
2234 INDIRECT COST RECOVERY

Effective: January 1, 2015

Revised:

Reviewed: April, 2018

Resp. Office: Treasurer

Approval: Treasurer

PURPOSE

Endowment and program gift funds established by donor gifts support direct expenditures related to the specific restricted gift purpose; however indirect costs are not supported directly by the restricted endowment and program gift funds. The indirect cost recovery policy allows for the benefitting school or center to recover a portion of these indirect expenses used in support of the endowment or gift program.

POLICY

- Restricted endowment and program gifts are typically subject to an indirect cost recovery policy which provides that a portion of program gifts or income from endowment funds be retained by the school or center, to be applied to offset the full costs associated with the specific restricted gift purpose.
- These costs include school or academic center expenses that are necessary to support the endowment or gift program, such as lighting, heating, and other facilities costs, and administrative costs incurred by the schools and centers such as information technology, safety and security, human resources, finance, treasury, audit, and fundraising.
- The current indirect cost recovery rate, which has remained constant since 1996, is equal to 20% of program gifts or 20% of income from endowment funds, as applicable.
- All restricted endowment and program gifts are subject to indirect cost recovery unless determined otherwise by the school dean or center director.