

F&A Distribution to Faculty Policy Frequently Asked Questions (FAQs)

A. *How are the indirect costs calculated? Are they based on the original budget or on fiscal year expenditures?*

Indirect costs (F&A receipts) are generated as the direct costs associated with an award are spent. Thus, they are calculated by multiplying the actual expenditures by the F&A rate for the award. Since expenditures often differ from budgeted amounts, the F&A generated may not match the budgeted amount for each year of the award.

B. *What is the time frame used to calculate indirect costs?*

Indirect cost distributions are calculated on a nightly basis of the direct expenses generated on all awards.

C. *When will the funds be distributed?*

Funds are distributed every night once the expenses have been posted and F&A has been charged against expenditures.

D. *For PIs with multiple awards, are indirect cost levels calculated per award or pooled across all awards?*

Indirect cost levels or amounts are pooled across all active awards. Thus, the amount deposited into the PI's indirect cost fund (PIFA) will be based on the total indirect costs generated from all active awards that have a full F&A rate. This will also include any awards that a faculty member is a Co-PI on an award at the full F&A rate.

Note: Distributions by award can be seen on the nightly report in eprint, FRRGRNT.

E. *How does the new policy impact the current distribution of funds to departments/units and the use of those funds?*

There is no change in the indirect cost distribution policy for Departments. They will continue to receive 10% of the recovered indirect costs from awards.

F. *Where will the funds be deposited?*

For faculty receiving a distribution on awards that are full F&A rate. F&A distributions are deposited in a fund set up under the PI's name. It will have a fund number with a "124" prefix. GCA is responsible for creating the fund number.

G. *For projects with multiple PIs, what criteria should be used to determine the distribution of effort and F&A?*

The distribution of effort for a particular budget period should match the level of work performed on the designated tasks during that period. Thus, the distribution of F&A should match the distribution of effort.

H. How will the indirect costs generated for projects with multiple PIs be allocated and distributed?

The indirect cost is generated by the project, according to the allocation of credit in Niner Research (NR). Proposers are encouraged to discuss and agree upon the allocation of credit well in advance of proposal submission (see Personnel tab in NR).

I. Can we change the allocation of indirect funds after an award is made? How often can the distribution be changed?

It is possible to change the allocation of credit after an award is received. Any changes will only impact allocations going forward at the time of change. Requests for such changes must be routed through and approved by the sponsor if need be and the Office of Research for any PI or CoPI changes. As soon as a change in personnel on a project is anticipated, PIs are encouraged to contact the Office of Research for assistance with completing the steps needed to adjust the allocation. This will then be sent to OSPA Post-award for further changes.

J. What happens if there is a change in the personnel working on a project?

Follow the steps for preparing PI and/or CoPI change requests and this will direct the Office of Research to process the change through the sponsor for approval and then send the changes to OSPA Post-award.

K. Who is eligible to receive indirect funds? Are non-faculty that serve as PIs eligible?

Any faculty or staff member who participates in the project and is identified to receive a portion of the allocation (indicated in the Personnel section in NR) is eligible to receive an F&A distribution.

L. What happens to the funds if the PI or Co-PI retires or leaves the University?

If the PI leaves or retires from the University, any unexpended funds remaining in their indirect cost fund will be returned to the University.

If a CO-PI leaves or retires from the University, any unexpended funds remaining in their indirect cost fund will be returned to the University once the CO-PI has been removed from all awards that he/she is a Co-PI on.

This need to have a PI /CoPI change request submitted through the Niner Research Change request module. From there, it will be routed to the Office of Research Services where it will be processed officially by contacting the sponsor for approval/notification. Once OSPA receives the official approval to remove or replace the PI/CoPI, the OSPA Research Administrator will review/approve and update the Banner Financial System.

M. Is there an expiration date and a cap on these funds?

There is no expiration date or cap on these funds.

N. Are there any restrictions on how the funds can be used/spent? Can PIs use the funds to supplement their salary? Support students?

The funds must be spent in accordance with standard University policies and procedures. The funds are categorized as “Overhead Receipts (F&A)” in the University chart of fund types. As a result, their “use is limited to the scholarly development of faculty/staff/ students, support of campus infrastructure, or expansion of research.” Common uses of the funds include graduate student stipends, research-related travel, the purchase of computers or equipment, and the purchase of research materials and supplies. Funds may also be used for faculty summer salary, with the appropriate justification. Supplementing faculty salaries during the academic year is not permitted.

O. Can you use a PIFA fund as a residual fund?

No, Financial Services prepares a report for the legislature every year on the sources and uses of these funds. We can not commingle with other fund sources.