

## Facilities and Administrative (Indirect) Cost Distribution Formulas

**See: SFA policy 8.5**

All recovered F&A (indirect) costs shall be expended to support and encourage further research at SFA according to the provisions of the Texas Education Code, Section 145.001.

The academic units that generated the recovered F&A costs from restricted research will receive fifty percent of the total F&A recovered in a fiscal year based on a formula recommended by the University Research Council and approved by the provost and vice president for academic affairs.

- If an IDC reduction was granted for a project, the amount recovered from that project will be excluded from the distribution formula.
- The distributions shall be calculated by ORSP and approved by the controller after the close of each fiscal year, based upon indirect costs recovered the previous fiscal year.
- The administrative cost allowance generated by financial aid programs is not considered in the distribution formula.

Reports summarizing the use of funds should be submitted annually to the SFA controller's office. The university shall report the actual amounts of money retained and expended under this policy and the estimated amounts for the next biennium in its report to the Legislative Budget Board as part of the biennial budget reporting process.

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**Current formula** (FY15 allocation distributed in FY16):

- 50% from restricted research to the controller, plus amount due to reductions
- Of the remaining amount, 5% to ORSP for workshops, trainings, etc.
- Remaining 45% distributed based on amount of IDC brought in by PI/PD:
  - 70% PI/PD
  - 20% department
  - 10% college

***Example:***

- Total restricted research IDC collected - \$200,000
- To Controller's Office - \$100,000 (plus \$10,000 not distributed due to reductions)
- Balance to distribute \$90,000
- \$4,500 to ORSP for workshops, trainings, etc.
- \$85,500 to distribute by formula