

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 in ways that support any activity, personnel, or equipment in the planning or execution of research or creative activity by WCU faculty, staff, or students, subject to the financial policies of the university.

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 **Indirect Cost Recovery - IDC** (also referred to as facility and administrative costs or 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): (10%)

The Principal Investigator (PI) has absolute responsibility for the overall conduct of the sponsored project. This means that the PI has oversight on all financial, administrative, technical and compliance aspects of the project to ensure that all tasks required by the scope of work and funding agreement/contract are completed. This oversight may include but is not limited to the submission of required reports, management of consultants and subcontractors, confirmation that all workers have appropriate compliance training (*i. e.* CITI training), submission of requests for expense reimbursement and consultant payments, completion of student/faculty hire forms, and the confirmation of student worker e-time.

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 the planning or execution of research or creative related activities or positions them for their next external grant proposal.

The PI will be encouraged to spend down the assigned indirect costs before the end of the funding period on items such as:

1. WCU faculty or student compensation (salary and fringe) on research or creative activity related projects.
2. Equipment, materials, and supplies for research or curriculum development.
3. Publication costs or books/journal subscriptions.
4. Subsistence, transportation, registration, or lodging for workshop participants or for faculty or student research/conference travel.
5. Consultants or evaluators for research or curriculum development.

For all IDC PI accounts greater than **\$35,000**, the PI should submit annually to their Dean a brief narrative describing the intended use for the funds and timeline for expenditures.

* PIs will be given two years post grant conclusion to spend down the IDC funds from that grant unless PI-submitted plans are in place to utilize those funds. After that timeframe, the remaining IDC funds will be moved to the Office of Research and Sponsored Programs to support faculty and student research opportunities and resources.

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

Funds to be deposited in a WCU special account as "IDC- (name of the PI's Academic College/Division/ Program)," will be assigned an "SAP Cost Center Code," and will be used only for the planning or execution of research or creative related activities for faculty, staff and students by the Office of the Dean. In the case of Division of Student Affairs, the 10% will be allocated to the Office of the Vice President.

The Office of the Dean will be encouraged to spend down the assigned indirect costs before the end of the funding period on items such as:

1. A college-wide competition for research projects, equipment, materials, supplies, travel (subsistence, transportation, registration, or lodging), or faculty or student compensation (salary and fringe)
2. Honoraria and travel for invited speakers
3. Matching funds
4. Consultants
5. Start-up funds

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

Funds to be deposited in a WCU special account as "IDC- (name of the PI's Academic Department/Unit within a College/Program)," will be assigned an "SAP Cost Center Code," and will be used only for the planning or execution of research or creative related activities for faculty, staff and students by the Department Chairperson.

If the PI submits the proposal through an Official WCU Research Center, half of the 10% Department IDC allocation will be distributed to the Research Center and the other half will be distributed to the Department/Unit/Program.

The Office of the Chairperson will be encouraged to spend down the assigned indirect costs before the end of the funding period on items such as:

1. A department-wide competition for research equipment, materials, supplies, travel (subsistence, transportation, registration, or lodging), or faculty or student compensation (salary and fringe)
2. Honoraria and travel for invited speakers
3. Matching funds
4. Consultants
5. Start-up funds

For all IDC Department accounts greater than **\$50,000**, the Department Chair should submit annually to their Dean a brief narrative describing the intended use for the funds and timeline for expenditures.

(d) Office of Research and Sponsored Programs: (60%)

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 faculty and student research and creative activity-related projects, publications, resources, and opportunities. Additionally, these funds will support university-wide research and creative activity personnel, events, and programs, as needed.

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 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: Provost; Office of Sponsored Research and Sponsored Programs, AVP Labor Relations

Policy Owner: Director, Office of Research and Sponsored Programs

Approved by: 

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Next Review Date: February 9, 2031

History

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