The purpose of this memorandum is to establish transparent guidelines for the distribution of indirect revenues generated from external research grants and contracts when the principal investigator of the grant or contract is from SPEA. It is designed to ensure that indirect revenues are used to maintain and strengthen SPEA’s research infrastructure while providing clear incentives for faculty to seek external funding for their research.

Since indirect cost policies differ by campus, this policy is designed to reflect these differences. Under IU Bloomington policy, 2.5% is retained by the President’s office, with 97.5% returned by the university to the applicable operating unit (i.e., SPEA). Under IUPUI policy, 20% is retained by the campus Chancellor, with 80% returned to the applicable operating unit (i.e., SPEA).

This memorandum describes how the revenues returned to the school shall be allocated for lawful expenditure. The word “guidelines” means that the memorandum is not binding (i.e., there may be occasional exceptions to the procedures) and thus there is sufficient flexibility to facilitate justified exceptions on a case-by-case basis. However, it is expected that most external grants will be handled by SPEA in the manner described by this memorandum.

Moreover, this policy does not address grants or contracts awarded to SPEA research centers or institutes. Indirect cost policies for these grants and contracts will be determined by the Dean in consultation with the campus Associate Deans and Center Directors.

The policy will only affect new grants awarded after July 1, 2009. Existing grants will be handled on a case-by-case basis, as they have been in the past. The same guidelines will be applied throughout the core school (i.e., Bloomington and Indianapolis).

For all organized research and instructional grants and contracts as well as other sponsored agreements that include facilities and administrative (previously indirect) costs, over the life of the grant, the first $60,000 in indirect revenue generated by an external award and returned to the school will be split 50%-50% between the School administration and the principal investigator. The indirect cost revenue controlled by the investigator may be used for research assistants, research-related travel, equipment, computing, or other related expenses.

Detailed questions about the application of this policy should be addressed to Mr. Mike Fowler (mifowler@indiana.edu) SPEA-IUB Fiscal Officer, in Bloomington; and Ms. Diana Jones (dijones@indiana.edu) SPEA-IUPUI Fiscal Officer, in Indianapolis. If an exception to the guidelines is sought, it should be raised with the appropriate Executive Associate Dean. The policy shall be reviewed periodically to ensure that it is working properly.