Indirect Cost Recovery (ICR) Split Automation Learning Session
September 23 & 24, 2019
PROJECT OVERVIEW
Our goal is to:

Develop an automated, University-wide process for sponsored projects to track, account, and share Indirect Cost Recovery (ICR) between Schools to facilitate cross-disciplinary research.
An **Indirect Cost Recovery (ICR) split** is the distribution of indirect cost revenue to more than one School.
Why Is This Important

**Technology**
Streamline the process using Cayuse SP and FAME

**Guidelines**
*p*Bring consistency to the process through a systematic application*

**Visibility**
Provide visibility to data in Cayuse SP

**Reporting**
Leverage reporting capabilities in UDW+

*Why Automate ICR Splits?*
The key stakeholders include:

- Department Administrators (DAs)
- Fiscal Officers (FOs)
- Schools/Departments (Deans, Chairs)
- Principal Investigators (PIs)
Additional Stakeholders

Office of Sponsored Programs (OSP)

Document and verify the ICR split at the time of proposal submission.

Sponsored Programs Administration (SPA)

Provide support to the departments with information pertaining to the ICR splits at a post award level.
PI & Co-PI(s) across Multiple Schools - A proposed project for an ICR split involves a PI and Co-PI(s) from more than one School

Data from Cayuse to FAME - Data must be populated in Cayuse SP to be sent to FAME
NO! The ICR Split is NOT Automated

- **Joint Appointments** - Done manually by FOs of the involved Schools (as it is currently processed)
- **Multiple Departments within Schools** - Returned to the Dean’s Chartfield of the School who is responsible for distributing *internally* to the multiple departments
- **NYU Abu Dhabi** - Abu Dhabi is not part of the automation at this time. Abu Dhabi can still do a cross school collaboration, but the split is handled manually
ICR Basic Principles

1. ICR rates on sponsored awards vary depending on where the work is performed and the type of activity for which the award is made.
2. There are no federal rules, restrictions, or guidelines regarding how an institution should internally allocate the ICR from sponsored awards.
3. The guidelines apply to all sponsored awards, regardless of amount of the award or the allowed ICR.

On October 2, 2017 a memo was issued by Tony Jiga, Nancy Daneau, and Jose Roman. The memo emphasizes the following:
ICR Basic Principles Cont’d

4. At the time of proposal submission, an agreement that details how the ICR will be shared among collaborating schools, centers and institutes should be documented and reflected in Cayuse SP.

5. ICR is calculated and posted and in the University’s general ledger based on direct spend, sponsor indirect cost guidelines, and NYU’s ICR allocation rules.

Allocation guidelines (strongly recommended)

1. 25% of the ICR is allocated to the unit administering the award

2. 75% of the ICR is allocated *pro rata* to schools, institutes and centers that are the academic homes of the collaborating Investigators (PI and Co-PIs.)
For your reference, here is a link to the memo:

*Guidelines for Sharing of Indirect Cost Recovery (ICR) on Sponsored Projects with Investigators from More than One School, Institute or Center.*
ICR SPLIT PROCESS
NEW! ICR Split Automation Lifecycle

Pre-Award (Proposal)

1. DAs prepare proposal for a sponsored project. The proposal includes indirect cost recovery.

2. Cross schools/ departments agree on ICR split.

3. DAs document ICR split agreement in Cayuse SP.

4. An email with agreement details is added to the Cayuse record. ICR splits will be credited to the Dean’s Chartfield Fund 10.

5. DAs enter the details of the ICR split under the Allocation of Credit % field in Cayuse SP.

6. DAs submit proposal to OSP. Proposal POs ensure ICR split is documented.

Award

7. Upon award receipt, OSP Award POs review and confirm the data entered in Cayuse SP matches the ICR split agreement.

8. ICR data is sent automatically from Cayuse SP to FAME.

Post-Award

9. PI incurs expenditures and indirect costs are assessed at the project level.

10. ICR splits are automatically distributed in accordance with the agreed-upon allocation.

11. UDW+ report is available.

Indicates the New ICR Split Automation

IMPORTANT REMINDERS

- A sponsored project for an ICR split involves a PI and Co-PIs from more than one School
- Data must be populated in Cayuse SP to be sent to FAME
- ICR splits will be credited to the Dean’s Chartfield Fund 10
- The Allocation of Credit % field must be populated in Cayuse SP or there is no ICR split
- Abu Dhabi is not subject to ICR split automation. The cross school collaboration split will be handled manually.
The DA documents ICR splits across and within Schools at the proposal stage. The information is captured in Cayuse SP.

The DA (or OSP PO) uploads the email confirming the details of the ICR split agreement to the Cayuse record.

The email (i.e. ICR Split Agreement) includes:
- The split each School agrees to honor
- Approval of the Department Chair(s) and/or Center/Institute Director(s)
- Approval of the Deans

Upon award receipt, OSP confirms the data entered in Cayuse SP matches the ICR agreement uploaded to the record.
Who Receives 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.

