

**Stanford University
School of Medicine
Policy on Indirect Cost Crossovers Between Departments**

The development of the Operating Budget each year includes a determination of the amount of indirect costs to be allocated to each department. One of the factors that impact this allocation is the amount of indirect costs generated by each department, which in the past has been adjusted by crossovers between departments. An indirect cost crossover policy is necessary in order to establish uniform procedures in accounting for crossovers and to encourage understanding and cooperation among principal investigators and department administrators that will enhance research efforts in the school.

Definition of indirect cost crossovers: Principal Investigators (PI) often collaborate with investigators or staff in other departments and agree to provide grant funds for the work of the collaborating investigator/staff. Along with the expenditure of these grant funds comes the associated indirect costs that are applied to specific direct costs of the grant. The indirect costs applicable to the direct costs of the collaborating investigator/staff are indirect cost crossovers and are defined as recoveries of indirect costs from the department whose PI was awarded the grant or contract to the department administering a portion of the grant or contract. The administration of the grant/contract includes the management of the purchase of laboratory equipment, supplies or services and/or the management of the pay of faculty and staff who are charged to the grant/contract.

Policy on indirect cost crossovers: Effective September 1, 2005, if requested by the department of the collaborating investigator/staff, all crossovers must be documented with the establishment of a separate project task assigned to the requesting department.

All School of Medicine departments are urged to establish these separate project tasks whenever collaboration occurs between two or more departments.

When establishing these tasks:

- the organization code must be that of the requesting department
- the task owner must be the name of the faculty member who is the collaborating investigator or the faculty supervisor of the staff member or the PI of the grant must remain the task owner*
- the task manager must be the name of an individual (normally a staff member with financial responsibility) identified by the requesting department.

The establishment of this project task is the responsibility of the department whose PI has been awarded the grant/contract.

The requesting department will be responsible for any over-expenditure of grant/contract funds beyond the expense control amount established by the department awarded the grant/contract.

Should the requesting department fail to take the steps necessary to clear any over-expenditure of grant/contract funds, the Controller of the School of Medicine may unilaterally transfer these expenses to the requesting department's executive fund.

*Per the RPH 3.2.5, the PI or Co-PI of a sponsored project, "may only delegate review and certification to a participating Academic Council member or PI eligible individual who is responsible for the portion of the statement of work for which they are responsible. The designee must be identified as the Task Owner in the accounting system."