



# Standard Administrative Procedure (SAP)

## 15.01.01.L1.01 Indirect Cost Revenue Distribution

**First Approved:** June 8, 2012  
**Revised:** October 29, 2018  
**Reviewed:** December 20, 2023  
**Next Scheduled Review:** December 20, 2028

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### Procedure Statement and Reason for Procedure

This SAP establishes procedures for the distribution of and restrictions on the use of indirect cost (IDC) funds received to cover expenses related to research at the State level.

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### Procedures and Responsibilities

At the State level, the use of research-generated IDC funds is governed by Chapter 145 of the Texas Education Code. To comply with these requirements, the IDC distribution is as follows.

The Principal Investigators (PI's) of grants and the Colleges will be awarded 10% and 15% of IDC funds generated by conducting research (IDC-R), respectively, and ***the expenditure of these funds is limited to research-related expenses***. The Office of Grants and Contracts (OGAC) and the research functions of the Office of Research and Sponsored Projects (ORSP) will each receive 37.5% of IDC-R funds.

IDC funds generated from non-research related grants will be allocated per the following distribution schedule: 10% - PI, 15% - College, 25% - ORSP, 25% - OGAC, 10% - President, 7.5% - Provost, 7.5% - CFO. In the event that the PI does not belong to a respective College, the 15% will be allocated as follows: 7.5% - ORSP and 7.5% - OGAC. These funds, identified as IDC-NR, do not have the State restrictions imposed on IDC-R funds. Texas A&M International University (TAMIU) procedures on the appropriateness of and restrictions on all expenditures still apply.

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## Related Statutes, Policies, Regulations, or Rules

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[OMB Uniform Guidance Title 2 CFR, Part 200, Subpart E – Cost Principles](#)  
Texas Education Code [Chapter 145, Overhead Cost Recovery](#)  
[System Regulation 15.01.01, Sponsored Agreements – Research and Other](#)

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## Definitions

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**Indirect Cost (IDC) Funds** – Funds paid to the University based on expenditures of certain grant funds and for the purpose of covering overhead costs associated with administering the grant.

**Education Code Chapter 145** – The chapter in the Texas Education Code discussing appropriate uses for overhead cost recovery or indirect cost funds generated by conducting research.

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## Contact Office

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