Project awards triggered by:

- **Co-Investigators (Co-I) and Investigators are not eligible** for ICR splits
- **PIs and Co-PIs are eligible** for ICR splits
- **Must** be named as PI or Co-PI in Cayuse record
  - PI = Lead PI role in Cayuse SP
  - Co-PI = Principal Investigator role in Cayuse SP
  - *Usually* named as PI or Co-PI in the award document
There is no ICR split if:

- 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
Direct Costs + Indirect Costs (IDCs) = Total Costs

PI and Co-PIs are eligible to generate ICR that is credited to the Dean’s Chartfield Fund 10

Co-PI does not equal Co-I. Awards triggered by Co-PIs are eligible for ICR splits, but those awards by Co-Is are not eligible
ICR splits are documented at the Proposal stage

ICR splits are confirmed at the Award stage

Any modifications to an ICR agreement must be made prior to award (e.g. change in credit allocation, change in PI dept, etc.)
NYU’s Negotiated Indirect Cost Rate Agreement (NICRA) dated September 17, 2018, includes rates for Research, Instruction, and Other Sponsored Programs. Activities can occur on-campus or off-campus.

In some circumstances NYU will waive indirect costs (at the request of Schools and with the approval of the Vice Provost of Research).

Most Sponsors pay indirect costs 👍. Some sponsors have written policies stating they will not pay indirect costs 👎.

NYU’s Negotiated Indirect Cost Rate Agreement (NICRA) dated September 17, 2018, includes rates for Research, Instruction, and Other Sponsored Programs. Activities can occur on-campus or off-campus.

In some circumstances NYU will waive indirect costs (at the request of Schools and with the approval of the Vice Provost of Research).
EXAMPLES IN CAYUSE SP
ICR Split following recommended guidance - Proposal stage in Cayuse

Example 1

- Yao Wang: TANDON - Electrical & Computer Engineering (ECE) (63212), Lead Principal Investigator, 100% Sponsored Effort, 0% Cost Shared Effort, 100% Total Effort, 62.5% Allocation of Credit, 0.25 Person Months
- Jan Plass: STEINHARDT - Consortium for Research and Evaluation of Advanced Technologies in Education (CREATE) (56125), Principal Investigator, 0% Sponsored Effort, 0% Cost Shared Effort, 0% Total Effort, 37.5% Allocation of Credit, 0.17 Person Months
ICR Split following recommended guidance - ICR Upload in Cayuse
ICR Split following recommended guidance - Award stage in Cayuse

**NOTE: The sum of allocated credit on this award is currently 100%.**

Add/Edit Contact Information

<table>
<thead>
<tr>
<th>Last Name</th>
<th>First Name</th>
<th>Unit</th>
<th>Role</th>
<th>Sponsored Effort</th>
<th>Cost Shared Effort</th>
<th>Total Effort</th>
<th>Allocation of Credit</th>
<th>Person Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yao Wang</td>
<td></td>
<td>TANDON - Electrical &amp; Computer Engineering (ECE)</td>
<td>Lead Principal Investigator</td>
<td>100%</td>
<td>0%</td>
<td>100%</td>
<td>62.6%</td>
<td>0.25</td>
</tr>
<tr>
<td>Jon Pess</td>
<td></td>
<td>STEINHARDT - Consortium for Research and Evaluation of Advanced Technologies in Education (CREATE)</td>
<td>Principal Investigator</td>
<td>100%</td>
<td>0%</td>
<td>100%</td>
<td>37.5%</td>
<td>0.17</td>
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ICR Split following a pure 50 / 50 split - Proposal stage in Cayuse

Only PIs (role = Lead Principal Investigator in Cayuse) and Co-PIs (role = Principal Investigator in Cayuse) are eligible for ICR. Investigators are not.
ICR Split following a pure 50 / 50 split - ICR Upload in Cayuse
ICR Split following a pure 50 / 50 split - Award stage in Cayuse

<table>
<thead>
<tr>
<th>Person</th>
<th>Role</th>
<th>Sponsored Effort</th>
<th>Cost Shared Effort</th>
<th>Total Effort</th>
<th>Allocation of Credits</th>
<th>Person Months</th>
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<tr>
<td>Randal Mitc</td>
<td>Lead Principal Investigators</td>
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<td>50%</td>
<td>0</td>
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<tr>
<td>Sandra Katz</td>
<td>Proposal Editor</td>
<td>0%</td>
<td>0%</td>
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<tr>
<td>Nalin M.</td>
<td>Principal Investigators</td>
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<td>5.58%</td>
<td>60%</td>
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<tr>
<td>Banarun R.</td>
<td>Investigator</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
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<td>0.54</td>
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<tr>
<td>Esther T.</td>
<td>Proposal Editor</td>
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Automated ICR splits apply to new awards effective October 1, 2019. The automation will not be retroactive.

