

**Resolution Number:** RS21-422

May, 2021

**Whereas:**

RATIONALE: Limited understanding of “indirect cost” (IDC) recovery from grants and contracts and the IDC allocation policy at SF State among faculty, staff, and administrators is an impediment to robust shared governance budget deliberations and transparency. Faculty, staff, and administrators write competitive proposals for grants and contracts to bring in additional financial resources to help the university deliver on its mission. Universities charge grants and contracts a percentage of their budget to recover costs associated with supporting the work of the grants and contracts. The basis for the rates charged and the strategy informing the allocation policy for recovered indirect cost funds varies among universities. This Resolution calls for a task force of stakeholders to be convened to review the current IDC allocation policy and consider if revisions should be recommended. It further calls on the University Budget Committee (UBC) to include IDC recovery and allocation policy as a budget literacy learning objective.

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**Whereas:**

The University supports budget literacy, budget transparency, and shared governance;  
and

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**Whereas:**

The Senate Resolution In Support of Budget Transparency (RS16-342) calls for the SIC “...to address the important need for fiscal transparency...” and that a primary focus for the SIC’s work should be “making recommendations for budget allocation;” and

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**Whereas:**

Substantial faculty and staff work is done to win external grants and contracts to support research, scholarship, creative activities, and public services, including curricular innovation and student training, as well as financial support for students to participate in these activities (student and graduate assistantships, fellowships, stipends, tuition waivers, travel, etc.); and

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**Whereas:**

This work also generates recovered indirect costs (IDC) associated with these externally sponsored grants and contracts; and

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**Whereas:**

Lack of understanding of the federal regulations regarding IDC, methods to establish IDC rates, and the current policies and practices for allocation of recovered IDC is impeding deliberations and limiting transparency in shared governance processes; and

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**Whereas:**

Recovered IDC is intended to reimburse the University for a variety of indirect costs associated with supporting externally funded research, scholarship, creative activities, and public services; and

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**Whereas:**

Colleges and departments, Research Service Organizations (RSOs), Academic Affairs, the Office of Research and Sponsored Programs (ORSP), and Administration and Finance are among the many stakeholders affected by the IDC allocation policy; and

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**Whereas:**

University policies regarding the allocation of recovered IDC are complex and affect many stakeholders; now therefore be it

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**Resolved:**

That Academic Affairs, Administration and Finance, and other university stakeholders, in consultation with the Academic Senate and in the tradition of shared governance, shall convene representatives to develop and propose recommendations for the strategic allocation of recovered IDC; and be it further

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**Resolved:**

That the university shall post relevant educational materials, the current policy and financial data on the recovery and

allocation of IDC to an appropriate and easily accessible webpage; and be it further

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**Resolved:**

That this resolution will be distributed to President Mahoney, campus Vice Presidents, the Academic Affairs Council, Department Chairs, School and Program Directors, the Academic and University Senates of all California State University campuses, the Academic Senate of the California State University, and the SF State Faculty.

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