

— UNIVERSITY POLICY —

### **Indirect Cost Recovery for External Funds Policy**

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#### **Purpose and Scope**

West Chester University (WCU) believes that Indirect Cost (IDC) funds recovered from grants/contract awards should be used to enhance its Teacher/Scholar model which is inclusive of effective teaching, research/scholarship, and service/student engagement activities.

#### **Policy Statement and Policy Framework**

To promote engagement of faculty in research and to provide incentives for the pursuit of sponsored initiatives, the following distribution of **IDC** (also referred to as “overhead”) funds received by West Chester University of Pennsylvania as part of extramural grant and contract awards will be made as follows:

(a) Principal Investigator (PI): (15 %)

Funds to be deposited in a WCU special account as “IDC- (name of the PI),” will be assigned an “SAP Cost Center Code,” and will be used only for educational and professional development related activities. If more than one PI, the 15% allocation will be distributed accordingly.

(b) Office of the Dean of Academic Colleges/Division/Program: (10%)

Funds to be deposited in a WCU special account as “IDC- (name of the Academic College/Division/ Program),” will be assigned an “SAP Cost Center Code,” and will be used only for educational and professional development related activities. In the case of Division of Student Affairs, the 10% will be allocated to the Office of the Vice President. If more than one PI from more than one College/Division/ Program, the 10% IDC allocation will be distributed accordingly to the Offices of the Deans.

— UNIVERSITY POLICY —

(c) Office of Chairperson of Department/Unit within a College/Division/Program: (10%)

Funds to be deposited in a WCU special account as "IDC- (name of the Academic Department/Unit within a College/Program)," will be assigned an "SAP Cost Center Code," and will be used only for educational and professional development related activities. If more than one PI from more than one Department/Unit within a College/Division/Program, then the 10% IDC allocation will be distributed accordingly to the Offices of the Chairpersons.

(d) Office of Research and Sponsored Programs: (55%)

Funds to be deposited in a WCU special account as "IDC- Sponsored Research" and will be assigned an "SAP Cost Center Code." Funds will be used to reinvest in professional development related activities to include incubation of prospective sponsored research ideas before development into fundable grant proposal, , continuing professional development of faculty members, mini-travel awards to support grants/contract initiatives, grants/contract development incentives awards, , and special projects. Additionally, these funds will support the following annual events: University Research & Creative Activity Day, Student Research & Creative Activities Award, Annual Sponsored Research Award and Celebration, University Outstanding Sponsored Research Awards, International Festival, etc.

e) Office of Administration and Fiscal Affairs: (10%)

Funds will be used to support and enhance the effectiveness of post-award administration and reporting. It is further understood that 90% of the IDC recovered from external grants stays with a self-support entity or unit, and 10% goes to Fiscal Affairs for its support of the unit grant. Other exceptions to the IDC allocation formula must have the written approval of the Provost/Executive

— UNIVERSITY POLICY —

Vice President of Academic Affairs; with input from the Vice Provost for Research and Creative Activity.

### **Definitions**

The Federal Office of Management and Budget, in document OMB-A-21, defines allowable direct and indirect costs for federal grants and contracts.

**Direct costs** are those that can be specifically identified as budget line items within a funded project.

**Indirect costs** (IDC) are associated with general infrastructural support of the funded project. Indirect costs are real costs to the University, associated with carrying out extramurally funded research projects.

**Reviewed by:** Academic Deans; Office of Sponsored Research and Sponsored Programs

**Policy Owner:** Director, Office of Research and Sponsored Programs

**Approved by:** Dr. Darla Spence Coffey  
Interim Provost and Vice President of Academic Affairs  
January 6, 2009

**Effective Date:** January 6, 2009

**Next Review Date:** **Currently Under Review**

### **History**

**Initial Approval:** January 6, 2009