

Indirect Cost Policy

Facilities and administrative costs (F&A) (Overhead, Indirect Costs) are institutional costs which **are not readily identifiable with a particular project or activity** but which are necessary to the general operation of the institution and to the conduct of each of the activities performed. Facilities and administrative cost rates are determined in accordance with cost principles promulgated by the federal government and are determined by UGA's cognizant federal agency every three years. For more information please visit UGA's Sponsored Projects Administration website at: <https://spguide.uga.edu/2017/04/12/facility-administrative-costs-fa-overhead-indirect-costs/>. Should you have any questions regarding the rate to apply to your sponsored project please reach out to Ecology's pre-award representative, Ms. Jenna Jones, at jllester@uga.edu.

It is the policy of the University to provide for the full recovery of facilities and administrative costs in all proposals submitted to prospective sponsors. In order to comply with Board of Regents accounting requirements, indirect cost recovery funds must be budgeted and expended in a unique operation within the existing university account structure.

In order to satisfy accounting requirements developed by the Board of Regents in response to Senate Bill 73, indirect cost recovery funds must be budgeted and expended in a unique operation within the existing UGA account structure.

Units will have the option to carry-forward up to 5% of their IDC allocation by submitting a written plan to their respective dean or vice president for approval. If a unit wishes to carryforward funds in an amount that exceeds 5% of their allocation, the unit must submit its plan, along with the appropriate justification to their respective dean or vice president. These requests will also be reviewed by the Provost and Vice President for Finance & Administration for their approval.

OVPR will work with units to transfer indirect cost recovery funds committed by OVPR to an appropriate account. OVPR will submit the budget amendment for the original allocation and will budget the entire allocation in the operating subaccount. Funds may be redistributed to other subaccounts as needed. Typically, release of these funds occurs around September each year but is subject to change.

In accordance with University policy 20% of the indirect cost funds received by the University is allocated to the originating or budgetary unit. In the case of accounts for research projects, 50% will be allocated by the University of Georgia Research Foundation, Inc. (UGARF), and 50% will be allocated by the University.

In accordance with Ecology's policy 12.5% of the total amount of return will be re-allocated to the originating faculty member and the rest will remain with the College, to be spent at the discretion of the Dean. This reallocation equates to 2.5% of the indirect written into the grant.

It is our goal to eventually release up to 25% of the total amount of return back to originating PIs.

EXAMPLE:

<u>Return Year</u>	<u>Total Amount of Return</u>	<u>Distributed Account</u>	<u>Total Distributed</u>	<u>Comments</u>
FY2017	\$132,844	AR (University)	\$66,422	<ul style="list-style-type: none"> • 25% of total distributed funds will be returned to PIs (represents 12.5% of total amount of return) • 75% of total distributed funds will remain with the College (represents 37.5% of total amount of return)
		RX (UGARF)	\$66,422	100% of total distributed funds will remain with the College (represents 50% of total amount of return)

The Dean reserves the right to release or not release IDC to faculty depending on the financial nature of the College. The Dean reserves the right to release funds in the Fall or any other given time during the fiscal year (preferably by March). If funds have been released in any given year the Dean reserves the right to pull back funds depending on the financial nature of the College. Determining factors may include, but are not limited to: start-up packages, salary supplements, renovations, recurring research commitments, etc.

Faculty should use their funds to only support research costs that can not be readily identifiable on a restricted account (i.e., office supplies, shipping charges, books, etc.). Refer to the CASB exception policy for other possibilities: <https://spguide.uga.edu/2017/04/18/omb-casb-exception/>.

Those that do not earn IDC and that have requests that fall into the research F&A definition request will submit an email proposal to the Dean with a copy to each Associate Dean and the AFD. This request will be reviewed at a following Leadership meeting. When possible, requests should be presented at least one (1) month in advance of the needed date. Leadership reserves the right to approve or deny this request using IDC funds and may count against any year end fund request.