

Effective: Effective: July 1, 2009

Administrative Policy
ALLOCATION of INDIRECT COSTS on GRANT PROGRAMS

Approved: May 18, 1988
Revised: May 7, 1996
Revised: October 28, 2008
President's Cabinet

This policy concerns the allocation of indirect cost recovery on grant programs. It applies primarily to grants which are initiated and conducted by academic departments which provide indirect cost recovery. It may be applied to other grants and contracts as approved by the President's Cabinet.

This policy is intended to provide incentives for individuals and departments to apply for major grants, especially those which allow for indirect cost recovery at or near the federally approved rate for Millersville University.

Definitions

Indirect Costs are, in contrast with direct costs, those that have been incurred for purposes common to a number of specific programs, but which cannot be identified and charged directly to such programs relatively easily with a reasonable degree of accuracy and without an inordinate amount of accounting. Examples include heating, lighting, janitorial services, and administrative services such as accounting, purchasing, personnel, library services, administrative review and monitoring, etc. Indirect costs are actually incurred, and without indirect cost reimbursement, sponsored programs would require institutional support of indirect services, to the detriment of other functions of the institution.

Procedures

Indirect costs recovered from eligible grants will be distributed as follows: 10% to the project director or principal investigator to be used for professional development or for one time purchases, 10% to the department of the project director or principal investigator to be used to enhance the capacity of the department for research, instruction, or public service, 10% to the project director's Dean or, when applicable, a comparable unit administrator to further the mission of the particular school, area, or department, 20% to the Provost to promote grant writing, and 50% to the University operating budget to partially help offset the actually indirect costs incurred by the University.

When indirect cost reimbursements are received, distribution will be made as indicated above by the Accounting Office.

The above distribution of indirect costs may be adjusted for grants which involve significant start-up institutional support not covered under the grant.