



UNIVERSITY OF WYOMING REGULATIONS

Subject: Indirect Cost ~~Policy~~Rates and Distribution

Number: UW Regulation 9-2

I. PURPOSE

To define the indirect cost rates and distributions for costs that cannot be specifically attributed to an individual project.

II. DEFINITIONS

I. INDIRECT COSTS

Federally-negotiated Indirect Cost Rate: A documented understanding between the University and the Department of Health & Human Services concerning the rates that may be used to support the University's claim for facilities and administrative (F&A) costs and fringe benefits costs on grants and contracts with the Federal Government.

Indirect Costs: Indirect costs (also known as F&A costs or "overhead") are those costs incurred by an institution for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Some examples include, but are not limited to, library operations, utility costs, depreciation of buildings and equipment, operations and maintenance costs, grants and contract administration and accounting, and general administrative expenses for central offices.

~~are revenues that the University receives from two sources. One source is the indirect cost rate applied to University research funded in whole or in part by government entities or the private sector, i.e. "externally funded research." The other source is indirect costs associated with federal or other grant funding that does not involve a research grant or contract. The indirect cost rate for these grants is typically specified in the grant.~~

Sponsored Research: All research and development activities that are sponsored by Federal and non-Federal agencies and organizations. This includes activities involving the training of individuals in research techniques (commonly called research training) where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.

Research and Development: Research is a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. Development is the

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systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.

Sponsored Instruction: Instructional or training activity established by grant, contract or cooperative agreement.

Other Sponsored Activities: Programs and projects financed by Federal and non-Federal agencies and organizations which involve the performance of work other than instruction and organized research. Examples of such programs and projects are health service projects and community service programs.

H.III. INDIRECT COST RATES FOR EXTERNALLY FUNDED RESEARCH

A. Federally and Privately Funded Sponsored Research, Sponsored Instruction, and Other Sponsored Activities

~~Except as provided in subparagraphs H.B. and C. of this paragraph, the indirect cost rate for all federally and privately externally funded Sponsored Research, Sponsored Instruction and Other Sponsored Activities shall be the federally negotiated approved indirect cost rate for federally funded research at the time the research agreement is executed.~~

B. State or Not for Profit Funded Research

The indirect cost rate for ~~all~~ Sponsored Research, Sponsored Instruction, and Other Sponsored Activities funded by an agency or governmental subdivision of the state of Wyoming shall be twenty percent (20%), except that this rate may be modified with the approval of the ~~Board of Trustees~~ Vice President for Research and Economic Development for the best interests of the University.

~~The indirect cost rate for Sponsored Research, Sponsored Instruction and Other Sponsored Activities funded by The President of the University also may approve a different rate for research contracts with government entities of other states or with not for profit organizations which provide services to Wyoming citizens shall be specified in the grant or contract by the Vice President for Research and Economic Development. The President shall provide a report to the Board at each meeting regarding contracts for which a different rate has been approved.~~

C. State of Wyoming Matching Funds

No indirect costs shall be assessed on funds appropriated by the State of Wyoming designated to match federally or privately externally funded Sponsored Research, Sponsored Instruction or Other Sponsored Activities at the University.

