such a manner if the campus is in a sound fiscal position; in other words, the funds must first be available to provide a balanced campus performance in a given fiscal year.
7. The policy should specify that the purpose of budgeting and allocating ICR funds as an incentive to schools, colleges, centers and institutes is the continued support of the research environment. If the campus chooses to decentralize ICR funds to the schools, colleges, centers, or institutes, each of these units receiving ICR funds shall have a research infrastructure plan in place. This plan, which should include plans for additional clerical and research staff, equipment, research space, and other necessary resources for performing sponsored activities and attracting sponsored awards, must be approved as a part of the campus's regular budgeting process.
8. All funds must be budgeted, allocated, and expended in conformance with state and federal law, the laws and policies of the Board of Regents, and University administrative policies.

In general, the distribution of ICR funds received by the campus each year will be as follows:

- a. 40% of the total ICR received will be distributed to the college, center or institute that attracted the sponsored award and performed the services. Each school, college, center, and institute is responsible for having a written policy stating its internal distribution of its 40%. This policy must be on file in the Office of Sponsored

Programs. The policy will be consistent with the infrastructure plan noted in item 7 above. A grant submission which crosses school, college, center, or institute boundaries requires a pre-negotiated distribution of the 40% ICR.

- b. 30% of the total ICR received will be distributed to the VCAF's organization.
- c. 20% of the total ICR received will be distributed to the VCAA's organization.
- d. 10% of the total ICR received will be distributed to the Library.

Exceptions to the above distributions may occur so as to be consistent with the charter of a center or institute, and all such charters must be approved in writing by the Chancellor.

Exceptions may also occur when agreements have been negotiated and approved in writing by all affected parties, prior to the submission of a proposal for external funding.

When a waiver or a reduction in F&A costs are requested in a proposal, it will be expected that the ICR to be returned to the generating unit will be reduced such that the impact of such a waiver or reduction on the ICR to be returned to the other campus units will be minimized.

III. KEY WORDS

- A. Facilities and Administrative (F&A) charges
- B. Indirect-cost-recovery (ICR)

IV. RELATED POLICIES, PROCEDURES, FORMS, GUIDELINES, AND OTHER RESOURCES

- A. Administrative Policy Statements (APS) and Other Policies
- B. Procedures
- C. Forms
- D. Guidelines
- E. Other Resources (i.e. training, secondary contact information)
- F. Frequently Asked Questions (FAQs)

V. HISTORY

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| Initial policy approval | February 21, 2005 |
| Revised | April 6, 2006 |