# Weitzman School of Design

# Indirect Cost Recovery

# Purpose

The Weitzman School depends on indirect cost recovery (ICRs) to offset a portion of the costs associated with administering and operating non-teaching activities within the School from funding received through Memorandums of Understanding (MOUs), gifts, research/consulting contracts, and research center activities that support its general operations. ICR is an alternative source of revenue other than tuition that supports faculty (see ICR Faculty Allocation Policy), space (where applicable), computing, utilities, library access, legal, insurance, accounting, payroll, and School and departmental administration.

Indirect Cost Recovery Rate

The indirect cost recovery rate\* is a fixed rate applied to the funding source. The University establishes different indirect cost recovery rates for various types of research and a set rate for gifts. The Dean and Associate Dean for Research set a *minimum* indirect cost rate for the School used across all funding sources.

Methodology

The methodology used to apply the indirect cost recovery rate varies by funding source.

* MOUs

The School will apply the *minimum* rate to the direct costs on all MOUs.

* Gifts

The University will apply the *set* rate on all gifts, except those with financial aid or professor/directorship purposes, to the total amount of the gift.

* Research/Consulting Contracts

The School will apply the appropriate rate to the direct cost of the project based on the University’s federal *pre-negotiated* rates, a *non-negotiable* rate allowed by the sponsor (i.e. foundations) or client, a *negotiated* rate between the Principal Investigator/Project Manager and the sponsor or client, or the stated rate in a fully executed cooperative agreement.

* Center Activities

The School will apply the *minimum* rate on research center activities that support the general operations of the center.

\*The School reserves the right to review the minimum rate and make any necessary changes.