

Hello all—Harry asked me to put together an email that details where the indirects (grant overhead) go on campus. This is a topic that I have pursued since coming to CSUN six years ago because my college accounts for most of the indirects at CSUN and as Dean I wanted to know how they were being used. Attached is a summary of indirect allocations for the last four years, including 2010/11. I will briefly go through and explain the rows in the table, which are numbered 1 through 13.

- 1) This is the total awarded for external grants and contracts by year. I have data going back through 1999/00 and it is clear that grants and contracts are increasing, especially during the last few years.
- 2) Total indirects that the university received, which typically is around 12 to 13% of the numbers in column one. The reason that it is a low percentage is because many funding programs do not allow charging the full indirect rate of about 47%.
- 3) University Corporation (TUC) charges a service fee to administer post award activity. The second attachment is a list of the activities covered by this service charge. Note that the 3.9% is multiplied by the figures in column one (not column two). When I arrived at CSUN the Corp charged 5%, and later 4%, but now 3.9%. According to audits out of the Chancellor's Office that are conducted every three years, the Corp is run very efficiently and I for one am quite pleased with their willingness to return more of the indirects to us.
- 4) This is the cost of running Georg Jahn's office. Like everyone else, the Corp has faced recent staff reductions, but according to my last count there were five full time staff and two students in Georg's office. In addition to staff there are expenses related to audits, equipment deliveries, and so on.
- 5) Funds transferred to run Scott Perez's office and are used to pay for a 0.75 staff member and student assistant as well as normal operating costs (FedEx, photocopying, etc).
- 6) The University Corporation maintains a "bad debt" fund to cover defaults on payments related to grants and contracts. In years past, once rows 3-5 above were taken out of the indirect pool, then 10% was multiplied times the remainder (subtotal) and this was added to the bad debt fund. However, the fund was growing and actually recently exceeded \$700k and so University Corporation decided to scale this back. In 2009/10 and 2010/11 money was actually returned to the indirects pool (see row 7).
- 7) See 6 above.
- 8) See 6 above.
- 9) After rows 2-5 have been taken out of the indirects along with the bad debts portion, the remainder goes to GRIP (Mack Johnson's office) for distribution, which is shown in rows 10-13. In addition to these allocations, Mack uses some of the money for research related travel costs for faculty and students, the purchase of small research equipment items, some course release for pilot research projects, etc. all of which is meant to stimulate and support research on campus.
- 10) The San Fernando Observatory (SFO) is a site in Sylmar where telescopes are used to study the sun and planets. Since this is a remote site, central administration agreed many years ago to return all indirects from grants awarded for research and teaching at the SFO. As you can see, this typically amounts to about \$80k annually, and it is used to operate the facility.
- 11) This row is by far the largest allocation given out by Mack's office. This distribution is made based upon the Large Grant Policy (see the GRIP website for details), and goes directly to PIs for reassigned time. If they don't need the reassigned time, the money can be banked for use by them on research related activities. I am often mystified by faculty members when they repeatedly ask where all the indirects go—in fact much of it is returned directly to them!
- 12) Three years ago CSUN adopted the GRIF policy, which was originally developed in the Chancellor's Office. Any faculty member bringing in at least \$500k in external grants each year can apply for a GRIF appointment, which provides for a 12 month appointment and a salary increase during the time of appointment. So far two faculty members have qualified, which accounts for the \$75,480.
- 13) When there is money remaining in Mack's office after 9-12 have been taken out, it is distributed to the colleges based upon a percentage of each college's indirects that were awarded to its investigators. As you can see, this has only happened once in the four years of data. I am hopeful that we will see more of this in the future because of the increasing total in grant and contract awards.

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The 3.9% percentage represents the effort of the TUC administration for sponsored programs at such as:

- **Accounting** (Purchasing, Accounts Payable, PeopleSoft, General Audits, Financial Statements, Accounting Supervision)
- **Human Resources** (Hiring, Change of Status, Termination, Benefits Administration)
- **Payroll** (Payroll Administration, Payroll Tax Filings etc.)
- **Contracts** (Lease Contracts, Service Contracts, etc.)
- **Risk Management** (Insurances, Risk Assessment, etc.)
- Floating of **Working Capital** (Most sponsored programs are cost reimbursements, funds for expenses are pre-financed before they are reimbursed by the granting agency)
- **General Administration** (Front Desk, Customer Service Activities, etc.)
- **Executive Supervision**

Sponsored Programs is the single largest department at TUC, representing approximately 70% of its revenue, therefore it also must bear a share of its general administrative expenses.

Year	2007/08	2008/09	2009/10	2010/11
1) Total Awarded	18,739,541	18,867,561	24,771,075	19,386,543
2) Total IDC	2,056,630	2,289,244	2,267,946	2,442,672
3) 3.9% Service Fee	(700,671)	(719,548)	(729,075)	(756,075)
4) Univ. Corp Expenses	(414,310)	(429,849)	(480,363)	(475,520)
5) ORSP	(87,772)	(84,701)	(97,288)	(91,327)
6) Subtotal	853,877	1,055,146	961,220	1,119,750
7) 10% Bad Debts	(85,388)	(105,515)	(96,122)	0
8) Bad Debts Excess			5,582	68,542
9) Mack's Office	768,489	949,631	870,680	1,188,292
10) SFO	(73,633)	(45,346)	(83,791)	(79,373)
11) Large Grant	(637,163)	(726,788)	(785,108)	(835,244)
12) GRIF			(75,480)	(75,480)
13) Colleges	(125,000)	0	0	?