

Section: General Administration

Section Number: 1.4.2

Subject: Indirect Costs for External Funding (Grants & Contracts)

Date of Present Issue: 01/22/2014

Date of Previous Issues:
08/82, 07/87, 01/88, 08/00, 07/01, 07/10, 7/11, 4/13

POLICY:

It is the policy of Lake Superior State University to include an amount for indirect overhead costs in all budgets for grants and contracts unless expressly prohibited by the grantor agency or unless the President or appropriate Vice President waives recovery of the indirect costs.

The federally-negotiated indirect cost rates for the University are:

1. On-campus projects: 56 percent
2. Off-campus projects: 23 percent

These rates are in effect until amended. When a change in rates is negotiated, the Director of Sponsored Programs shall notify interested parties of the new rate.

Any indirect costs recovered shall be used first to cover any cash matching requirements of the General Fund and then distributed as follows:

10% Provost (to establish a grant incentive and development fund)

15% Principal Investigator or Project Director (to be used for professional development/university activity)

25% College or Administrative Unit

50% University General Fund (to recover costs, including the Sponsored Programs Office)

This policy is exclusive to Academic Instruction and Research Grants and Contracts. Indirect cost from Upward Bound, KCP and similar support or public service grants will go to the University General Fund.

Allocation will not occur until the indirect cost is earned and available and will be distributed on a quarterly basis. In the case of co-principal investigators or multiple college or administrative units, proration will be mutually agreed upon prior to grant submission.

All existing policies regarding professional development funds will apply including, but not limited to, those specified in the Faculty Agreement.

REVISION HISTORY:

Revision Date	Revision	Revision	Title/Dept.
07/01/11	Summary Updated <i>On-campus projects</i> from 51 percent to 53 percent. Updated position title from Director of Grants and Contracts to Director of Sponsored Programs. Replaced specific Faculty agreement language regarding professional development with a general statement that referencing the Faculty Agreement.	Made By S. Brooks	VP for Finance/ Business Office
04/01/2013	Grammatical corrections. Updated to reflect current University structure.	K. Hemming, M. Walworth, Academic Policies and Procedures Committee.	Director of Grants and Contracts, Provost, Shared Governance.
01/22/2014	Updated <i>On Campus Projects</i> from 53 percent to 56 percent and <i>Off Campus Projects</i> from 22 percent to 23 percent.	K. Hemming, M. Walworth	Director of Grants and Contracts, Provost