Indirect costs 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.

II. Indirect cost rate for externally funded research

A. Except as provided in subparagraphs II.b. and c. of this paragraph, the indirect cost rate for all externally funded research shall be the federally approved indirect cost rate for federally funded research at the time the research agreement is executed.

B. The indirect cost rate for all research 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 for the best interests of the University.

C. No indirect costs shall be assessed on funds appropriated by the State of Wyoming designated to match externally funded research at the University.

III. Distribution and expenditure of indirect costs

A. Twenty-five percent (25%) of the indirect costs derived from each externally funded research grant for each fiscal year shall be distributed in the subsequent fiscal year as follows:

1. Fifteen percent (15%) to the department or program in which the Principal Investigator (PI) is located. If there are multiple PI’s, the Vice Presidential 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. 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. 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. shall be distributed in the subsequent fiscal year, and accounted for by the Vice President for Research and Economic Development, as follows:

   1. 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.

   2. 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.

   3. 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.

   4. 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.

   5. 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.

   6. 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 derived from an externally funded research agreement may be distributed in a manner different from that specified in subparagraph B. of this paragraph if the 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.