
UNIVERSITY OF WYOMING REGULATIONS

Subject: Indirect Cost 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

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.

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 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.

III. INDIRECT COST RATES

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

The Indirect Cost rate for federally and privately funded Sponsored Research, Sponsored Instruction and Other Sponsored Activities shall be the Federally-negotiated Indirect Cost Rate.

B. State or Not for Profit Funded Research

The indirect cost rate for 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 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 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.

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 funded Sponsored Research, Sponsored Instruction or Other Sponsored Activities at the University.

IV. DISTRIBUTION AND EXPENDITURE OF INDIRECT COSTS

A. Fifty percent (50%) of the Indirect Costs derived from each sponsored project for each fiscal year shall be distributed at least quarterly as follows:

- 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.

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.
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.

B. The remaining fifty percent (50%) shall be distributed at least quarterly, and accounted for by the Vice President for Research and Economic Development, as follows:

1. First, to fund operational costs in the Office of Research and Economic Development 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.

C. Indirect costs related to an institutional award may be distributed in a manner different from that specified in subparagraphs A. and B. of this paragraph upon Vice President for Research and Economic Development approval. Any other distribution must be according to a Standard Administrative Policy and Procedure (SAP).

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

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

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