**School of Arts & Humanities**

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| Policy | **Shortfalls arising from ICC levied on Donations** |
| Policy Owner | **Resources and Planning Group** |
| Policy Administrator | **School Finance Manager** |
| Policy Approved By | **Resources and Planning Group** |
| Approval Date | **05/11/2024** |
| Review Date | **31/07/2025** |

**Scope**

This paper is to introduce a policy to define the financial treatment of overhead shortfalls on gifts/donations made for the purpose of research between the School and its Institutions.

**Background**

Non-Chest funded staff are subject to ICC (Indirect Cost Charge) of 30%, the purpose of which is to recognise and recover part of the central and local infrastructure costs of non-Chest funded activity. Staffing posts supported by gifts/donations brought in through CUDAR are not exempt from being charged full ICC.

Donors may contribute less towards overheads than that which is levied in the University’s 30% ICC. This can cause a shortfall within the Institution in receipt of this donation.

**Financial Policy Statement**

All research donations are expected to cover both direct and indirect costs. If a donation does not fully cover the ICC, the Institution should use funds from a different source within the Institution to manage this shortfall or liaise with CUDAR to discuss additional or alternative methods of funding with the donor.

It is the responsibility of the Institution to underwrite any overhead shortfall within their local financial capacity. Departments should manage their portfolio of funding to include managing overhead shortfalls.

When possible, Institutions should negotiate with donors to secure funding to cover the full ICC, or request that the donation explicitly includes the overhead costs.

Prior to acceptance of funding, the School Finance Business Partner will verify that shortfalls in overheads will be covered by the Institution.

**Review and Amendments**

This policy will be reviewed annually by the School Finance Department.

Amendments to the policy must be approved by School Officers and RPG before coming into effect.