

SOUTH DAKOTA SCHOOL OF MINES AND TECHNOLOGY

Policy Manual

SUBJECT: Facilities and Administrative Cost Distribution

NUMBER: Policy 9-16 (formerly Policy IX-22)

Revised Date: October 2024

POLICY

Facilities and Administrative (F&A) costs of conducting sponsored projects represent incremental expenses that are not recognized in state allocations to the institutions. As per SDBOR Policy 5.2, F&A costs are used to recoup actual costs incurred to conduct normal business activities associated with sponsored research. These funds are distributed into overhead recovery accounts for campus units and Principal Investigators (PIs) to defray costs of sponsored research activities that are not covered by grants and contracts.

PROCEDURES

1. The F&A distribution formula is outlined as follows, as applied by the Office of Sponsored Programs: Dept = proposals routed through departments only; Center = proposals routed through departments and centers.

F&A Distribution	Dept	Center
VP Research	25.00%	19.00%
Library (for research related acquisitions)	3.00%	3.00%
Institution	52.00%	50.00%
Institute/Center Director		12.00%
Dept Head*	10.00%	8.00%
PI	10.00%	8.00%
	100.00%	100.00%

*For grants with PIs and co-PIs from multiple departments, departmental overhead is distributed according to the effort distribution approved during the proposal routing process.

2. When a person with accrued funds in their overhead recovery account leaves the university due to retirement, resignation, or dismissal, the accumulated funds will be transferred by the Office of Finance and Administration to the Vice President of Research overhead recovery account.
3. A request may be made by the unit administrator (e.g., Department Head, Director) to retain funds in an emeritus faculty member's overhead recovery account, provided the emeritus faculty member remains active in research. All requests must be submitted to the

Office of Research and approved by the Vice President of Research, Provost and Vice President of Academic Affairs, and the Vice President of Finance.

4. The unit administration may request that funds in a departing PI's overhead recovery accounts be transferred to the unit overhead account for uses that will improve the research enterprise of a unit. All requests must be submitted to the Office of Research and approved by the Vice President of Research, Provost and Vice President of Academic Affairs, and the Vice President of Finance.

Source: Office of Research Affairs

Revision History: Established August 2023. Revised October 2024 to update formatting.

BOR Policy or Committee:

SDBOR 5.2: Externally-Sponsored Programs