

# **Texas Woman's University University Regulation and Procedure**

**Regulation and Procedure Name: Indirect Cost Recovery and Distribution**

**Regulation and Procedure  
Number: URP: 02.475**

**Policy Owner: Academic Affairs**

## **POLICY STATEMENT**

This URP establishes guidelines for the recovery, distribution, and use of reimbursements of indirect costs (“IDC”) from externally funded grants, contracts, and cooperative agreements, in accordance with Section 145.001 of the Texas Education Code and federal U.S. Office of Management and Budget (“OMB”) guidelines.

## **APPLICABILITY**

This policy is applicable to TWU Faculty and Staff.

## **DEFINITIONS**

1. “Indirect Costs” means Federal OMB Guidelines OMB A-21 define IDC, also known as facilities and administrative costs, as those costs that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity.

## **REGULATION AND PROCEDURE**

### **I. Procedures**

- A. A periodically negotiated agreement between TWU and the Department of Health and Human Services (“DHHS”) establishes the allowable on-campus and off-campus rates of IDC reimbursement for the University. IDC rates for all Federal grants and contracts are computed on the basis of actual costs incurred and criteria listed in the federal OMB guidelines.
- B. External funding proposals shall include IDC using the TWU federally-negotiated IDC rate or the sponsor’s allowable rate as stated in guidelines. The Office of Research and Sponsored Programs (“ORSP”) waives IDC on proposals when sponsor guidelines prohibit IDC recovery.

- C. The Vice Provost for Research and Innovation and Dean of the Graduate School or designee shall determine if IDC will be included in funding requests when a sponsor's position on IDC is ambiguous or not clearly defined.
- D. When determining whether to use the on- or off-campus indirect cost rate, the following guidelines shall apply:
1. The use of the off-campus IDC rate is limited to projects where 50% or more of the grant activities are performed in facilities not owned by the institution and to which rent is directly allocated and paid by the project(s). Rent is defined as a regular, recurring payment for the use of the property, facility, or land.
  2. For projects which do not meet the requirements for the off-campus IDC rate as described above, the on-campus IDC rate shall be applied.
- E. It is TWU's policy to expend 100% of recovered IDC to further the University's research endeavors in accordance with the Texas Education Code, 145.001. The funds shall be administered and distributed by the Office of the Executive Vice President for Academic Affairs and Provost ("EVPAA/Provost") according to the following formula:
1. Office of the EVPAA/Provost– 15%
  2. ORSP – 10%
  3. Office of the Controller, Grant Accounting – 10%
  4. TWU Libraries—6%
  5. Center for Research Design and Analysis – 10%
- F. The remaining funds will be distributed to the units that generated the IDC as follows:
1. Principal Investigators (PIs) – 12%
  2. Departments – 12%
  3. College or Institute/Center - 25%
- G. The EVPAA/Provost shall determine the distribution of any unallocated recovered IDC, for example, in the case that the organizational structure of a college, institute, or center does not include a departmental level.

H. Funds for a given fiscal year shall be distributed by ORSP and the Office of Finance and Administration on no less than a quarterly basis. IDC funds shall be maintained in specified accounts and may be expended in subsequent fiscal years. Units (PI, chair, dean, etc.) that receive IDC revenues shall submit expenditure reports upon request to the EVPAA/Provost.

## **REVIEW**

This policy will remain in effect and published until it is reviewed, updated, or archived. This policy is to be reviewed once every six years. Interim review may be required as a result of updates to federal and state law or regulations, Board of Regents policies, or internal processes or procedures.

## **REFERENCES**

None

## **FORMS AND TOOLS**

None

**Publication Date:**

**Next Review:**