

Policy Owner: Vice Provost for Research
Managed by: Controller's Office
Policy Date: June 22, 2020

Illinois Institute of Technology Indirect Cost Rebate (ICR) Policy

Each year, the Office of Research under the direction of the Vice Provost for Research, credits an amount equal to 10% of indirect costs from sponsored projects (grants and contracts) during the preceding fiscal year (June 1 through May 31) to investigators' indirect cost rebate (ICR) fund.

The purpose of these funds is to promote robust research programs and provide investigators resources for those programs that might not be available from other sources. These allocated funds come from the university's operating budget. This policy explains how ICR funds are credited, how they are budgeted, and how they can be accessed.

This policy may be amended as needed.

Criteria:

Indirect cost rebates are only provided on sponsored projects which include the overhead rate as approved by the sponsor and listed in the award notice.

Eligibility:

By default, ICR funds are credited to lead principal investigators (PIs). PIs may decide to split the ICR accruals with co-PIs on a percentage basis by filling out a Google form during the fiscal year after the ICR funds have been earned and before they are available for budgeting. For example, in January 2020, PIs will be able to determine the percentage of ICR funds accrued based on indirect costs obtained in FY 2019 to be split among co-PIs. These funds will be available for budgeting in FY 2021. The percentage split may only be specified once per year.

Investigators who leave the university lose access to their ICR funds. Requests for ICR from Emeriti faculty will be reviewed on a case-by-case basis by the Vice Provost for Research (VPR).

Calculation and Distribution:

Ten (10) percent of the indirect cost accrued will be calculated based on actual grant expenditures.

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Funds accrued to an ICR account in a particular fiscal year are based on indirect cost expenditures in the previous fiscal year. Funds accrued to an ICR account in a particular fiscal year are not available to be budgeted and spent until the following fiscal year.

Budgeting:

Before ICR funds can be accessed by investigators, they must be budgeted. Preceding the start of a fiscal year (June 1), the Vice Provost for Research (VPR) will invite investigators with positive ICR fund balances to request ICR funds to be budgeted for that fiscal year.

- An amount of an investigator's ICR fund balance up to a maximum of \$2,500 will automatically be budgeted. No action by the investigator is needed. Any unspent portion of this automatic allocation will remain in the investigator's ICR account.
- Investigators with ICR account balances above \$2,500 may request an additional budget allocation.
 - Such requests will be submitted through an electronic form and allocations will be approved by the VPR subject to funds available. All requests submitted by the stated deadline will have equal priority, but the VPR will entertain requests throughout the fiscal year based on fund availability.
 - Any budget allocation over the automatic \$2,500 that remains unspent at the close of the fiscal year (May 31) will be forfeited.

For example, suppose that an investigator requests and receives an additional budget allocation of \$5,000. That investigator then has a total ICR budget of \$7,500 for the fiscal year. If the investigator only spends \$4,000 in the fiscal year, then he or she will forfeit \$1,000. If the investigator only spends \$6,000 in the fiscal year, then he or she forfeits nothing.

Because we want to support as many investigators as possible, it is important that faculty be prudent in their requests.

- Requests for ICR budget allocations above the default \$2,500 will be considered if submitted by March 31 of the current fiscal year.

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Spending:

ICR funds are an investment from the University to enhance research. The expectation is that the investigators will use these funds in such a way. When it is known that a faculty member will be leaving the University, then that faculty's ICR funds will be frozen and can no longer be used. Allowable uses for ICR funds include:

- Continuing ongoing research projects by supporting travel, student researcher support, general office supplies
- Membership in research related organizations
- Matching funds needed for other grants
- Repairs/modifications for laboratory equipment
- Technican support
- Bridge funding for new research projects
- Computers and other equipment

ICR funds cannot be used for:

- Salaries for the lead PI or co-PIs, except by special request
- Entertainment expenses, other than business entertainment as defined in the IIT [travel policy](#)
- Gifts
- Bonuses for any faculty, staff or students
- Travel unrelated to research
- Donations to charity or organizations

Investigators are encouraged to work with Research Administrative Services to track the spending of their ICR budgeted funds. See the section above for the conditions under which certain portions for ICR account balances may be forfeited.