

Indirect Cost (F&A) Revenue Distribution Guidelines

College of Medicine Research Proposals

In general, F&A revenue distribution (Indirect Cost Rate (IDC)) should follow the facilities and administration where the research is conducted. The IDC distribution is a prominent component for the allocation and retention of research space to the Center or Department. The following guidelines are to assist the PI assigning the appropriate IDC distributions for the Proposal Routing Sheet.

1. Stating the F&A RATE % is required on the Proposal Routing Sheet. The current rate is negotiated by representatives of the University of Arizona and is listed on the following web site (<http://www.sps.arizona.edu/proposal/quick-reference.htm>). The rates vary depending upon the type and location of the research activity. Waivers of the negotiated rates are rarely approved.
2. On full-cost recovery grants, the University of Arizona returns up to 25% of the revenue generated from the indirect costs to the College and a reduced amount of the revenue generated from the indirect costs on grants with lower indirect rates.
3. The IDC that is returned to the COM is split between the Dean's IDC Fund and the Department or Center of the Principle Investigator (PI). On the proposal routing sheet, the % allocation returned to the Department and/or Center is specified by the PI with agreement by the corresponding Dept Chairman or Center Director as indicated by an appropriate signature. A full list of Departments and Centers with the corresponding identifying number is listed at the following web site (http://www.fso.arizona.edu/fso/deptman/appendix/app_e.html).
4. The distribution of the F&A within the Department or Center is dictated by policies within the specific unit.
5. On the Proposal Routing Sheets for COM faculty, the distribution of the F&A revenue should be distributed between the units responsible for the research space (50%), administration of the research budget (25%), recruitment and retention of the PI and their academic activities (25%).
 - Example 1: Investigator whose research space, budgets, recruitment, retention are managed by Department: 100% Department
 - Example 2: Investigator whose research space and budgets are managed by the Center:
75% Center; 25% Department
 - Example 3: Investigator whose research space, recruitment, retention are managed by the Department and the research budgets are managed by the Center:
75% Department; 25% Center
6. The distribution of the F&A revenues by the PI of a multi-investigator award in general should follow the guidelines for individual investigators. The lead PI is responsible for negotiating the approved F&A revenue distributions between participating Departments and Centers with agreement by the corresponding Dept Chairman or Center Director as indicated by an appropriate signature. However, in the case of multiple performance sites, the distribution should follow the space where the research is being conducted.
 - Example1: The Research Program has three projects. The PI, budget administration and Project 1 is in Dept X, Project 2 and Project 3 are accomplished in Departments Y and Z. The appropriate distribution is 50% Dept X, 25% Dept Y and 25% Dept Z.

7. The distribution of the F&A revenues by the PI of a multi-investigator award involving different colleges in general should follow the guidelines for multi-investigator awards involving different Departments. The lead PI is responsible for negotiating the approved F&A revenue distributions between participating Colleges with agreement by the corresponding Dean as indicated by an appropriate signature. In the case of multiple performance sites, the distribution should follow the space where the research is conducted.
 - Example 1: The Research Program has three projects. The PI, budget administration and Project 1 is in College A, Project 2 and 3 are accomplished in Departments B and C. The appropriate distribution is 50% College A, 25% College B, and 25% College C.

8. According to the COM IDC incentive model (http://www.medicine.arizona.edu/whatsnew/idc_model.cfm) the amount of F&A recovered by the unit will be compared with the expected F&A. If the unit has a surplus of overhead recovery, they will receive an incentive, which will be added to their current IDC allocation. The increased IDC return as a consequence of this policy will be distributed according to the splits indicated on the Proposal Routing Sheet.