



UNIVERSITY OF GUAM
UNIBETSEDAT GUAHAN
BOARD OF REGENTS

RESOLUTION NO. 16-32

RELATIVE TO MODIFYING THE INDIRECT COST RECOVERY ALLOCATION

WHEREAS, the University of Guam (UOG) is the primary U.S. Land Grant institution accredited by the WASC Senior College and University Commission (WSCUC) serving the post-secondary needs of the people of Guam and the region; and

WHEREAS, the governance and well-being of UOG is vested in the Board of Regents (BOR); and

WHEREAS, UOG requires financial stability and long-term viability to deliver its missions and sustain educational effectiveness; and

WHEREAS, the federal government, in addition to paying the direct cost of research, reimburses UOG for the indirect costs of research, referred to as Facilities and Administration Costs; and

WHEREAS, UOG, in turn, provides facilities, infrastructure and support for research; and

WHEREAS, part of UOG's research grants portfolio is now managed through the Research Corporation of the University of Guam (RCUOG), which was established by P.L. 32-114 in 2014 with the intent that it become a self-sufficient public corporation; and

WHEREAS, BOR Resolution No. 08-40 allocated indirect cost recovery: i) 16% to Facilities and Administration Costs account for purposes of fiscal soundness and general operations; ii) 42% to the unit generating the grant for purposes of research support and incentive; and iii) 42% to the President's Development Fund, net \$25,000 annually retained by the Board, for funding academic excellence initiatives, strategic planning, support for faculty and staff development and institutional development; and

WHEREAS, with the establishment of RCUOG, UOG needs to re-allocate indirect costs to support general overhead, research support, research incentive, and overall fiscal soundness; and

WHEREAS, the Administrative Council and Faculty Union have reviewed the proposed re-allocation of indirect costs; and

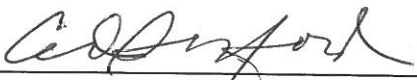
WHEREAS, the Administration and the BOR Committee on Budget, Finance, Investments and Audit, having reviewed and discussed the proposed purposes and allocations, recommend the proposal to the BOR for approval.

NOW, THEREFORE, BE IT RESOLVED, that the BOR re-allocates indirect cost recoveries as follows:

- i) 12% will be deposited into a Facilities and Administration Costs account for purposes of supporting fiscal soundness and general operations; and
- ii) 38% will be deposited to the unit generating the grant for purposes of research support and incentive, with a minimum of 50% of this amount going to the Principal Investigators (P.I.'s); and
- iii) 30% will be deposited to the President's Development Fund, net of \$25,000 annually retained by the Board, for funding academic excellence initiatives, strategic planning, support of faculty and staff development, and institutional development; and
- iv) 20% will be deposited to the RCUOG for the purpose of funding general operations of the Research Corporation with a near-term goal of self-sufficiency within three years.

This resolution supercedes all previous resolutions addressing the allocation of indirect cost recoveries.

Adopted this 22nd day of September, 2016.



Antoinette D. Sanford, Chairperson

ATTESTED:



Dr. Robert A. Underwood, Executive Secretary