



PROCEDURE FOR REVENUE SHARING FOR INDIRECT COSTS FROM GRANTS AND CONTRACTS

1. PURPOSE

This procedure defines the process at the West Virginia School of Osteopathic Medicine ("WVSOM") for the distribution of facilities and administrative, indirect, and overhead cost recovery resulting from externally sponsored grants and contracts or sponsored programs.

The goal of revenue sharing is to recognize faculty and staff who are successful in obtaining externally funded grants and contracts for which indirect costs, as defined below, are charged, and to reinvest a portion of the funds to further support and stimulate institutional sponsored research and programs.

2. APPLICABILITY

- 2.1 This procedure applies to all faculty, staff, and students with an externally funded project, whether federal or non-federal (state, local, private, non-profit, etc.).
- 2.2 This procedure applies to all sponsored projects including, but not limited to, grants, awards, sub-award agreements, contracts, research agreements, cooperative agreements, and fellowships.
- 2.3 WVSOM reserves the right to amend this procedure at any time.

3. GENERAL PROVISIONS

- 3.1 "Indirect costs" means real costs incurred by WVSOM that cannot be identified with and charged directly to a project, program, or activity. Normally, indirect costs are costs that accrue from the general operation of the institution, such as operation and maintenance of buildings and grounds, utilization of equipment and libraries, and administration of projects or programs at the institutional and departmental level.
- 3.2 The maximum allowable indirect costs should be requested for all grant and contract proposals. Foundations may also allow indirect costs to be added to proposals. The allowed rate for each specific foundation or corporation should be requested.
- 3.3 A minimum of \$1,000 will be required to establish individual accounts for Principal Investigators/ Program Directors ("PIs/PDs") or Co-PIs.
- 3.4 All distributions in this procedure can be modified or rescinded based on financial conditions of the institution as determined by the President and Vice-President of Finance and Facilities.
- 3.5 Indirect costs will be distributed by the Office of Business Affairs ("OBA") on a quarterly basis and based on the actual funds received, not the total amount requested/awarded. Indirect cost return funds will be allocated to separate accounts based on indirect cost revenue covered in the previous fiscal year from sponsored program accounts. The OBA will be responsible for monitoring appropriate use of funds following its internal procedures and processes.
- 3.6 When multiple individuals share the role of PI/PD, the allocated indirect cost payment will be divided equally among eligible individuals in these roles unless a different arrangement is established prior to receipt of the grant and is filed in writing, with all pertinent signatures, with the Office of Research and Sponsored Programs and OBA.
- 3.7 It is the responsibility of the PI/PD to ensure that a grant or contract does not exceed its budget and the use of funds is appropriate and allowable. In the case of budget overruns or disallowed expenditures, the indirect cost allocation will be reduced from the PI/PD account by the amount of the overrun or the disallowed cost.

- 3.8 There is no pre-determined time limit for the use of indirect costs recovered on sponsored projects. These funds will roll forward from one fiscal year to the next. However, it is important that these funds are used meaningfully and purposefully. A plan for use of these funds will be requested if there is no activity on the account for a period of two years.
- 3.9 On an annual basis, the Vice President of Finance and Facilities and Vice President of Academic Affairs and Dean will review all indirect fund accounts of \$10,000 or more and accounts that have had no activity for the prior three fiscal years to determine if the balances should be carried over or reallocated.
- 3.10 The distribution of recovered indirect costs may be delayed, withheld, or rescinded if a sponsored project is deemed to be noncompliant with fiscal, programmatic, and/or administrative requirements, including but not limited to late technical/programmatic reports and/or time and effort reporting, until the outstanding requirements have been met. Prior to withholding indirect costs the Vice President of Finance and Facilities, and Vice President of Academic Affairs and Dean, or their designees, will agree, in writing, to a plan to correct the noncompliant issue(s). In the case of a split decision, the President would make the final determination.

