

Arkansas State University - Jonesboro

Effective Date: 07/01/93

Number: 05-08

Section: Finance and Administration

Subject: Distribution of Facilities and Administration (Indirect Cost) Revenues

1.0 INTRODUCTION

Arkansas State University (ASU) is committed to enhancing the growth of research and other sponsored activities on campus. Allocation of funds derived from Facilities and Administrative Charges (F&As) is a tangible way to provide incentives for robust research activities.

2.0 PURPOSE

The purpose of this policy is to provide incentives for generation of external funding at ASU and to provide sufficient funds to offset the administrative costs that result from sponsored program activities.

3.0 DEFINITIONS

Facilities and Administration Costs (F&As). 'Facilities' is defined as depreciation and use allowances, interest on debt associated with certain buildings, equipment and capital improvements, operation and maintenance expenses, and library expenses. "Administration" is defined as general administration and general expenses, departmental administration, sponsored projects administration, student administration and services, and all other types of expenditures not listed specifically under one of the subcategories of Facilities (OMB Circular A-21).

Indirect Costs. Indirect Costs was the name used by the federal government before the "F&As" terminology was adopted.

Office of Research and Technology Transfer. For the purposes of this document, the Office of Research and Technology Transfer includes the pre-awards, compliance, and technology transfer functions.

Office of Sponsored Programs Accounting. For the purposes of this document, the Office of Sponsored Programs Accounting is the program with responsibility for post-awards activities.

Principal Investigator. The individual with primary responsibility for solicitation, implementation, and administration of an externally sponsored grant or contract.

4.0 APPLICABILITY

All University employees who participate in or administer sponsored program activities, directly or indirectly.

5.0 REGULATIONS

United States OMB Circular A-21

6.0 GOVERNING PRINCIPLES

Facilities and Administration funds (F&As) are allocated by a variety of funding agencies to offset campus costs of research and/or contract activities. In addition to offsetting the direct costs associated with research and/or contract activities, F&A funds will be used to:

- promote the generation of additional external funds,
- contribute to the establishment of centers or institutes of excellence,
- enhance graduate and undergraduate research,
- provide grant training and other promotional activities,
- provide incentives to faculty including, but not limited to, seed grant programs, sabbatical leave programs, etc., and
- support the costs associated with the protection of intellectual property.

Collected funds will be distributed on the basis of Facilities and Administrative costs earned by the colleges or equivalent unit. They will be distributed on or before October 31, January 31, April 30, and July 31 of each year as follows:

Allocation	Entity
3%	Chancellor
8%	Provost
3%	Finance and Administration
47%	Associate Vice Provost for Research
39%	Dean or Equivalent
100.00%	Total Distribution

The salary, fringe benefit, material costs, and travel expenses associated with the administration of the Offices of Research and Technology Transfer and Sponsored Programs Accounting will be charged to the allocation accorded the Associate Vice Provost for Research. Likewise, the Deans and or equivalent are expected to share F&A distributions with the faculty members who are responsible for generating them.

Revised 07/01/13.