

# ADMINISTRATIVE PROCEDURE – University of Maryland Extension

Subject: **Allocation of Designated Research Initiative Funds (DRIF) and Indirect Costs (IDC) within University of Maryland Extension (UME)**

Effective Date: **June 24, 2021**

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## A. **Purpose**

This Administrative Procedure describes the process that will be used to allocate Designated Research Initiative Funds (DRIF) funds that are generated by Indirect Costs (IDC) on funded grant projects.

## B. **Definitions**

**Indirect Costs (IDC)** – Indirect costs, sometimes referred to as Facilities and Administrative Costs (F&A), are those costs that are incurred for common or joint objectives, and cannot be easily and specifically identified with a particular sponsored project, an instructional activity, or any institutional activity.

**Designated Research Initiative Funds (DRIF)** - Funds provided to colleges, etc. to provide incentive for research that may not have a Contract & Grants (C&G) sponsor. The source of the funding is indirect costs from contracts and grants.

## C. **Procedure**

Many funded grant projects provide opportunities to allocate funds to DRIF when indirect costs are generated by project expenses. **IDC rates are set by the funding agency and the University**, respectively. The campus, provost, college, and department use the following formula to allocate IDC monies. *Note: the percentages may vary slightly by year.*

| <b>Allocation of Indirect Costs</b> |                   |                              |
|-------------------------------------|-------------------|------------------------------|
| <b>Recipients</b>                   | <b>Percentage</b> | <b>Example - \$1,000 IDC</b> |
| President's Office                  | 50%               | \$500                        |
| Provost, VPR, Grad School           | 22%               | \$220                        |
| College                             | 13%               | \$130                        |
| Department                          | 15%               | \$150                        |
| <b>Totals</b>                       | <b>100%</b>       | <b>\$1,000</b>               |

Within the UME Department, the funds (currently 15%) are split equally between the department and the Principal Investigator (PI) or between the Department, PI and Co-Principal Investigators (CoPI's).

| <b>Example 1 – Department &amp; PI</b> |            |              |
|--|------------|--------------|
| Department                             | 7.5%       | \$75         |
| PI                                     | 7.5%       | \$75         |
| <b>Total</b>                           | <b>15%</b> | <b>\$150</b> |

| <b>Example 2 – Department, PI, &amp; Co-PI's</b> |            |                 |
|--|------------|-----------------|
| Department                                       | 7.5%       | \$75.00         |
| PI   | 3.75%      | \$37.50         |
| Co-PI  | 3.75%      | \$37.50         |
| <b>Total</b>                                     | <b>15%</b> | <b>\$150.00</b> |

The distribution will follow the percentages of Credit/DRIF allocation for the project. Percentages of Credit/DRIF for each PI or Co-PI are designated in Office of Research Administration's (ORA's) routing system at the proposal stage and signed by the PI(s), Associate Director/Chair, and Dean.

**D. Additional Comments**

- IDC or DRIF funds are returned to the Department usually with a 1-2 year lag time.
- The DRIF/Credit split is project-specific. The percentage of the DRIF/Credit will determine the allocation among PI or Co-PIs listed on the Internal Routing Form (Line 8, Principal Investigator/Co-Principal Investigator PI Name, % Credit for Investigator).
- The DRIF/Credit percentages need to be discussed and agreed upon by PIs and Co-PIs at the proposal development stage before it is routed to the University. If there is a change after the proposal is funded, PI and Co-PIs can request a revision of DRIF/Credit percentages.

Please contact your [AgPAS administrator](#) if you need assistance.