

Policy Owner: Vice Provost for Research  
Managed by: Controller's Office  
Policy Date: May 4, 2023

## **Illinois Institute of Technology Indirect Cost Rebate (ICR) Policy and Grant Residual Budgeting Policy (amended for FY24)**

*We are in essential spending mode, and there is a cap of \$250K total that can be budgeted for these funds in Fiscal Year 2024 (FY 20-24). If you wish to budget some of your funds from these accounts for FY24, please follow the procedure outlined below.*

### **1. Indirect Cost Rebate (ICR)**

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.

#### **1a. ICR 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.

#### **1b. ICR 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.

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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).

### **1c. Calculation and Distribution:**

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

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.

## **2. Grant Residual Funds**

Grant Residual funds are remaining funds for fixed price grants or contracts. They do not come from government grants.

## **3. Budgeting for ICR and Grant Residual Funds**

Before ICR or Grant Residual 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.

- For FY24 there is a default budget of zero.
- Investigators with positive ICR or Grant Residual fund balances above may request a budget allocation.
  - Requests for funds needed for June 1 – December 31, 2023 are made through the form at <https://tinyurl.com/FY24RequestBudget> .
  - Requests must be itemized and justified, including why funds are needed before the end of this calendar year.
  - Requests received by Monday, May 22, 2023 will receive priority. Approved budgets will be loaded in early June.

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- As a reminder, Illinois Tech is in essential spending mode. The Essential Spending Policy for FY24 can be found here: <https://tinyurl.com/FY24EssentialSpend>.
- Look [here](#) for instructions on checking your ICR and/or Grant Residual balances.
- Unspent budgeted funds will not be forfeited.

#### **4. Spending of ICR and Grant Residual Funds:**

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 and Grant funds include:

- Continuing ongoing research projects by supporting 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
- The only travel supported is *conference travel* for the PI and research team members up to \$1000 total in FY24.
- Meal expenses associated with business meetings (i.e., lunch meeting, workshop conference, etc.) related to support and collaboration for research, of no more than \$200 total in FY24. The funds should not be used merely for entertainment purposes.

ICR and Grant Residual 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

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- Travel unrelated to research
- Donations to charity or organizations
- Support for visitors

Investigators are encouraged to use Banner to track the spending of their budgeted funds. See [these instructions](#). See the section above for the conditions under which certain portions for ICR account balances may be forfeited.