

Policy on the Distribution of Facilities and Administration Funds from Grants

I. General Principles

- A. Facilities and Administration (F&A) funds, sometimes called indirect funds or indirect costs, or overhead, are intended to support overhead expenses incurred by the University by virtue of accepting the grant funds (typically related to utilities, building space and administrative services). When received as part of a grant, these funds should be utilized to further the research and scholarship of the principal investigator (PI) or investigators and other University faculty in ways that facilitate the acquisition of additional grant funds, and/or to offset overhead needed to achieve the programmatic goals and objectives of a proposal. An example of the latter might be the cost of hiring new staff (advertising, travel and interview expenses) but not their compensation. Where allowed, such known costs should be included as part of the direct costs in the budget of the proposal.
- B. To that end, each recipient should be guided by the following questions in making decisions about expenditure of indirect costs:
 1. Are the funds being used to seed new research areas or programmatic initiatives prior to an external grant application?
 2. Will this expenditure of funds enhance the competitiveness of the investigator or investigators in seeking external funding?
 3. Are the funds being used to offset overhead needed to achieve the programmatic goals and objectives of the grant proposal?

II. Specific Policies

Normally, when the University can apply its federally (or other) negotiated F&A rate, it does. In cases where the University is not allowed by the granting agency to apply its federally negotiated rate, it will normally apply the maximum rate allowed by the granting agency.

- A. The following policies apply to F&A funds unless otherwise restricted by the funding agency.
 1. F&A funds received from granting agencies that do not allow the University to apply its federally (or other) negotiated rate normally will be expended by the Provost as outlined above in I.A
 2. F&A funds received from granting agencies through proposals written with the assistance of McAllister and Quinn, except in the case of sponsored research coaching proposals for individual faculty, will be expended by the Provost as outlined above in I.A
 3. F&A funds received from funding agencies that allow the University to apply its federally (or other) negotiated F&A rate (except those written with the assistance

of McAllister and Quinn per II.A.2 above) will be divided and placed into restricted accounts in the following proportions:

- a. 30% in support of the research and scholarship of the PI and the PI's students
- b. 15% in support of the research and scholarship of faculty and students in the PI's department, program, or teaching area
- c. 20% in support of student-faculty research or pedagogical enhancements at the College or School level
- d. 35% in support of research and scholarship at the University. Distribution to A, B and C will occur after the full budgeted distribution for D has occurred.

In the case of more than one PI, the funds will be divided, by the provost in consultation with the appropriate dean, in a fashion commensurate with the anticipated contributions of each PI to the project.

B. Funds will be administered in the corresponding accounts as follows:

1. By the PI for research assistants, research equipment, research supplies, or travel to meetings or research sites for the PI or the PI's students
2. By the corresponding chair, director, or dean, for research assistants, research equipment, research supplies, or travel to meetings or research sites for faculty and students in the department, program, or teaching area, as well as to meet, in whole or part, matching or institutional cost-sharing obligations required for grant applications
3. By the College's Director of Undergraduate Research, the School of Theology's designated research funds administrator, or the director of the Center for Teaching, as appropriate, for strategic student-faculty scholarship initiatives, including research assistants, on- or off-campus workshops for pedagogy enhancement, grant writing and research dissemination, or travel to meetings or research sites for faculty and students in the College or the School, respectively.
4. By the Provost, in consultation with the appropriate dean, for faculty research and scholarship in a broad sense, including seed money for faculty conducting pilot research in anticipation of applying for external support, travel associated with compliance workshops, matching or institutional cost-sharing obligations, and to offset overhead needed to achieve the programmatic goals and objectives of a proposal.

These funds cannot be used to supplement faculty compensation, except in the case of (a) for the stipend of the Director of Undergraduate Research if necessary and (b) in the case of full-year sabbatical leave when a PI's compensation from University and other sources does not reach 100% of regular compensation. In the latter case, the PI may request a transfer of available funds

from the restricted account administered by the PI to a restricted account administered by the Provost from which a supplement to the PI's compensation may be paid.

III. Grant procedures

Upon notification of the award of a grant, the PI will notify the University staff member who assisted with the grant application (the Foundations/Development or Sponsored Research Officer), and that person will submit a request for a restricted account to the Provost for signature. The Treasurer's Office, along with the PI and/or the Foundations/Development or Sponsored Research Officer, manages the drawing of funds into the grant's restricted account and the distribution of the indirect costs as appropriate.

IV. Noncompliance

F&A funds expended outside of these policy guidelines must be repaid, and other sanctions for noncompliance may also be imposed by the Provost in consultation with the cognizant dean.

V. Negotiated Rates:

Information on our negotiated indirect cost rates and what they include can be found at:
<https://new.sewanee.edu/offices/university-offices/sponsored-research-office/>

Policy information

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Questions of clarification and suggestions for changes should be sent to the Provost