F&A (Indirect Cost) Distribution Percentage Allocations
for Departments and Centers

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Applies to:
Basic science departments, clinical departments, and centers

Reason for Policy:
This policy clarifies how indirect costs will be distributed based on a faculty member’s physical location in either department or center space.

Policy Statement:

Faculty Members with Primary Appointments in Basic Science Departments

For basic science department faculty members located in basic science department space, the department receives 8.605% of the indirect cost recovery revenue generated. This is done automatically as the result of the department indicating the department’s org number in the grant proposal submission. It is assumed that the department is providing the administrative support that is intended to be covered by this distribution.

For basic science department faculty members located in center space, the center receives 8.605% of the indirect cost recovery revenue generated. This is done automatically as the result of the department or center indicating the center’s org number in the grant proposal submission. It is assumed that the center is providing the administrative support that is intended to be covered by this distribution.
This is the default distribution methodology. If a department chair and a center director come to a mutual agreement that alters the default distribution, then the two of them may work out an alternative arrangement and the associated details. If they are not able to come to a mutual agreement, then the default methodology prevails.

To enhance consistency, departments and centers are asked to transfer shared F&A regularly between entities, consistent with the agreement that they reach. Guidance on how to process these transfers is linked in the references section.

Faculty Members with Primary Appointments in Clinical Departments:

For clinical department faculty members located in clinical department space, the department receives 29.405% of the indirect cost recovery revenue generated. This is done automatically as the result of the department indicating the department’s org number in the grant proposal submission. It is assumed that the department is providing the administrative support that is intended to be covered by this distribution.

For clinical department faculty members located in center space, the department receives 29.405% of the indirect cost recovery revenue generated and then the department makes available to the center the portion of the rate that would have been receive had the funds been delivered directly to the center. The distribution of the clinical rate is done automatically as the result of the department or center indicating the department’s org number in the “grant proposal submission.

The clinical department and the center administrators need to coordinate making the 8.065% center-related distribution available to the center. The School prescribed methodology to do this is to regularly transfer F&A funds from the clinical department F&A account to the centers F&A account. That procedure is linked in the references section of this policy.

This is the default distribution methodology. If a department chair and a center director come to a mutual agreement that alters the default distribution, then the two of them may work out an alternative arrangement and the associated details. If they are not able to come to a mutual agreement, then the default methodology prevails.

Related Resource:
UVA F&A distribution website
https://financialplanning.vpfinance.virginia.edu/installments-and-distributions

SOM Procedure for Transferring F&A Overhead
https://myuva.sharepoint.com/:b/r/sites/som/BudgetFinance/Procedures/Transfer
ring%20F%26A%20Funds%20Procedures%20061818.pdf?csf=1&e=KeQqe1
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