

## Policy RA-PO6

### Distribution of Indirect Cost Recovery

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#### I. **Title**

Distribution of Indirect Cost Recovery

#### II. **Policy**

- A. Indirect costs (IDC) recovered from sponsored programs will be distributed after the end of each fiscal year in which they were earned.
- B. All IDC distributions will be made to accounts established for research purposes and may only be used to further and enhance the research enterprise of the institution.
- C. In the event that financial conditions are such that the University will not be able to continue the distribution of IDC recovery, deans will be notified.
- D. The distribution of all earned IDC on sponsored projects will be allocated according to the [IDC Distribution Plan](#) approved by the President for the fiscal year.
  1. Exceptions and alterations to the [IDC Distribution Plan](#):
    - a. Before the distribution of IDC, the Office of Accounting & Business Services will identify existing or expected deficits on sponsored projects and the Office of the Provost will identify deficits centrally covered by administration that have not been resolved from the prior fiscal year. The deficits identified may reduce the amount of an allocation according to the [IDC Distribution Plan](#).
      - i. Deficits that are institutional in nature (such as bankruptcy of a sponsor) will be covered directly by the entire IDC earned for that sponsored project or by the institution.

- ii. Deficits that are a result of the responsibilities of the Principal Investigator, department or Dean (such as unallowable costs, STEM Tuition overspent accounts or nonperformance), the IDC allocation for the dean, or if applicable, the Organized Research Center of Excellence, will be reduced accordingly to cover the deficit.

E. For sponsored projects that involve multiple colleges or schools, the [Indirect Cost Distribution Form](#) may be used to document and agree to an allocation of IDC recovery from a sponsored project between multiple deans. The initial IDC recovery distribution will be made according to the IDC Distribution Plan and it will be the responsibility of the account holders to make any fund transfers to honor the agreement of the Indirect Cost Distribution Form.

### III. **Who Should Know**

All Deans, Chairs, Principal Investigators and departmental administrators should be aware of this policy.

### IV. **UT Arlington Office(s) Responsible for Policy**

The Office of the Provost and Office of Business Affairs are responsible for this policy and the distribution of indirect cost.

### V. **Dates Approved or Amended**

October 26, 2011

### VI. **Contact Information**

All questions concerning this policy should be directed to the Office of the Provost, 817-272-2103.