

SUBJECT: Indirect Cost Allocation At USCB  
DATE: March 6, 2018  
Policy for: University of South Carolina Beaufort  
Issued by: USCB Academic Affairs Office  
Approvals: Cabinet, March 6, 2018  
Deans Council, September 18, 2017  
Number: 304

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**Direct costs** are the costs paid by award in support of a project that are specifically, directly attributable, allowable and allocable to the project. **Indirect costs** (also known as facility and administrative costs, or overhead) are those costs paid by a sponsor that are not directly allocable to a specific project but are paid to support other nonspecific research and service-related costs. In- direct cost rates paid by sponsors vary but are usually based on a percentage of direct costs.

Of the indirect costs recovered by USCB sponsored awards, 20% is retained by USC Columbia to defray costs associated with system wide research support.

Of the 80% allocated to USCB:

- 20% is allocated to the use of the Principle Investigator/Project Director
- 10% is allocated to the use of the Dean of the School of the PI/PD
- 50% is allocated to the use of the Executive Vice Chancellor for Academic Affairs, who will use these funds in support of USCB research expenses

PI/PDs and Deans are expected to use the funds for purposes related to their USCB responsibilities, e.g. conference or research travel or other professional development, research support, or student support. All expenditures must comply with South Carolina regulations concerning use of state funds.