

## **Policy for Sharing Indirect Cost Returns (ICR)**

### **Introduction**

Grants submitted by employees of Elon University that are processed through the University's Office of Sponsored Programs may include the option to request indirect costs. If a rate for indirect costs is not set by the specific granting agency, the project director uses the rate negotiated between Elon and the US Department of Health and Human Services. Indirect Cost Returns (ICR) have historically been deposited into the general fund to support expenses incurred by the institution but which cannot be separately identified and budgeted in grant submissions, such as space, electricity, equipment, administrative support, and so forth. While ICR is a means to offset expenses related to the development and maintenance of an infrastructure that supports external funding, Elon recognizes the value of sharing a percentage of the ICR to further support continued faculty scholarship and employee commitment to professional development.

### **Policy- Timing**

This policy covers grants that are approved on or after August 20, 2007. Grants that are currently active or have ended are not eligible for retroactive indirect distribution.

### **Policy – ICR Distribution**

Indirect costs will be allocated according to the following percentages:

70%	To University General Fund
10%	To Dean of School or College
10%	To Department Chair
10%	To the Project Director

### **Policy – Process**

Grants with indirect costs requested will be allocated to the project director(s), dean(s) and department chair(s) as outlined above. In cases where applications include project directors from different schools or departments, the amount for each receiving unit must be specified clearly prior to submission of the grant and outlined on the internal grant approval form. In cases where grants are submitted from employees outside the typical faculty/department/dean structure, recipients must have distribution approval by the supervising Vice President(s).

Should disputes arise over the allocation of the ICR, and should the parties be unable to resolve these disputes, allocations will be returned to the General Fund. Should the project director leave Elon, unused ICR funds will be distributed to the dean(s) of the School or College previously approved.

ICR will be allocated to the dean's office from the University once the grant has been approved and the funds have been received by the accounting office. ICR funds will be maintained in a continuing account for use over multiple years until the funds are spent.

## **Policy – ICR Uses and Processing**

### A. ICR to the Dean of the School or College

Funds to the dean should be used to support the academic programs of the school or college. There is no presumption that these funds should be returned to or used for either the grant recipient or the department from which the grant originates. The dean is not required to report on or seek approval from the department or the grant recipient for how funds are used.

### B. ICR to the Department Chair

These funds will reside in the Dean's office and use of them will require the dean's approval. Funds should be used to support the academic programs and initiatives of the department. There is no presumption that these funds should be returned to or used for the grant recipient or his/her project. The department chair is not required to report on or seek approval from the grant recipient for how the funds are used.

### C. ICR to the Grant Recipient/Project Director

These funds will reside in the Dean's office and use of them will require the dean's approval. Funds may be used for the professional or scholarly development of the project recipient, and are not required to relate to the grant's projects. Funds cannot be taken as a stipend or a salary supplement.

All equipment and supplies purchased with ICR funds are the property of Elon University.

ICR funds received by the three groups listed above cannot be used to reduce the indirect rate (percentage) requested from the funding agency.

Note: Awards (including grants) that are not reviewed and processed by the Office of Sponsored Programs may not be eligible for ICR sharing. This includes grants that are secured through Institutional Advancement without OSP involvement.

Questions related to indirect cost returns should be sent to the Director of Sponsored Programs (Bonnie Bruno, bbruno2 or x6603).