Research and Sponsored Programs  
Indiana University-Purdue University  
August 19, 2008

Allocating Indirect Cost Recovery on Grants with Investigators from Different Schools  
(Supersedes Research and Sponsored Programs Policy, August 1989)

Since July, 1989, credit for indirect cost recovery has usually been assigned to the Responsibility Center (RC) under which the grant proposal originated (PI’s School). This draft document proposes changes in the allocation of indirect cost recovery when investigators are from different schools.

In recent years collaborative research involving investigators from different schools has increased which has presented a few administrative challenges including the equitable allocation of indirect cost recovery. To recognize each investigator’s contribution, and more equitably allocate indirect cost recovery among schools, the following changes are being suggested:

1. For the purpose of indirect cost recovery allocation among schools, expenditures to be incurred by each school should be incorporated into a single budget that will be submitted, as part of the grant, to the funding agency. The expenditures should be clear when the grant is routed through the schools and through IU Office of Research Administration, prior to submission of the grant to the funding agency.

2. After an award involving investigators from different schools is received by the university, accounts will be established for each school and each school’s expenditures will be recorded in their account. Indirect cost recovery will be allocated to the schools based on their expenditures and the allocations will be made as the expenditures occur.

3. If investigators and school administrators decide that the indirect cost recovery will be allocated to the schools based on a variable other than actual expenditures, a memo of agreement designating how the indirect cost recovery will be allocated to each school must be submitted to IU Office of Research Administration, along with the proposal, prior to submission of the proposal to the funding agency. The memo of
agreement must be signed by the investigators and by the Deans (or designees) of each participating school.

Participating Schools will monitor the progress of grants with investigators and the allocation of indirect costs among schools.

As in the past, IUPUI requires the designation of at least one Principal Investigator for each sponsored project. The Principal Investigator listed on the routing form will be responsible for the management and reporting of the project to the funding agency. Projects involving investigators from other institutions or organizations will be handled as subcontract agreements.