

1. BACKGROUND, VISION and GOALS

This policy outlines how indirect cost recovery (ICR) funds associated with sponsored projects (e.g., grants, contracts, or other sponsorships) will be allocated and used at The University of Texas Rio Grande Valley (UTRGV).

Texas Education Code, Section 79.04, authorizing the establishment of UTRGV provides “...for the conduct of the university as a university of the first class.” As quality research and the advancements that accrue to society are characteristic of a university of the first class, UTRGV will establish strategies that stimulate high quality research.

For purposes of this policy, research activities are efforts organized primarily to systematically explore, investigate, or study ideas that may lead to new discoveries. Activities having a primary purpose other than research are not considered research for purposes of this policy. The Office of Research and Office of the Comptroller will determine the appropriate primary purpose for each activity following definitions codified by the National Association of College and University Business Officers (NACUBO).

ICR funds are provided to the institution to cover legitimate overhead expenses associated with sponsored activities, such as sponsored project offices and other research-related services, utilities costs, security, building and equipment depreciation, interest on facilities debt, accounting, purchasing, payroll services, deans’ offices, etc. However, with the goal of achieving Emerging Research University status within seven years of its launch, UTRGV will invest ICR funds in the research enterprise, with consideration to accelerating research activities, in general, and research activities impacting the South Texas Region and the State of Texas, in particular.

2. ALLOCATION OF FUNDS

- a) The South Texas Diabetes and Obesity Institute (STDOI) shall receive 50% of ICR generated through August 31, 2019. The remaining STDOI related ICR will be subsumed into the general operating budget until August 31, 2019,
- b) Effective March 1, 2018 (Third Quarter of FY17-18), ICR funds associated with each *research* grant or contract expenditure (STDOI starting September 1, 2019) will be distributed as follows:

Provost & VP for Academic Affairs or VP Health Affairs -SOM as appropriate	50%
Vice President for Research	20%
Research Infrastructure (President Controlled)	30%
Total	100%

- c) Each Vice President will develop distribution (deans, departments, centers, PI's) policies for their division.
- d) Starting September 1, 2019, ICR funds associated with each *non-research* grant or contract expenditures will be allocated to: 30% to research infrastructure support and 30% each Vice President area generating the expenditure. The remaining non-research ICR (40%) will be subsumed into the general operating budget. Through August 31, 2019, 100% of non-research ICR will be subsumed into the general operating budget.
- e) Guidelines
 - i. ICR funds may be used to support activities that include, but are not limited to, startup funds, shared research equipment and facilities investments, development of proposals, travel, collaborations amongst researchers, meeting with or participating in discussions with funding agencies, presentation of research results at conferences or other meetings, data collection, compensation of research assistants, purchase of dedicated equipment, equipment maintenance, non-permanent technical staff, and renovation of research space.
 - ii. Allocations may be distributed to only one Principal Investigator (PI) per project. Formally splitting an allocation between multiple PIs and/or co-PIs will require that a separate grant or contract project be used for each PI; it is important that these agreements be made prior to expenditures occurring on the grant. In some cases, participants may opt instead to informally share the ICR allocations.
 - iii. Centers are units that advance collaborative research in a designated field, requiring interdisciplinary teams of scholars. Centers with unique instruments and research facilities may be expected to set up a fee-for-service arrangement for the benefit of other PIs or units. All UTRGV-designated centers must be formally recognized as centers by the university.
 - iv. Center Directors shall use their ICR to support the administration and operations of their center including, but not limited to, staff hires not supported on grants, research equipment maintenance, travel and supplies. Positions funded with ICR funds shall not be considered permanent [refer to section 4.f].
 - v. If Funds are apportioned to a Principal Investigators (PI) or center directors; it will remain under their control for use in accordance with this policy until expended or until the PI severs his or her ties with the institution.
 - vi. When a Principal Investigator or center director leaves the institution or a center or department is dissolved, the funds apportioned to the principal investigator or center, shall be transferred to the respective dean or other reporting unit.
 - vii. In the event of change in leadership of a center, the funds shall remain with the center or reporting unit.

- viii. Any deficits in ICR accounts at fiscal year end shall be addressed by the respective vice president.
- ix. All funds allocated will roll-over into each subsequent fiscal year until expended.
- x. In special circumstances not described in this document, ICR allocations will be handled on a case-by-case basis. Exceptions to the allocation scheme outlined in section 2 of this document shall be communicated by the division of Research to the Executive Vice President for Finance and Administration.
- xi. Allocations for research infrastructure support shall be applied first toward obligations incurred for research facilities owned and leased by UTRGV. These obligations include the cost of lease or debt payments, maintenance, custodial and utilities.

3. CERTIFICATION and DISTRIBUTION OF FUNDS

ICR distributions shall be made on a quarterly basis. The Director of Grants and Contracts shall certify the ICR funds to be distributed per Sec. 2 of this policy. The Planning and Analysis Office will post the distributions.

4. GUIDING PRINCIPLES

- a. Awareness of applicable statutes, rules, and guidelines is mandatory of all persons engaged in the process described in this document.
- b. The award of funds shall be made in a manner that ensures that both new and ongoing research efforts are given consideration.
- c. Funding awards shall be aligned with the UTRGV goal of achieving Emerging Research University status.
- d. As with equipment purchased from project, contract, or grant funds, all equipment purchased with ICR funds remains the sole property of the institution.
- e. The president retains the right to redirect ICR funds to the general budget if, in his or her judgement, the redirection serves the greater interest of the institution.
- f. ICR funds shall be considered soft monies. Employees hired with ICR funds must be notified that the position is not permanent and is contingent on continued funding.

Last updated: November 18, 2017