



Policy No.	30006
Effective Date	1/11/2017
Revision Date	
Revision No.	
Approved:	Cheryl Thompson-Stacy
Date:	1/11/2017

INDIRECT COST REIMBURSEMENT POLICY

1.0 Purpose

To set forth policy establishing indirect cost rates and utilizing revenues received from indirect cost reimbursements (ICR).

2.0 Revision History

This is a new policy.

3.0 Applicability

This policy applies to all externally funded grants and contracts to the college, excluding financial aid.

4.0 Policy

Indirect costs, also known as facilities and administrative costs (F&A costs), are the institutional or infrastructure costs of managing and running programs that cannot be directly attributed to a program or activity. These costs include items such as printing, equipment use, accounting, utilities, maintenance services, security, library services, ITS, and other such expenses that are true costs for running programs. The indirect cost rate reimburses the college for a portion of these expenses that the grantee agrees to bear. Federal agencies require colleges and universities to use rates negotiated with the Department of Health and Human Services.

5.0 Definitions

None

6.0 Responsibilities

All grants and contracts that will require the college to absorb the indirect cost or use them as a cost sharing initiative must have approval from the grant administrator's supervisor, Finance Director, and ultimately the Vice President of Finance and Administrative Services.

7.0 Procedures

Indirect cost reimbursements are typically determined based on the application of the college's Facilities and Administrative (F&A) rate, which is periodically negotiated with the U.S. Department of Health and Human Services (HHS). The F&A rate is calculated by the college in accordance with the requirements contained in the, [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) published by the Office of Management and Budget (OMB). The college's current rates are outlined in our DHHS letter and agreement which is approved through June 30, 2017.

The funds are at the discretion of the Vice President of Financial and Administrative Services and Director of Finance to promote research and/or expand the area the grant or contract covers and/or to reimburse expenses to the general funds for costs incurred by the college to support the program.

8.0 Interpretation

Authority for interpretation of this policy rests with the Vice President of Financial and Administrative Services.

9.0 Authority/Reference

Commonwealth Accounting Policies and Procedures Manual – Volume 1, Section 20000, Topic 20705 – Indirect Cost Recovery

Appropriation Act, Section 4-2.03.a