



## POLICY ON PROGRESSIVE SHARING OF INDIRECT COST RECOVERY

Many funding agencies provide Facilities and Administrative (F&A) costs as part of a research award. These funds support the institution's ability to perform the proposed project. The CSULB Research Foundation's federally negotiated F&A rates (aka: indirect cost, IDC, indirect, overhead) for grants and contracts are:

- On Campus Organized Research 47.5%
- On Campus Instruction 50.5%
- Off Campus Organized Research 26%
- Off Campus Instruction 26%

If a funding agency restricts F&A to less than 26%, then faculty must request approval for variance on F&A from the Associate Vice President, Research and Sponsored Programs (currently Simon Kim). This request should be made by email to the AVP (copying the CNSM Dean and appropriate Department Chair), with a brief description (including the award amount and IDC rate) of the award being pursued and justification for pursuing an award with F&A less than 26.0%.

For awards with F&A rates less than 26%, all IDC goes to central administration for distribution to the Research Foundation and Office of Research and Sponsored Programs (ORSP). For F&A rates greater than or equal to 26% (both sponsored and effective rate), the College receives a percentage of the IDC equal to the F&A rate and the remainder goes to central administration. IDC returned to the College is calculated as:

- $F\&A \text{ return} = (MTDC \times FAsp) \times FAeff$

where:

- $FAsp$  = sponsor designated F&A rate or the rate used/approved in grant application
- $FAeff$  = effective F&A rate = (actual F&A generated (based on MTDC)) / TDC
- TDC = total direct costs for the project
- MTDC = modified total direct costs; calculated by excluding some sponsor-defined items from TDC

Items excluded from MTDC are:

- student support expenses (scholarship, fellowships, and tuition);
- subcontracts; subawards –the first \$25,000 does not garner F&A;
- equipment;
- rental of off campus facilities.

Further distribution of the F&A return to Department/s and/or PI/s, is at the discretion of the Dean. Recognizing the value of such disbursements with respect to 1) providing discretionary funds to departments and PIs and 2) acting as a recruitment advantage, CNSM will disburse the College allocation to departmental and individual faculty RS accounts, when the effective F&A rate is greater than 26%. (When the effective F&A rate is equal to

26%, the college reserves the right to alter the within-college distribution to meet administrative costs.) Recognizing that accrual of individual faculty RS accounts is strenuously discouraged by campus- and state-wide administrations, CNSM will implement the following disbursement strategy.

Note: For the purpose of this policy, \$RS excludes all balances with a fiscal program code – e.g., internal awards such as the CSULB President’s Award, etc.

1. For 1st-time recipients of grants with F&A rates greater than or equal to 47.5%:  
10% Provost; 20% College; 15% Department; 55% PI
2. For PIs with \$RS less than or equal to \$10,000:  
10% Provost; 30% College; 15% Department; 45% PI
3. For PIs with \$RS greater than \$10,000 and less than or equal to \$25,000:  
10% Provost; 30% College; 30% Department; 30% PI
4. For PIs with \$RS greater than \$25,000:  
10% Provost; 30% College; 45% Department; 15% PI

*Approved by Committee of Department Chairs (CDC) and Dean, CNSM – October 1, 2019; effective immediately.*