4. Allocation of Recovered Indirect Costs

- 4.1 Indirect costs recovered from external grants and contracts will be distributed as follows:

Principal Investigator / Program Director: 25%, with \$50,000 cap per grant per year

PI Home Department / Center: 15%

WVSOM Institutional Support: 60%

- 4.2 For external grants and contracts where the PI/PD is an employee within the Center for Rural and Community Health ("CRCH"), the 25% PI/PD recovered indirect costs will be allocated to the Vice President of Community Engagement /Chief Operations Officer and not the PI/PD. The Vice President of Community Engagement/Chief Operations Officer is responsible for distributing indirect cost return funds within the CRCH. The CRCH distribution is dictated by procedures within CRCH.
- 4.3 In unique circumstances and notwithstanding any provision of this procedure to the contrary, the Vice President of Academic Affairs and Dean, in consultation with the Vice President for Finance and Facilities and the President, may determine it is in the best interest of WVSOM to continue the development of the research mission by reallocating the above distribution as needed. In case of a split decision, the President would make the final determination.

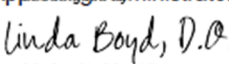
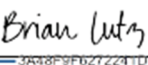
5. Use of Indirect Costs allocated for PIs and Departments/Center

- 5.1 Indirect cost funds that are distributed to PIs/PDs or departments/centers can be used for a variety of purposes necessary for carrying out all research and programmatic projects designed to encourage and support sponsored research. Specifically, funds should be used to grow sponsored research and programs, facilitate faculty and student research, and cover specific expenses of the currently funded sponsored project if funding is not available.
- 5.2 Indirect cost allocations may not be used for new employee salaries, course buyouts for faculty, supplements to employee salary, or fringe benefits, except as permitted in Section 5.4.11.
- 5.3 Indirect cost funds remaining in the account of a PI/PD will be returned to WVSOM's general fund if the PI/PD is no longer employed by WVSOM.
- 5.4 Examples of the permitted use of recovered indirect costs include:
 - 5.4.1 Support of new research or community engagement initiatives or pre-grant feasibility studies;
 - 5.4.2 Support of sponsored program/grant writing for preparing competitive proposals;
 - 5.4.3 Cover of budget overruns or bridge project cost for pending renewals or new grants;

- 5.4.4 Purchase of equipment or software directly related to expanding research or community engagement;
- 5.4.5 Purchase of research or community engagement supplies;
- 5.4.6 Attend conferences and related research or community engagement travel/professional development;
- 5.4.7 Commitment of matching funds for sponsored projects not available from other institutional resources;
- 5.4.8 Student support, including stipends, consumables, and travel;
- 5.4.9 Consultants, temporary clerical or laboratory support, or other temporary help to support a sponsored project;
- 5.4.10 Publication and dissemination costs associated with research, community engagement or sponsored project activities;
- 5.4.11 Costs associated with salaries and benefits for key research or community engagement employees on soft money (hired with grant funds) to retain them between grants with approval of OBA and HR 60 days prior to the end of the grant; no extension over 90 days would be approved.
- 5.4.12 Renovations and/or repairs supporting sponsored projects;
- 5.4.13 Needs as identified by the Administration.; and
- 5.4.14 As otherwise permitted by the funding agency.

6. Use of Indirect Costs allocated for WVSOM Institutional Support

- 6.1 Indirect cost funds that are distributed to WVSOM Institutional Support can be used to support the research infrastructure of WVSOM, including but not limited to facilities, research equipment, and permanent personnel in the research building, and pre-award and post-award offices. Specifically, funds should be used to grow sponsored research and programs and facilitate faculty and student research.

Procedure Title: <u>Procedure for Revenue Sharing for Indirect Costs from Grants and Contracts</u>	
Effective Date: <u>February 5, 2025</u>	Time: <u>12:00 a.m.</u>
APPROVED BY:	
Approving Administrator – Vice President for Academic Affairs and Dean	
 <small>07AD31566E70ACE...</small>	Date: <u>2/26/2025 12:08 PM EST</u>
General Counsel/Chief Legal Officer:	
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