



Office of Research and Sponsored Programs

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September 2019

Revised April 2022

Revised September 2022

Revised November 2022

Revised March 2023

Approved by Academic Senate - 22 23 CR10- 4/11/23

Approved by President 04/26/23

Indirect costs (IDC) reimburse the university for expenses incurred in supporting projects funded by grants or contracts from outside agencies. Sponsoring agencies recognize that recipient institutions incur indirect costs for common or joint objectives and that they cannot be readily identified with a particular grant or contract. IDC is classified into two broad categories: Facilities and Administration. IDC reimburses the costs of facilities (including depreciation, equipment and capital improvements, operations, and maintenance services) and administrative services such as financial accounting and research compliance.

The first annual state approved indirect cost rates

This Indirect Cost policy addresses the IDC rates and allocation of indirect costs

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rates.

All proposals for sponsored projects shall be subject to the [Indirect Cost Policy](#) of the State University Chancellor's Office. All direct states' for supported IDC rate. The full text of the

<p>Private</p>	<p>When the private sponsor does not have a published rate policy the federally negotiated on campus and off campus rates should be applied</p> <p>If the private sponsor limits the amount of indirect costs, the maximum amount allowed by the sponsor will apply: If the private sponsor's rates are published the sponsor's published rate is applied as published</p> <p>If the private sponsor does not have a published rate, but by their internally documented and provided policy will not accept the applicable federal rate, then the highest rate the private sponsor will accept will apply, but the rate must not be less than 15%</p>
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For a grant or contract where full payment from the sponsor has been received under a Fixed Price agreement, and the required deliverables have been completed and all costs in fulfilling the requirements of the award have been charged to the account, Indirect Costs at the rate in the approved budget will be applied to and collected from the residual funds. The remaining residual funds may then be transferred to the designated account to be used by the college for other expenses related to RSCA.