SOP 10  F&A (overhead) Allocation Procedures

Departments will receive an overhead allocation equal to half of the amount returned to the college that their faculty generated in the previous budget year. Departments, in consultation with their respective faculty, may choose to return all or some fraction of this allocation to individual faculty members. The fraction returned to faculty shall be reported each year to the Associate Dean for Research.

The specific amount generated by each faculty member in the previous budget year is available from the Associate Dean for Research. In calculating departmental overhead generated, amounts attributed to directors of centers (at present CRSC, CQSB, BRC, CHIPS, Keck) will not be included; each center already receives a separate support allocation with discretionary funds made available to director.

Overhead funds are state funds, subject to the rules governing use of state moneys. They are to support the research programs of the college, departments and centers. If a department decides to allocate the funds to individual faculty members, the department will be responsible for tracking and monitoring the expenditures.

Some considerations involving how these funds may be expended include:

- Overhead funds do not usually carry over from one fiscal year to the next.
  - Funds unexpended at the end of the fiscal year will be subject to recall by the college or department and also by the state.

- Faculty members are welcome to pool their overhead resources to purchase equipment or to support hires of personnel to assist them in their research. However, these hires will be “at-will” unless backed up by a commitment of state funds from the department.

- Faculty members are also welcomed to utilize their overhead resources for equipment repair.

- Overage grants do occur in some cases. PI’s have signature authority and are responsible for ensuring that their final grant expenditures are within budget. The college and the department reserve the right to utilize a PI’s overhead return to cover overages in cases where it could reasonably be expected that the PI should have been aware of the problem.

- Many grants have multiple PI’s (that is, a PI plus a number of co-PI’s). In calculating the indirect cost generated, overhead will be assigned solely to the PI when no subawards exist. In cases with subawards, the PI will inform the department head(s) and associate dean as to the appropriate credit associated with each co-PI on the grant. Generally, teams in such cases come to an agreement among themselves on the use of the associated F&A if the department policy calls for distribution directly to the PI.

- For faculty with split appointments within COS, the F&A is distributed according to the departments according to the same percentages as the split appointment.
• F&A is distributed based on the appointment, or directorship, of the faculty member during the year it was generated, not the year it is being distributed.