

LAWRENCE UNIVERSITY INDIRECT COST POLICY FOR FEDERAL GRANTS  
UPDATED JUNE 2022

**Indirect Costs**

The following paragraphs describe the accounting of indirect cost recovery funding from federal grants.

**General Unrestricted Government Grants (#135001)**

A portion (50%) of the indirect cost funds will be placed in this fund. This fund supports the general operating budget.

**Replacement and Renewal Fund (# 165401)**

A portion (25%) of the indirect cost funds will be placed in an account dedicated to the support of scholarly and creative projects. Funds in this account will be administered by the Office of the Provost. The primary use of these funds is for the replacement and repair of equipment, particularly equipment purchased through grants, although final decisions about the assignment of funds will be at the discretion of the Provost. Expenditure must follow Lawrence University policy but is not subject to federal guidance.

The fund is set up as a “roll-over” fund. Any balance at the end of the fiscal year will be carried over into the next fiscal year.

**Faculty Indirect Cost Fund**

A portion (25%) of the indirect cost funds will be placed in an indirect cost fund to be used by the Principal Investigator (PI) responsible for the grant. These funds may be used for any professional development activity, including: travel for the faculty member or students; purchase of supplies, materials, services, or equipment; or payment of student research stipends at the standard rate. Use of the funds must be approved by the Office of the Provost, although the funds are intended to be available to the PI on a discretionary basis. Expenditure must follow Lawrence University policy but is not subject to federal guidance.

Funds in these accounts will be available to the PI during the lifetime of the grant, and extend through the entire fiscal year that follows a two year period after the grant closing date. This allows PIs to have two to three years to use the funding after the grant closes. Note, it is possible that a PI may have more than one federal grant that reimburses indirect costs. In these cases, the two year time frame will apply to the most recently awarded grant. **Upon reaching the fiscal year end, or in the event that the faculty member is no longer employed by the university, the balance within the faculty fund will be transferred to the Replacement and Renewal Fund (165401).** It is the responsibility of the PI to ensure the indirect cost funds are used within the allowed timeframe.

	June 3, 2022
Signature	Date
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	June 9, 2022
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