Policies: UW-Platteville Policy for Indirect Cost Recovery Revenue Distribution

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Purpose:
The purpose of this policy is to document how indirect cost recovery revenue on grants and contracts will be distributed monthly. The calculation of the indirect cost rate is outside the scope of this policy as the calculation and negotiation of the rate is done at UW System according to federal regulations.

Background:
UW System Administrative Policy 342, Extramural Support Administration, addresses the calculation of the indirect cost rate. Some institutions do not share the indirect cost recovery revenue received with the campus departments but holds that centrally to offset the facilities and administrative costs. UW-Platteville has had a history of sharing the indirect cost recovery revenue with the departments & colleges as an incentive for grant writing.

Indirect costs are calculated on actual expenditures and are only charged after the grant or contract has had expenditures. The corresponding indirect cost recovery revenue is recorded when the indirect cost is applied to the grant or contract.

Policy:
The distribution of indirect cost recovery revenue will be 100% to the Division or College in which the grant originated.

The division leaders (Vice/Assistant Chancellors or Deans) will have the flexibility to determine how their 100% allocation is distributed. For multi-college/division grants, indirect cost recovery revenue shall follow the direct costs of the grant based on the awarded budget.

If a grant is submitted without the inclusion of indirect cost, or with a partial indirect rate, or if the indirect rate is reduced as part of a match, a statement will be provided on the transmittal form that identifies the value/benefit of this project to the university.

Procedure:
The Indirect Cost Recovery Revenue Distribution Template will be completed upon notification of award of the grant for grants involving only 1 college or 1 division.
For multi-college/division grants, the indirect cost recovery revenue distribution template must be completed at the time of proposal submission. Principal Investigators (PIs) will include an internal budget by college or division.

For distributions to PIs, an account will be established with the department chair as the manager and signature authority of the account.

Financial Services will distribute the indirect cost recovery revenue on a monthly basis.

Blank Indirect Cost Recovery Revenue Distribution Template: