

# Indirect Cost Recovery (ICR) Split Automation Frequently Asked Questions (FAQs)

This document provides answers to commonly asked questions about the indirect cost recovery split automation process.

## Background Information

### 1. What is the goal of the ICR automation project?

The goal of the Indirect Cost Recovery (ICR) project is to develop an automated, University-wide process for sponsored projects to account for and share indirect cost recovery (ICR) between Schools (Split) to facilitate cross-disciplinary research.

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### 2. What is an ICR split?

An Indirect Cost Recovery (ICR) split is the distribution of indirect cost revenue to more than one School.

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### 3. What are the benefits of automating the ICR splits process?

- Technology - Streamline the process using Cayuse SP and FAME Visibility - Provide visibility to data in Cayuse SP
  - Reporting - Leverage reporting capabilities in UDW+
  - Guidelines - Bring consistency to the process through a systematic application
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### 4. When does the ICR automation for cross school collaborations go into effect?

For cross school collaborations, automated ICR splits apply to new awards effective October 1, 2019.

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### 5. Who is impacted by ICR splits?

- Department Administrators (DAs)
- Fiscal Officers (FOs)

- Schools/Departments (Deans and Department Chairs)
  - Principal Investigators (PIs)
  - Office of Sponsored Programs (OSP)
  - Sponsored Programs Administration (SPA)
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## 6. What are the criteria for ICR split automation?

ICR splits are automated under the following conditions:

- PI & Co-PI across Multiple Schools - A proposed project for an ICR split involves a PI and Co-PIs from more than one School
  - Data from Cayuse to FAME - Data must be populated in Cayuse SP to be sent to FAME
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## 7. What are the criteria that DO NOT make an ICR split automated?

ICR splits are not automated under the following conditions:

- Joint Appointments - Done manually by FOs of the involved Schools
  - Multiple Departments across Schools - Returned to the Dean's Chartfield of the School who is responsible for distributing internally to the multiple departments
  - NYU Abu Dhabi, NYU Shanghai, nor SOM - These NYU campus locations are not part of the automation at this time. Only NYU Washington Square is eligible for automated indirect cost recovery. FYI, NYU Abu Dhabi
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## 8. How are ICR splits calculated?

The ICR split is based on the direct costs expended. FAME will automatically return the split to the Dean's chartfield based on the ICR split agreement uploaded into the record in Cayuse SP. The indirect costs should be determined upfront in Cayuse based on the award budget.

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## 9. Should we correlate the split of the indirect costs based on the award budget?

It is not necessary to correlate the split based on the award budget, as the budget may change. It's important to assess the split based upon the project. The ICR split calculations will happen based on the direct cost expenses not the budget.

Keep in mind that budget allocation happens at the budget level. It's important to allocate the funds based on the award and give the PI access to the full award, not the budget that's established for each project.

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**10. What criteria should PIs use in determining the ICR split?**

Consideration in determining the allocation of credit and sharing of indirect cost recovery may include but is not limited to:

- Unit managing the project
- Effort of PI and Co-PIs on the project
- Resources (facilities, faculty, administrative support, etc.) provided by units or centers in the conduct of the project
- Graduate students or postdoctoral associates - where they are located (unit home) and/or where they will be performing the work
- Size of budget (salary allocations, etc.)
- Combination of these factors

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**11. When does the ICR split automation take place?**

The ICR split automation happens daily as indirect costs are calculated each night. FAME calculates the split overnight. The journal entry is updated and accurately reflected the next day.

## Process

**12. What aspect of the ICR split process is being automated?**

There are two major aspects of the ICR split process that are now automated: 1) ICR data is sent automatically from Cayuse SP to FAME and 2) ICR splits are automatically distributed in accordance with the agreed-upon allocation as noted in the "Allocation of Credit %" field in Cayuse SP.

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**13. How is the ICR split agreement documented?**

The Department Administrators (DAs) document the ICR split agreement across and within schools at the proposal stage. The information is captured in Cayuse SP. An email with agreement details is added to the Cayuse record. DA's enter the details of the ICR split under the Allocation of Credit % field. ICR splits will be credited to the Dean's Chartfield Fund 10.

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**14. Is there a standard format for the email communication (with the ICR split agreement details) that is added to the Cayuse record?**

There is no standard format for the email or the agreement details. However, it's important that the email includes the following: 1) the split each School agrees to honor, 2) approval of the Department Chair(s) and/or Center/Institute Director(s), 3) approval of the Deans and 4) approval of the PIs. These approvals can be conveyed in the email and/or demonstrated by the parties being copied on the email.

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**15. Do you need approvals in the ICR split agreement? In other words, do the Department Chairs need to respond to the email and indicate agreement?**

It depends on the wording of the email. It is important for the email to confirm consensus and agreement of the ICR split and the terms of the agreement presented. See question #6 for guidance on the information that should be included in the email.

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**16. How do Deans and Directors receive ICR splits?**

The Dean/Director of each School receives ICR splits based on the PIs and Co-PIs participating in the project. The ICR revenue is returned to the Dean's Chartfield Fund 10.

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**17. Where are ICR splits credited?**

ICR splits are credited to the Dean's Chartfield Fund 10.

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**18. What is the account code for ICR splits?**

As of October 1, 2019 account code 46135 will be for ICR splits only. This code should not be used for any other purpose.

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**19. What is the account code for manual journal entries for ICR splits?**

For manual journal entries use account code 46135 for debit and credit on the ICR splits.

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**20. What data does account code 46135 track? (Can combine with question #12)**

Account code 46135 tracks all ICR split data and transfers from and to Fund 10.

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**21. Can account codes 46120 and 46130 be used for ICR splits?**

No. Account codes 46120 and 46130 should not be journalized to split the ICR. These two accounts retain 100% indirect cost recovery. Account 46135 will be used for both debit and credit on the ICR splits.

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**22. What information must be populated in Cayuse SP to ensure there is an ICR split?**

The Allocation of Credit Percentage % must be populated in Cayuse SP.

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**23. What is the Allocation of Credit %?**

The Allocation of Credit % is used to reflect each PI and Co-PI's relative contribution to a proposal or funded research project and should total to 100% for all PIs and Co-PIs. Each PI and Co-PI determine how the allocation of credit should be distributed.

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**24. Does the Allocation of Credit % and Effort % need to be the same?**

The Allocation of Credit % can be tied to the Effort % but it is not required to be the same. Additionally, it is not required that the allocation of credit tie back to the budget.

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**25. Where is the effort % for the project documented?**

The effort for a project is typically captured in the detailed internal budget uploaded to the Cayuse record. The effort should be entered in Cayuse SP > Investigators/Research Team tab > in the appropriate categories (Sponsored Effort % or Cost Shared Effort %).

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**26. Who is eligible to receive ICR splits?**

Only the PIs and Co-PIs are eligible for ICR splits. The Dean/Director of each School receives ICR splits based on the PIs and Co-PIs participating in the project.

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**27. Who is not eligible for ICR splits?**

Co-Investigators (Co-I) and Investigators are not eligible for ICR splits. They must be named as PI or Co-PI in the Cayuse record.

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**28. When is there no ICR split?**

There is no ICR split if any of the following conditions is true:

- There are no indirect costs
  - The indirect cost rate is zero
  - There is no allocation of credit % entered in Cayuse SP
  - The proposal record does not contain an ICR Split agreement at the time of proposal submission
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**29. Are Co-Principal Investigator (Co-PI) and Co-Investigator (Co-I) the same?**

No. Co-PI does not equal Co-I.

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**30. When can modifications be made to an ICR agreement?**

Any modifications to an ICR agreement must be made prior to award (e.g. change in credit allocation, change in PI dept, etc.).

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**31. Is there an ICR Split report available?**

Yes, a UDW+ report is available with indirect cost data. This report is only available for automated ICR splits.

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**32. How can I access the report?**

To access UDW+ the proper access has to be obtained and training(s) taken. [Click here](#) to get information on how to access UDW+.

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**33. What kind of information is available on the report?**

- The Cayuse proposal number
  - The Cayuse award number
  - The FAME project ID numbers that have grants with cross school collaboration
  - The agreed ICR split percentage and dollar amount
  - The effective start and end date of the ICR Split
  - The Dean's/Director's chartfield that the ICR is posted
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**34. Does NYU Abu Dhabi have access to the report?**

Abu Dhabi will not have access to the UDW+ report as they are not part of the ICR split automation at this time.

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## Guidelines

### 35. What are the guidelines for ICR splits?

On October 2, 2017, a memo was issued by Tony Jiga, Nancy Daneau, and Jose Roman, entitled [Guidelines for Sharing of Indirect Cost Recovery \(ICR\) on Sponsored Projects with Investigators from More than One School, Institute or Center.](#)

As of October 1, 2019, an appendix has been added to this memo to include the automation information, business rules, and key reminders. Please refer to the entire ICR Guidelines memo for your guidance on indirect cost recovery matters.

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### 36. Are the recommended allocation guidelines of 25% and 75% mandatory?

No. The 25% and 75% split is recommended guidance. The PIs can negotiate the breakdown that is most appropriate for the award. The split that is agreed upon across Schools must be recorded in the agreement between the Deans/Directors of each School.

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### 37. Does the SPA Handbook include information on indirect cost recovery?

Yes, in the SPA Handbook, on the [Costing Policy page](#), there's a section on the right called **Resources**. In this section there's a link to the Indirect Cost Recovery (ICR) Split Automation Learning Session presentation and the FAQs.

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### 38. Will the automation be applied retroactively?

No. The automation will not be retroactive. Changes to existing (manual) ICR splits for any award prior to October 1, 2019, will not be automated.

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### 39. What happens if an ICR split needs to be revised?

If an automated ICR split (effective October 1, 2019) needs to be revised, it can only be done in the next budget period.

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**40. How do we handle ICR splits that do not meet the automation criteria?**

ICR entries that do not meet the automation criteria will continue to be journalized as they are today, e.g. joint appointments.

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**41. If an ICR split is automated, do journal entries still need to be created?**

No. Departments/Schools should not create manual journal entries to split an ICR that is part of the automation.

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**42. Is Abu Dhabi eligible for ICR split agreements?**

Yes, cross school collaborations involving Abu Dhabi can still have ICR split agreements, but the schools will continue to process manual journal entries.

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**43. How are reorgs handled in terms of ICR splits?**

Reorgs are special conditions. OSP and SPA should be notified of these kinds of changes in order to appropriately process the reorg then enter the revised rate agreement into Cayuse SP for any current or future awards.

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**44. If there are two PIs, is a blanket memo allowed?**

Yes, a blanket agreement is sufficed as long as it's clear that the agreement applies to any cross-school collaboration involving those individuals, and is documented and uploaded to the record in Cayuse SP.

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**45. There is a 5-year award with an ICR split agreement. The School has two years left on the ICR splits across two projects with two Co-PIs awarded and the PI changes the ICR split agreement. Do we need to change the Allocation of Credit %?**

Any change to the ICR split agreement must be documented. At the proposal stage, it must be done before award. If during the award period, the change is documented and goes into effect at the next budget period. How this is done is determined on how the award was made (year-by-year or one lump sum). OSP may need to create a \$0 Modification to capture the change. It is critical that the Unit, OSP, and SPA work together on such a change.

The ICR split only applies to the first three years. The distribution of the split depends on how the awards are entered, i.e. year by year or collectively. OSP will document the exception, and the split would be automated and tagged appropriately to ensure the allocation is clearly.

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**46. Certain projects require carryover approval and ICR splits across two projects with two Co-PIs a new project chartfield is set up for each year. How is an ICR agreement handled in that situation?**

The allocation of credit in the ICR split agreement for the initial award is applied in the first year. That ICR split is then carried over and applied to each subsequent year.

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**47. Can the FAME system process ICR split debits to Fund 20?**

No. That split needs to be done manually.

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## Contact

**48. Where can I access the Indirect Cost Recovery (ICR) Split Automation Learning Session presentation?**

The presentation is available on the SPA Handbook, [Costing Policy page](#).

**49. Who do I contact if I have questions about the ICR split process?**

If you have any additional questions please send an email to [CDV.SPA@nyu.edu](mailto:CDV.SPA@nyu.edu)

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