

METROPOLITAN STATE UNIVERSITY REGULATIONS



Distribution of Indirect Cost Recoveries and Residual Fund Balances

University Policy #4030

Section 1. Policy

The policy is intended to stimulate entrepreneurial outreach activities within the university and the application of funds received to advancing the purposes of the university. Funds gathered from indirect cost recoveries and residual balances of certain accounts will be shared with the college or department instrumental in their generation.

Section 2. Authority

This regulation is issued pursuant to the operating authority granted to the University's President by the Board of Trustees of the MN State Colleges and University System.

Section 3. Effective Date

This policy is subject to review and change on a regular basis. It shall become effective immediately and remain in effect until modified or expressly revoked.

Section 4. Responsibility

The responsibility for implementation and revision of this policy is assigned to the Vice President of Administration and Finance. Exceptions from its application may be granted by the President following requests made via the Vice President of Administration and Finance.

Section 5. Objective

To establish the guidelines for the recovery and distribution of indirect costs generated by workshops, special programs, contracts and sponsored programs, non-credit continuing education courses and similar activities, as well as guidelines for the allocation of residual funds, those remaining after all direct costs of such activities have been covered. This policy does not include federal grants or contracts or other grants that support the programs of the University.

Section 6. Implementation

An indirect cost of at least twenty percent of any direct costs must be budgeted and collected from all revenue producing activities of the type named in section five above.

Indirect costs will be assessed against the direct costs periodically and removed from the account.

The division of the funds gathered as indirect costs shall be as follows:

Fifty percent to the university reserve.

Fifty percent to the college or division responsible for presenting and managing such activity.

Funds remaining in the accounts of such activities following payment of all direct and indirect expenses shall be regarded as residual funds. All residual funds shall go to the college or division responsible for presenting and managing such activity.

The shared funds from indirect cost recoveries and the residual funds shall be used to enrich the programs, improve the support of instruction or strengthen the capabilities of the individuals within the division/college to advance the goals of Metropolitan State University.

The Vice President or Deans who receive such funds shall report prior to June 30th of each year to the President as to the application of the funds.

Section 7. Review

This policy will be reviewed biannually.

Section 8. Approval

Issued on this 4th day of February, 1997.

Susan A. Cole, President

02/97