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

Department/Schools should not create manual journal entries to split an ICR that is part of the automation.
Changes to existing (manual) ICR splits for any award prior to October 1, 2019 will not be automated.

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

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

For manual journal entries use account code 46135 for debit and credit.
Indirect costs (account #76450) are incurred when the project generates expenses on direct costs. **If the project’s indirect cost rate is zero, the ICR split cannot be supported.**

Based on the direct cost incurred, the indirect cost is calculated daily.

Based on the indirect cost the split is calculated daily for the new awards.
An ICR Split Report will be available in UDW+ for the schools.

This report will only be available for automated ICR splits.

Abu Dhabi will not have access to the UDW+ report as they are not part of the ICR split automation at this time.
An ICR Split Report will be available in UDW+ for the schools with the following information:

- 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
<table>
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<tr>
<th>Code</th>
<th>Description</th>
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<tbody>
<tr>
<td>76450</td>
<td>Indirect Costs (Overhead) Applied on Direct Costs</td>
</tr>
<tr>
<td>46120</td>
<td>Fund 24 Projects – Applies the ICR Revenue to the Dean’s Organization (Chartfield)</td>
</tr>
<tr>
<td>46130</td>
<td>Fund 25 Projects – Applies the ICR to the Dean’s Organization (Chartfield)</td>
</tr>
<tr>
<td>46135</td>
<td>Captures the ICR splits</td>
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</table>
In the Budget Summary Report (UDW+) account code 76450 (Overhead Applied on Direct Costs) will not be impacted by the split. This account code will retain its integrity.

The revenue will continue to be credited to the Dean’s organization (Chartfield) in account 46120 or 46130.

The indirect cost split will apply on expenses charged to the project starting from the date on which the award is obligated in Cayuse SP (new awards after October 1).
EXAMPLES IN FAME
This is an example of an ICR split

<table>
<thead>
<tr>
<th>PI James 30%</th>
<th>Co-PI Jane 70%</th>
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<tr>
<td>Deans ICR chartfield 10-12300</td>
<td>Deans ICR chartfield 10-67800</td>
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<table>
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<tr>
<th>BU</th>
<th>Fund</th>
<th>Org</th>
<th>Project</th>
<th>Program</th>
<th>Account</th>
<th>Indirect Cost Rate</th>
<th>Award Amt</th>
<th>Overhead Amount</th>
<th>OH Split Amount 1 at 30%</th>
<th>OH Split Amount 2 at 70%</th>
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<tr>
<td>WSQ01</td>
<td>25</td>
<td>12345</td>
<td>F5978</td>
<td>WSQPG</td>
<td>76450</td>
<td>10%</td>
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<td>10,000.00</td>
<td>3,000.00</td>
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**Accounting Entry**

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<th>Fund</th>
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<td></td>
<td>46135</td>
<td>7,000.00</td>
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</tbody>
</table>
Please send your questions to CDV.SPA@nyu.edu

Links to this presentation will be available after the workshops are complete.

- SPA Handbook
- ICR Guidelines
- OSP Wiki Page
- FAQs

Coming Soon!
1. Project awards triggered by ______________________ and ____________________ are not eligible for ICR splits
   a. Co-Investigators (Co-I) and Investigators

1. Where are ICR splits credited?
   a. Dean’s chartfield Fund 10

1. What is the new account code in the general ledger that captures ICR splits?
   a. 46135
Questions?
### Key Terms

<table>
<thead>
<tr>
<th>Sponsor</th>
<th>An external entity such as a private foundation, corporation or governmental agency</th>
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<tbody>
<tr>
<td>Sponsored Projects or Awards</td>
<td>A <strong>sponsored award</strong>, made in the form of a <em>grant, contract, or cooperative agreement</em>, is funding from an external entity such as a private foundation, corporation or governmental agency for an activity with a defined scope and purpose undertaken by the University with the expectation of an outcome that directly benefits the provider. <a href="#">Reference Wiki page</a></td>
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<tr>
<td>Indirect Costs</td>
<td>Also known as <strong>Facilities &amp; Administrative (F&amp;A)</strong> or <strong>overhead</strong>, are defined by the Federal government as costs incurred for a common or joint purpose benefitting more than one cost objective. Indirect costs are real, quantifiable, and audited and represent research infrastructure costs incurred by universities that are integral to conducting quality research. <a href="#">Reference F&amp;A Costs Fact Sheet</a></td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<td>---------</td>
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<tr>
<td>BSR</td>
<td>Budget Summary Report</td>
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<td>Co-Investigator</td>
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<td>CO-PI</td>
<td>Co-Principal Investigator</td>
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<tr>
<td>DA</td>
<td>Department Administrator</td>
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<td>F&amp;A</td>
<td>Facilities &amp; Administrative</td>
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<td>Fiscal Officer</td>
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<td>ICR</td>
<td>Indirect Cost Recovery</td>
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<td>Office of Sponsored Programs</td>
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