

Indirect Costs (F&A) Procedure, College of Allied Health & Nursing

In accordance with Minnesota Statute 16A.127, Minnesota State University, Mankato requires F&A recovery on all externally funded activity. Indirect costs are costs incurred by the University as a result of administering sponsored projects. Examples include utilities, public safety, building and equipment use and maintenance, libraries, student administrative services, personnel, payroll, academic and sponsored administration, and purchasing. Indirect costs are also called overhead or facilities and administrative expenses (F&A). The amount of F&A recovered from a project may be affected by multiple factors, including the type of funding agency, whether the project is on- or off-campus, etc. Please see the office of Research and Sponsored Programs (RASP) website for more information.

The purpose and goal of the F&A Recovery Distribution is to provide funding and support for continued and new activity in research, grants, and contracts to the University. Per University procedure, the areas of RASP, Finance and Administration, and Library Services will receive an allocated portion. The remaining amount to be distributed goes to the appropriate division(s) or college(s) generating the activity. The College of Allied Health & Nursing (CAHN) seeks to use its portion of the recovered F&A to reinvest in the college's research environment (see the RASP website for allowable expenditures). The CAHN therefore distributes its portion of the funds as follows:

- 50% to the Principal Investigator/Director (PI) of the project generating the funds.
- 50% to the Dean's discretion with the following priority areas:
 - Incentive funds to encourage development of proposals for external funding.
 - Matching money for proposals/awards that generate F&A.
 - Faculty and student travel for dissemination of research results.
 - Collaborative interdisciplinary research efforts that advance College Research priorities and student research opportunities.
 - Equipment, repair and other unexpected costs associated to research activity and capabilities.
 - Software costs associated to research and in support on enhancing our capabilities.

PIs/researchers should plan, as permitted by the funding agency, to fund any release time or additional duty days for grant activities within the grant budget or by using the PI's portion of recovered F&A. Additionally, PIs seeking a variance or waiver to the University's indirect rates should consult with the dean's office and follow RASP policies and procedures (see "Policy on Variances or Waiver of F&A Costs").

The College will work with awardees on the allocation, monitoring, use, and reporting of their portion of the distribution of F&A. Please note that by October 1st each year, each division and/or college is required to send the Budget Office and the Associate Vice President of Research the following:

1. a report on the use of funds during the preceding fiscal year, and
2. a plan for the use of any fund balance from the F&A distributed the previous fiscal year.

PIs should be sure to contact the Dean's office for additional guidance on the distribution process and the next steps in utilizing their project generated F&A funds.