

***Policy on Indirect Cost Return Carryforward***

|                           |                                                                                         |
|---------------------------|-----------------------------------------------------------------------------------------|
| Policy Number             | ACA-040; BUS-022                                                                        |
| Effective Date            | When Signed                                                                             |
| Responsible Office/Person | Academic Affairs: Provost/COO; Vice Chancellor<br>Admin. & Finance: Vice Chancellor/CFO |
| Related Policies          | See below                                                                               |
| Additional History        |                                                                                         |
| Additional References     |                                                                                         |

**University of Massachusetts Dartmouth  
Division of Academic Affairs; Division of Administration & Finance  
Policy on Carryforward of Indirect Cost Return Funds**

**Purpose**

To establish a campus policy for managing carryforward balances in indirect cost return accounts.

**Scope**

This policy applies to business managers with Signature Authority for indirect cost return accounts.

**Definitions**

*Carryforward balances (or carryforward funds)* are unexpended balances at the end of the fiscal year as described in ACA-031. For indirect cost return fund accounts the balance consists of revenue less expenditures.

*Indirect Cost Return Funds* are Research Support Funds distributed by the Provost that are based on recovery of facilities and administrative (F&A) costs on sponsored grants and contracts. Recipients (account designees) are listed in ACA-026. Allowable fund uses are listed in ACA-027.

**Policy**

In general, any unobligated balances in Indirect Cost Return Fund (ICR) accounts linked to principal investigators (PIs), departments or colleges automatically carryforward but amounts exceeding a threshold balance must have an approved spending plan. This is to encourage the annual investment of funds to stimulate the research capacity of individual faculty and research units. The PI or unit must submit their plan, along with the appropriate justification to their respective dean or the provost. These requests will also be reviewed by the Provost and Vice Chancellor for Administration & Finance for their approval.

Administrative units (Academic Departments, Colleges, or Centers) that receive indirect returns will be required to complete an annual report to the Associate Provost for Research describing

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the distribution of annual indirect return funds and how they were used to stimulate research and sponsored program activities.

Indirect Cost Return Funds directed to Centers/Institutes are part of the unit annual budget and do not carryforward. Any residual balance is returned to the provost's Research Support Fund.

Total carryforward amounts exceeding \$50,000 and/or unspent after two years for PIs or \$100,000 for departments may be subject to reallocation by the Provost to make up for any unrecovered F&A, budget overruns, and/or matching commitments. Any residual funds will revert to the provost's Research Support Fund.

### Policy Changes

The Division of Academic Affairs and the Division of Administration & Finance will review this policy every five years or sooner.

### Related Policies

|  |         |                                                        |
|--|---------|--------------------------------------------------------|
|  | ACA-020 | Policy on Direct and Facility and Administrative Costs |
|  | ACA-026 | Policy on Distribution of Research Support Funds       |
|  | ACA-027 | Policy on Research Support Funds Usage                 |
|  | ACA-031 | Policy on Carry Forward of Year End Funds              |

### Approvals:



Mohammad A. Karim  
Provost; Executive Vice Chancellor for  
Academic Affairs; Chief Operating Officer



Michael J. Barone  
Interim Vice Chancellor for Administration &  
Finance; Chief Financial Officer



Robert E. Johnson  
Chancellor

Date 1/28/19