



Indirect Cost Distribution

Guideline: SP07
Responsible Executive: Vice President for Research
Responsible Office: Office of Research and Sponsored Programs
Approved by:
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Definitions

Indirect Costs (IDC)	Costs incurred for common or joint objectives AND cannot be identified readily and specifically with a particular sponsored project, a particular university-funded research project, an instructional activity, or any other institutional activity. They represent the expense of doing business and are necessary for the general operation of the organization and the conduct of activities it performs. These include, but are not limited to departmental administration, plant operations and maintenance, and space-related costs.
Facilities & Administrative Costs (F&A)	Also called indirect costs or overhead.

Guideline

Granting agencies have regulations that restrict the use of federal funds. To give faculty some flexibility in research expenditures, Kean University provides each tenure track faculty member, research professor, and research staff member who leads an external sponsored awards with a discretionary account into which their portion of the IDC will be deposited once a year.

Procedure

Each fall a calculation is done for all F&A charged to sponsored awards during the prior fiscal year. This number is based on expenditures, not budget. This return of IDC is done for all on- and off-campus external grants and contracts. Any award that includes cost sharing (other than in-kind contributions) will recover the amount of the cost share before F&A is distributed. These calculations occur in late fall and ORSP and the budget office work collaboratively to ensure the correct amounts are transferred. Remaining balances will carry forward to the next fiscal year; these accounts cannot operate with a deficit balance. Purchases must be in accordance with all University procurement policies and procedures. All items purchased with discretionary funds are the property of the University.

Breakdown of the IDC return:

- 75% - ORSP
- 15% - College
- 5% - Department
- 5% - PI of the sponsored award

Examples of eligible expenditures are:

- a. Travel to meetings of professional associations or for research activities
- b. Summer salary

- c. Subscriptions to professional periodicals
- d. Memberships in professional organizations
- e. Reference books
- f. Journal submission fees
- g. Specialized software, other than software routinely provided by the University
- h. Business-related postal or shipping charges (FedEx, UPS)
- i. Specialized databases and data collection costs
- j. Business-related meals or hosted professional functions
- k. Professional license or certification fees

Examples of items not allowable include:

- a. Personal expenses of any kind
- b. Home office costs such as furniture and equipment, maintenance expenses, and supplies
- c. Cell phone, Internet and telephone line charges unless approved by the University administration
- d. Charitable or political contributions
- e. Memberships in social clubs or airline travel clubs
- f. Wages paid to the faculty member during the academic year

Contact

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