The policy on indirect cost recovery governs the reimbursements received by the University for costs incurred in the conduct of selected externally funded grants and contracts. The following constitutes the policy regarding use of indirect cost reimbursements received by the University of Rhode Island from selected, externally funded grants.

1. Reimbursements for indirect costs under grants and contracts will be allocated to the following areas. Each area will receive a specific proportion of the total overhead generated.
   a) Sponsored Projects Administration – Administration & Finance
   b) Sponsored Projects Administration – Research & Economic Development
   c) Sponsored Projects Operations – Utilities & Insurance
   d) Colleges/Areas
   e) Provost
   f) Research & Economic Development
   g) President

2. The President shall submit an annual report to the Board on the use of indirect cost recovery funds.

3. Consistent with the objectives established by the Board, the University shall have the flexibility to make adjustments, if necessary, in the research overhead allocation over time without formal Board approval. Such adjustments would be made in consultation with Faculty Senate leadership and the Council for Research and with full attention to shared governance. Other appropriate university entities, including the Council of Deans and the Strategic Budget and Planning Council, would also be consulted.