III-IV. DISTRIBUTION AND EXPENDITURE OF INDIRECT COSTS

- A. ~~Twenty-five percent (25%)~~ Fifty percent (50%) of the ~~indirect~~ costs derived from each ~~externally funded Research grantsponsored project~~ for each fiscal year shall be distributed ~~in the subsequent fiscal year at least quarterly~~ as follows:
- ~~1.~~ 1. Thirty percent (30%) to fund research enterprise institutional obligations, including contractual and legal obligations, research infrastructure and compliance obligations, and programmatic research needs. This 30% will be allocated one-half (15% of the whole) to the Office of Research and Economic Development, one-third (10% of the whole) to the Division of Finance and Administration, and one-sixth (5% of the whole) to the Office of Academic Affairs, and will be updated and posted annually by the Office of Research and Economic Development.
 - ~~1.2.~~ 2. Fifteen percent (15%) to the department or program in which the Principal Investigator (PI) is located. If there are multiple PI's, the Vice President for Research and Economic Development shall allocate the funds among the PIs in consultation with them. These funds shall be used as the department or program determines to stimulate research and to relieve impact on the department or program. The Vice President for Research and Economic Development will report annually to the Board of Trustees on expenditures by each department or program receiving funds under this subdivision A.1.
 - ~~2.3.~~ 3. Five percent (5%) to the college or similar level unit in which the department or program is located. These funds shall be used as the college or similar level unit determines to stimulate research and to relieve impact on the college or similar level unit. The Vice President for Research and Economic Development will report annually to the Board of Trustees on expenditures by each college or similar level unit receiving funds under this subdivision A.2.
 - ~~3.~~ 4. ~~Five percent (5%) to the Office of Research and Economic Development. These funds shall be used as provided in subparagraph B. of this paragraph.~~
- B. ~~Except as otherwise provided in subparagraph C. of this paragraph, all other indirect costs from whatever source derived for each fiscal year, and the revenue from subdivision III.A.3. The remaining fifty percent (50%) shall be distributed in the subsequent fiscal year at least quarterly, and accounted for by the Vice President for Research and Economic Development, as follows:~~
- ~~1.~~ 1. First, to fund operational costs in the Office of Research and Economic Development, including the Office of Sponsored Programs and the

~~Research Products Center, in accordance with a budget approved by the Board of Trustees; and-~~

- ~~2. Second, to fund high priority strategic research initiatives, in accordance with a budget approved by the Board of Trustees and as outlined in a Standard Administrative Policy and Procedure (SAP).~~

~~Any remainder shall be transferred to the Special Projects Reserve Account.~~

- ~~1. To fund institutional research infrastructure including, but not limited to, the AMK Ranch, research computing, and institutional compliance responsibilities regarding human research and animal care, in accordance with a budget approved by the Board of Trustees.~~
 - ~~2. To fund required match necessary for participation in major federal research programs, including, but not limited to EPSCOR, National Institutes IDeA, in accordance with a budget approved by the Board of Trustees.~~
 - ~~3. To defray the impact of the University's research operation and of administering non-research grants, an amount to the Division of Administration, in accordance with a budget approved by the Board of Trustees.~~
 - ~~4. To fund faculty start-up costs and otherwise support faculty research, such as providing required matchings or purchase of equipment to support research, in accordance with a budget approved by the Board of Trustees.~~
 - ~~5. To replenish the federally recommended research audit reserve account to levels approved by the Board of Trustees upon recommendation of the Vice President for Research and Economic Development in consultation with the Vice President for Administration, and with the approval of the President.~~
- C. ~~Indirect costs related to an institutional award derived from an externally funded research agreement may be distributed in a manner different from that specified in subparagraphs A. and B. of this paragraph if the upon Vice President for Research and Economic Development approval. Any other distribution must be according to a Standard Administrative Policy and Procedure (SAP) Board of Trustees approves a different distribution method at the time Board approves the research agreement.~~
- D. ~~To the extent indirect cost revenues are greater than the amounts budgeted under subdivisions B.1. through B.6., the Vice President for Research and Economic Development, in consultation with the Vice President for Administration and with the approval of the President, shall submit a plan for the use of those funds to the Board of Trustees for approval.~~

Responsible Division/Unit: Division of Research and Economic Development

Source: None

Links: <http://www.uwyo.edu/regs-policies>

Associated Regulations, Policies, and Forms: None

History:

UW Regulation 1-102(I)(Q), Attachment F adopted Minutes of the Trustees, January 22, 2016

Revisions adopted 4/20/2016 Board of Trustees meeting

Revisions adopted 5/12/2016 Board of Trustees meeting

Moved to new UW Regulation 9-2 on 6/12/2019 Board of Trustees meeting (effective 7/1/2019)