

1.2 Memorandum of Understanding: Indirect Cost Recovery

Context

This memorandum outlines the distribution of recovered costs in funded grants, typically grants from foundation or government sources, and aims to foster a spirit of innovation among faculty, to continue to develop a culture of grant development, and to allocate appropriate overhead based on national norms and the College's unique needs.

Protocol

Recovered costs will be allocated in the following way:

- 33 percent: The administrative unit and/or schools (or schools) associated with the grant to be dispersed by the supervising Vice President/Provost. Funds recovered in Academic Affairs shall be used by the dean of the school to support research productivity within the school.
- 33 percent: Administration/General Fund (managed by the Business Office). These costs, typically called facilities and administrative (F&A) costs, including grant officers and grant administration, refer to expenses incurred by the institution, such as building and equipment depreciation, operations and maintenance, utilities, and administrative personnel.
- 33 percent: Grant development fund (managed by the Provost's office). These funds will be used to match awards in future grants and/or stimulate grant projects internally.

This MOU was initially proposed by the Vice President for Finance after consultation with the Provost. It was subsequently reviewed by the Council of Deans on January 9, 2013 and presented to the Senate for review on February 14, 2013.