

**Roger Williams University and Roger Williams University School of Law
Distribution of Indirect Costs Recovered
from External Sponsored Projects**

Policy - Roger Williams University seeks to recover indirect costs (sometimes referred to as overhead) incurred by the University when faculty, staff and/or students have been engaged in research or other projects that are sponsored or otherwise supported by outside entities. Indirect costs refer to non-identifiable costs of general operations such as utilities, building operations, library services, purchasing and other administrative costs. All indirect costs recovered shall belong to the University. Normally, indirect costs will not be waived by the University. If indirect costs are not allowed by the funding agency, the Provost will have to approve the grant with a waived indirect cost rate.

The establishment of a particular indirect cost charge attributable to a sponsored research or other project is often negotiated with a sponsor and normally is based on a percentage of the direct costs associated with the specific project or a percentage of salaries attributable to the project. However, some sponsors, such as the United States government, have a negotiated rate that is applicable to most federal grants and contracts. Some sponsoring entities may limit the indirect cost allowance, and others may not support indirect costs. This policy governs the distribution within the University of all indirect funds that have been recovered by the University from sponsored grants and contracts from any and all external funding sources.

The University's policy regarding indirect costs is administered by the Provost Office in consultation with Advancement and Finance.

In the case of any dispute or disagreement on the distribution or use of funds or application of this Policy, final resolution will be decided jointly by the Provost or Vice President of the funded area and the Executive Vice President for Finance & Administration.

If the indirect cost rate is below 20% then there will be no distribution of funds. These funds will be allocated to the University General Administration.

If the total amount of the grant is below \$50,000 then there will be no distribution of funds. These funds will be allocated to the University General Administration.

If the indirect cost rate is at least 20% and the total grant amount is at least \$50,000 then the University shall distribute the funds generated and actually received through the indirect cost recovery for each sponsored program to the following accounts in the following percentages:

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| 1) <i>Principal Investigators (PI) or Project Directors (PD)Fund</i> | 10% |
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A "Principal Investigator's Fund" or "Project Director's Fund" will be established as a rolling account (unexpended funds are carried forward from one fiscal year to the next) for up to a period of three years, which may be expended at the discretion of the PI/co-PI's or PD/co-PD's, consistent with University regulations. Funds not expended by three years will be transferred to the University General Administration. An amount equal to ten (10%) percent of the indirect cost recovery from a sponsored grant or contract generated by the PI/PD will be introduced into their PI/PD Fund. The funds in the account may be used for travel, supplies, student salaries, services, etc. that directly support the faculty member's work in research or programmatic efforts. Alternatively, upon the election of the PI or PD and approval of their Dean, funds may be used as summer salary support for the PI or PD, in lieu of other compensation, when conducting research or other scholarly accomplishment, in which case the funds so expended would constitute ordinary income to the recipient. In the event there are multiple PIs/PDs on a grant, the indirect funds will be allocated equally to all PIs/PDs so named in the grant unless a proportionate share based on the relative role of each PI/PD is agreed to by and between the PI/PDs and the appropriate Dean(s) or administrator at the time of acceptance of the grant or contract.

For grants providing for compensation for student researchers, where a specific PI/PD has been identified, but where i) the PI/PD does not actually oversee the work of the student(s)(e.g. the student is working independently), or ii) the PI/PD is acting in an administrative role for purposes of grant oversight

and administration (e.g. multiple students working with multiple faculty), the indirect portion of the grant will be allocated to the applicable Dean of the School.

2) *Dean's Research and Program Support Fund* 20%

A "Dean's Research and Program Fund" will be established for each school and used to promote research and/or scholarly activities in support of current or future projects within a particular school or schools. An amount equal to twenty (20%) percent of the indirect cost recovery of each sponsored grant or award generated by a member of the school or non-academic area will be introduced into the Fund. The Fund will be a rolling account administered by the Dean. If applicable, the Dean will be provided with a department-level accounting of the amount of indirect cost recovery from each PI/PD's department. The Dean(s) shall consult with members of the school for suggestions as to how the funds should be distributed to support the scholarly or professional development activities of members of the school. If multiple PIs/PDs work in different schools, the Dean's allocation will be split among the schools equally unless a proportionate share based on the relative role of PI/PDs is approved by the PI/PDs and Deans at the time of acceptance of a grant or contract.

3) *Provost Research and Program Support Fund* 30%

A "Provost's Research and Program Fund" will be established to promote research and/or programs that support institutional priorities. This rolling fund will be administered by the Provost or their designee.

4) *University General Administration* 40%

An amount equal to the balance of indirect cost recovery (40%) for grants and contracts shall be allocated to the University's General Administration with the intent that the funds be used to reimburse the University for institutional support and facilities costs that support the external grant application and management process.

Effective Date: This policy will govern all grants (new and continuing) as of 7/1/2021.