

SRSU Policy: Facilities and Administration Costs (F&A or Indirect)

SRSU Policy ID: APM 3.11

Policy Reviewed by: Associate Provost or Research and Development

Approval Authority: Executive Cabinet

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1. Policy Statements

- 1.1 Research, grants, and other forms of scholarly activity are an integral part of the functions at Sul Ross State University. The purpose of this policy is to establish guidelines covering the allocation, management, budgeting, expenditures and related restrictions associated with indirect cost recovery and distribution related to these activities.

2. Background

- 2.1 Most funding sources allow Sul Ross State University to charge to sponsored programs its federally approved facilities and administrative rate. Many of the allowed indirect expenses are paid directly from the university's educational and general (E&G) funds; thus, it is necessary and appropriate for the funding source to reimburse SRSU for the portion of those costs associated with sponsored programs. The principal investigator (PI), the department chair or, and the college dean should make every effort to recover as much of the indirect costs as possible for each sponsored program.

3. Definitions

- 3.1 Facilities and Administration Costs – The term “facilities and administration” refers to those costs that the university cannot charge to a grant or contract as a direct cost. These are the “overhead” or “indirect” costs for operating the university that include, but are not limited to:
- a. Electricity, water, natural gas, and other utilities;
 - b. Payroll processing, accounts payable, human resources and other support services;
 - c. Depreciation and use allowances;
 - d. General administration and general expenses;
 - e. Sponsored projects administration expenses;
 - f. Operation and maintenance expenses;
 - g. Library expenses, departmental administration expenses and student administration expenses; and
 - h. Use of office space, research labs, and other rooms.

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- 3.2 Recovered F&A Costs – F&A costs that have been collected by the university from funding sources, excluding amounts billed, but uncollected.
- 3.3 F&A Revenues – For purposes of this policy, F&A revenues are local university revenues equal to the total F&A costs billed during a fiscal year.
- 3.4 Institutes and Centers – The university may establish institutes or centers at the department or school, college, or university level. For purposes of this policy, only those institutes or centers that are formally established and approved by Executive Cabinet as “university-level” are qualified to directly receive F&A revenue.
- 3.5 Commercialization – The act of taking discoveries made during the conduct of sponsored programs to a successful commercial venture.

4. USE OF RECOVERED FACILITIES AND ADMINISTRATION COSTS

- 4.1 Recovered F&A funds are to be expended to enhance the University’s research efforts and include, but not necessarily limited to, the follow purposes:
 - a. Conducting pre-grant feasibility studies;
 - b. Preparing competitive proposals for sponsored programs
 - c. Providing carry-over funding for research efforts to provide continuity between externally funded projects;
 - d. Supporting new researchers, pending external funding;
 - e. Purchasing capital equipment directly related to expanding research capability of the institution;
 - f. Research or sponsored program administrative costs;
 - a. Commercialization activities;
 - b. Proposal support; and
 - c. Engaging in research programs of critical interest to the general welfare of the citizens of Texas.

2. Procedures for Distribution of F&A Revenue

- 2.1 Fifty percent (50%) of the total Recovered F&A during the fiscal year (1 Sep-31 Aug) will be distributed in October of the following fiscal year to the SRSU units that generate the F&A as follows:
- 2.2 The college, department, and principal investigators will receive 50% of total F&A revenue received from research projects specific to the college, department and investigator as follows:
 - a. When a single investigator, department or school, and college are involved:
 - 1) 30% to the college (15% of total revenue)
 - 2) 30% to the department (15% of total revenue)

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- 3) 40% to the PI (20% of total revenue) for research-related expenditures at his/her discretion in accordance with section 4 above. Requests for F&A funds used as salary or stipend for the PI must include a memo outlining proposed research.
- b.
- 1) When multiple investigators, departments, and colleges, are involved percentages will be agreed upon at time of proposal and re-evaluated at the completion of each year as part of the annual employee evaluation process. Percentages for colleges, departments, and PIs will not exceed those listed above.
- c. When a university-recognized center or institute is the generating unit, fifty percent (50%) of the total F&A recovered will be distributed as follows:
- 1) 35% to the center or institute (17.5% of total revenue)
 - 2) 35% to PI for research related expenditures at his/her discretion in accordance with section 4 and 5.2a3 above (17.5% of total revenue)
 - 3) 15% to college, if applicable; if not distributed equally to PI and center or institute (7.5% of total revenue)
 - 4) 15% to the department, if applicable; if not distributed equally to PI and center or institute (7.5% of total revenue)

NOTE: Those receiving returned F&A revenue should use a portion of the funds for clerical support.

- 2.3 The remaining fifty percent (50%) of Recovered F&A allocated for general institutional purposes will support research. Each year the Associate Provost of Research and Development, Dean of Research and Sponsored Programs, in consultation with and the approval of the Provost, will determine how these funds are distributed to support research activities (pre- and post-award services).
- 2.4 Records of Recovered F&A and distribution thereof will be maintained by the Office of Research and Sponsored Programs. Allocation of Recovered F&A is subject to change on an annual basis.
- 2.5 Indirect Cost Recoveries from Sponsors of Commercial Activities – Each fall, OSP will provide a report of all private, non-foundation sponsors to the Provost. The Provost shall edit the report to include only those projects which fund commercialization activities. OSP will then distribute from university F&A funds, 75% of the total recovered indirect cost from those sponsors to an account approved by the Provost, who will limit their use to the support of university commercialization and related research activities.