RETURNED OVERHEAD PROCESS

WHY THE CHANGE – The purpose is to direct Returned Overhead to the unit performing administrative support on grants or contracts that have indirect cost charges.

This does not apply to grants where the administrative support is provided by on-campus departmental support staff or where no indirect costs are incurred.

HOW WILL IT HAPPEN? – Driven by the ORG number used by Sponsored Programs & Office of Post-Award Administration (OPAA formerly known as Research Accounting)

1. To be implemented for Grants & Contracts awarded FY 2006 and later;

2. Use County Org number on Proposal Worksheet submitted to Sponsored Programs and used by OPAA when setting up the grant index & fund;

3. ROH is distributed once per year, usually in late fall, by the OSU Budget Office;

4. Spending authority will be within a County-specific index within the University's general fund.
   - Has to stay within the general fund for proper calculation of the F & A indirect rates;
   - County-specific indexes will be created as needed (i.e. when there is ROH realized);
   - Managed by the County Staff Chair.

HOW MUCH WILL I SEE? –

1. Off-campus indirect cost rate currently is 26% - rates are renegotiated periodically so are subject to change over time.

2. Some grants or contracts limit the indirect rate to something less than the 26% or have no indirect costs charged.

3. OSU returns to units 26% of the recovered indirect costs. Put another way, 74% of the recovered indirect costs are retained and the balance is distributed to units as ROH.

(Note: the processes described in “How will it happen” and “How much will I see” were set by the OSU Budget Office and OSU Business Affairs Office)