



**Policy – Distribution of Facilities and Administrative Costs
FINAL – March 15, 2018**

Overview: In an effort to increase the base of sponsored programs received by Barry University, the University has chosen to follow the proactive practice of redistributing collected *Facilities and Administrative (F&A) costs* to academic units. This policy will describe the guidelines to follow to determine the distribution and the use of these funds.

Purpose: *Each year the **Office of the Vice President for Business and Finance** will distribute a portion of the Facilities and Administrative (F&A) costs earned on sponsored programs to Principal Investigators (PIs) / Project Directors (PD's), Deans and Provost to invest in and support programs and initiatives that exhibit the greatest potential to bolster the University's efforts to gain additional sponsored programs.*

Definition: Facilities and Administrative (F&A) costs, also known as indirect costs, are costs associated with sponsored projects incurred by the University that cannot be readily identified nor specifically attributed to a particular project but which support sponsored program endeavors.

How Is F&A Distributed?

The return of F&A generally occurs in Fall (late September - October) of each year and is based upon the Facilities and Administrative costs collected and shown in the audited financials of the preceding fiscal year (July 1-June 30). The F&A distribution formula is as follows:

Dean: 30% (Includes 25% for Dean's Funds and PI/PD 5%)

Office of the Provost: 35%

Note: 35% remains with the University to cover normal F&A costs, i.e., heat, light, power, insurance, IT, Finance, Human Resources, etc.

Distribution of the Dean's allocations are according to the PI/PD's home department regardless of who manages the grant and includes the 5% designated to the PI/PD.

F&A returns are deposited into an unrestricted accounts in Workday and should be utilized in a reasonable time-period, i.e., approximately 12 months.

- Annually each July, the Deans will receive an estimate of the amount of F&A's. This estimate will include a breakdown of the PI/PD portion. Funds will be allocated in late Fall after the Audit.
- Deans should plan in July-Sept how they will utilize the funds and submit a plan to the GSP Director by Sept 30th for Provost review. Colleges/Schools must track expenditures & assure that they fall in one of the approved categories listed below.

How Can F&A Be Used?

In order for BU to maximize its success in meeting its sponsored program goals, distributed F&A's need to support BU's strategic initiatives for sponsored programs in accordance with existing University policies and procedures. Common uses of these monies include the following:

- Funding for student tuition/stipends, travel and other expenses incurred by students while involved in sponsored programs;
- Funding for postdoctoral researchers;
- Research supply/equipment purchases;
- Faculty (who are non 12 month contracts) summer stipends;
- Travel to meet with program directors, present papers, give invited talks, etc.;
- Books, journals, papers and other similar expenses related to scholarship and research;
- Project development costs such as attendance at proposal workshops or proposal writing seminars,, etc.;
- General administrative and clerical costs (including office supplies) in support of research;
- Research related participant recruitment costs;
- Laboratory enhancements for research purposes; and
- Faculty start-up packages for research programs.

Each College/School budget office must track expenditures. PI/PD's expenses will go through the Dean's account and require approval. As stated above, distributed F&A's should be used in the fiscal year given or at the latest, within 18 months, any exceptions need prior approval of the Provost.

Questions

For additional information on this procedure, please contact the Director, Grants and Sponsored Programs - grants@barry.edu with F&A Distribution on subject field.