

Policy Name: Indirect Costs: Sharing

Approval Authority: Presidential

Originally Issued: 04/13/10

Revisions:

1. Who Should Read This Policy

All Rutgers University research faculty, staff, principal investigators, and co-investigators within, Robert Wood Johnson Medical School, School of Health Related Professions, Rutgers School of Dental Medicine, New Jersey Medical School, Graduate School of Biomedical Sciences, School of Public Health, and School of Nursing (former UMDNJ School of Nursing).

2. Related Documents (refer to policies.rutgers.edu for additional information)

- A. Indirect Costs: Non Federal Research
- B. Centers and Institutes
- C. Cost Allocation: General

3. The Policy

Implement an indirect cost recovery policy that applies to the above, stated, units within the university's grants and contracts system that would assure an equitable, efficient and timely transfer of indirect costs between Schools.

- A. Unless a funding source has a specific mandate on how indirect costs are to be shared among collaborating institutions, this policy applies to the above, stated, units for any future awarded grants, cooperative agreements, and contracts which involve Co-Investigators, Collaborating faculty and/or staff from Schools other than the Principal Investigator's School. A proportional share of any indirect costs accompanying the grant, cooperative agreement, or contract should flow to all participating Schools (i.e., "the indirects follow the directs").
- B. This policy will apply to all indirect costs associated with both personnel and non-personnel expenditures (e.g., equipment, supplies, travel, etc.), unless the sponsor has an alternate policy for certain classes of direct costs, such as equipment purchases, in which case the sponsor's policy shall apply.
- C. After transferred indirect cost funds have been assigned to the appropriate School in which the collaborating faculty and staff have their primary affiliation they will be assigned according to the recipient School's policy on the distribution of indirect and overhead costs.

- D. This policy will apply at the start of each new annual budget period for existing multi-year projects.
- E. For any individual proposal, the application of this policy can be modified by written agreement between the Principal Investigator from the lead School and any Co-Investigators or faculty from other Schools on the condition that concurrence for any alternative indirect cost sharing arrangement is agreed to approved by the Associate Deans for Research at each participating School on or before the date the proposal is submitted to the potential funding agency.
- F. In order to estimate the indirect cost applicable to each Investigator, a separate budget must be included when an application, along with an endorsement form is circulated for review and approval. The detail back-up sheet for each Investigator will be used to establish a separate Fund and the appropriate budget along with the indirect costs for that PI can be established [This index will remain under the parent grant analogous to the method used to distribute funds to subcontractors for the purpose of maintaining appropriate responsibility of the PI and institutional official of the parent grant for auditing allowable expenses]. For internal analysis and use within each School, each School may identify, in its overall reporting, the amount of direct and indirect costs attributable to the participation of its Co-Investigators, faculty, and/or staff participating in collaborative projects led by a PI at another School.
- G. Indirect cost sharing for grants, cooperative agreements, and contracts awarded to internally designated Rutgers Biomedical and Health Sciences Centers/Institutes will be negotiated among the entities involved consistent with the intent and principles of this policy.

DEFINITIONS

- A. Indirect Cost Recovery - Costs which cannot be readily identified with an individual project such as facilities operation and maintenance costs, depreciation, and administrative expenses, for which a funding agency will reimburse in an award to the University based on a Facility and Administrative (F & A) rate of the Direct Costs.
- B. Principal Investigator (PI) - An individual with the primary and continuing responsibility for the overall control and administration of the grant/contract/cooperative agreement, including the timely completion (as determined by each school) of the Transmittal and Approval Form for Grants and Contracts and the application in conformity with Federal and grantee requirements.
- C. Co-Investigators/Collaborating faculty and staff - Other individuals from either the Principal Investigator's School or other participating Schools, responsible for supporting the development and administration of the grant/contract/cooperative agreement.