Indirect Cost Recovery

Definitions

- **Indirect Costs** – Costs incurred for common or joint objectives that cannot be readily or specifically attributed to a particular sponsored project, an instructional activity, or any other institutional activity. These differ from direct costs in that it is difficult and impractical to identify and attribute them to an individual grants or project. Also known as ‘facilities and administrative costs.”

- **Indirect Cost Recovery** – Reimbursement by the sponsor for actual indirect costs incurred by the institution in support of a sponsored project. It is comprised of two components: facilities costs and administrative costs. The rate is negotiated with the Department of Health and Human Services as CI’s cognizant agency in accordance with OMB Circular A-21.

Distribution of Indirect Costs at CI – Income posts monthly to fund group Q0000 based on grant expenditures being charged to the grant. Indirect rates differ by funding agency. As income hits, it is distributed within the University as follows:

- **Academic Affairs Division** – 35%
  - Dept 810 Provost – 20%
  - Respective AVP – 7%
  - Dept 811 RSP – 5%
  - Dept 840 Library – 3%

- **Academic Program/PI** – 20% (10% each)

- **Finance and Administration** – 45%
  - Dept 330 Operations – 16.8%
  - Dept 340 Facility Services – 16.8%
  - Dept 370 Logistical Services – 8.4%
  - Dept 640 A & IT Services – 3%

Campus Partners

Academic programs at CI share in Extended University revenue posted to Continuing Education Revolving Funds (or CERF). This revenue is from degree programs and summer session courses offered through Extended University. It also includes revenue associated with Open University, non-credit courses, and custom programs for Extended University students. 15% of the income is given to the academic programs associated with these courses offered through Extended University. Income posts to TH920 on a monthly basis.

History/Practice

- In 2007, the RMP (the CSU’s resource management program) was initiated, and this shared income from Extended University was defined as reimbursement to the general operating fund, income posted to GD901 each month, and year-end deadlines for expenditures applied.

- In 2009, separate general operating funds (GD935 and GD945) was created so that programs and units could track the funding more easily and the income was deferred so that funding amounts were known well before fiscal year-end.

- In 2012, these two sources of funds were redefined (as above) and placed in a non-operating trust funds (TH920 and Q0000), balances roll forward, and it is no longer necessary to defer the income, though it is necessary to manage expenditures and balances.