



Academic Senate Office

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May 7, 2021

MEMORANDUM

TO: Lynn Mahoney, President
San Francisco State University

FROM: Teddy Albinak, Chair
Academic Senate

RE: **Academic Senate Resolution #RS21-422 Resolution on Transparency in Recovery and Allocation of Indirect Cost**

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TA

SOURCE COMMITTEE: Strategic Issues Committee

SENATE ACTION:

At its meeting on Tuesday, May 4, 2021 the Academic Senate approved **#RS21-422 Resolution on Transparency in Recovery and Allocation of Indirect Cost.**

Thank You.

ecc: Jennifer Summit, Provost and Vice President for Academic Affairs
Carleen Mandolfo, AVP of Faculty Affairs and Professional Development
Beth Hellwig, Interim VP of Student Affairs and Enrollment Management
Jason Porth, VP of University Enterprise
Jeff Wilson, Interim VP of Administration & Finance, CFO
Jeff Jackanicz, VP of University Advancement
Katie Lynch, Senior Associate VP of Enrollment Management
Noriko Lim-Teppe, Interim Chief of Staff
Academic Affairs Council
College Deans
Dept Chairs and School Program Directors
SF State Faculty



**SAN FRANCISCO
STATE UNIVERSITY**

**Resolution on Transparency in Recovery and
Allocation of Indirect Cost**

RS21-422

Date: May 4, 2021

RATIONALE:

Limited understanding of “indirect cost” (IDC) recovery from grants and contracts and the IDC allocation policy at SF State among faculty, staff, and administrators is an impediment to robust shared governance budget deliberations and transparency. Faculty, staff, and administrators write competitive proposals for grants and contracts to bring in additional financial resources to help the university deliver on its mission. Universities charge grants and contracts a percentage of their budget to recover costs associated with supporting the work of the grants and contracts. The basis for the rates charged and the strategy informing the allocation policy for recovered indirect cost funds varies among universities. This Resolution calls for a task force of stakeholders to be convened to review the current IDC allocation policy and consider if revisions should be recommended. It further calls on the University Budget Committee (UBC) to include IDC recovery and allocation policy as a budget literacy learning objective.

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- WHEREAS The University supports budget literacy, budget transparency, and shared governance; and
- WHEREAS The *Senate Resolution In Support of Budget Transparency* (RS16-342) calls for the SIC “...to address the important need for fiscal transparency...” and that a primary focus for the SIC’s work should be “making recommendations for budget allocation;” and
- WHEREAS Substantial faculty and staff work is done to win external grants and contracts to support research, scholarship, creative activities, and public services, including curricular innovation and student training, as well as financial support for students to participate in these activities (student and graduate assistantships, fellowships, stipends, tuition waivers, travel, etc.); and
- WHEREAS This work also generates recovered indirect costs (IDC) associated with these externally sponsored grants and contracts; and
- WHEREAS Lack of understanding of the federal regulations regarding IDC, methods to establish IDC rates, and the current policies and practices for allocation of recovered IDC is impeding deliberations and limiting transparency in shared governance processes; and
- WHEREAS Recovered IDC is intended to reimburse the University for a variety of indirect costs associated with supporting externally funded research, scholarship, creative activities, and public services; and
- WHEREAS Colleges and departments, Research Service Organizations (RSOs), Academic Affairs, the Office of Research and Sponsored Programs (ORSP), and

Administration and Finance are among the many stakeholders affected by the IDC allocation policy; and

WHEREAS University policies regarding the allocation of recovered IDC are complex and affect many stakeholders; now therefore be it

RESOLVED That Academic Affairs, Administration and Finance, and other university stakeholders, in consultation with the Academic Senate and in the tradition of shared governance, shall convene representatives to develop and propose recommendations for the strategic allocation of recovered IDC; and be it further

RESOLVED That the university shall post relevant educational materials, the current policy and financial data on the recovery and allocation of IDC to an appropriate and easily accessible webpage; and be it further

RESOLVED That this resolution will be distributed to President Mahoney, campus Vice Presidents, the Academic Affairs Council, Department Chairs, School and Program Directors, the Academic and University Senates of all California State University campuses, the Academic Senate of the California State University, and the SF State Faculty.