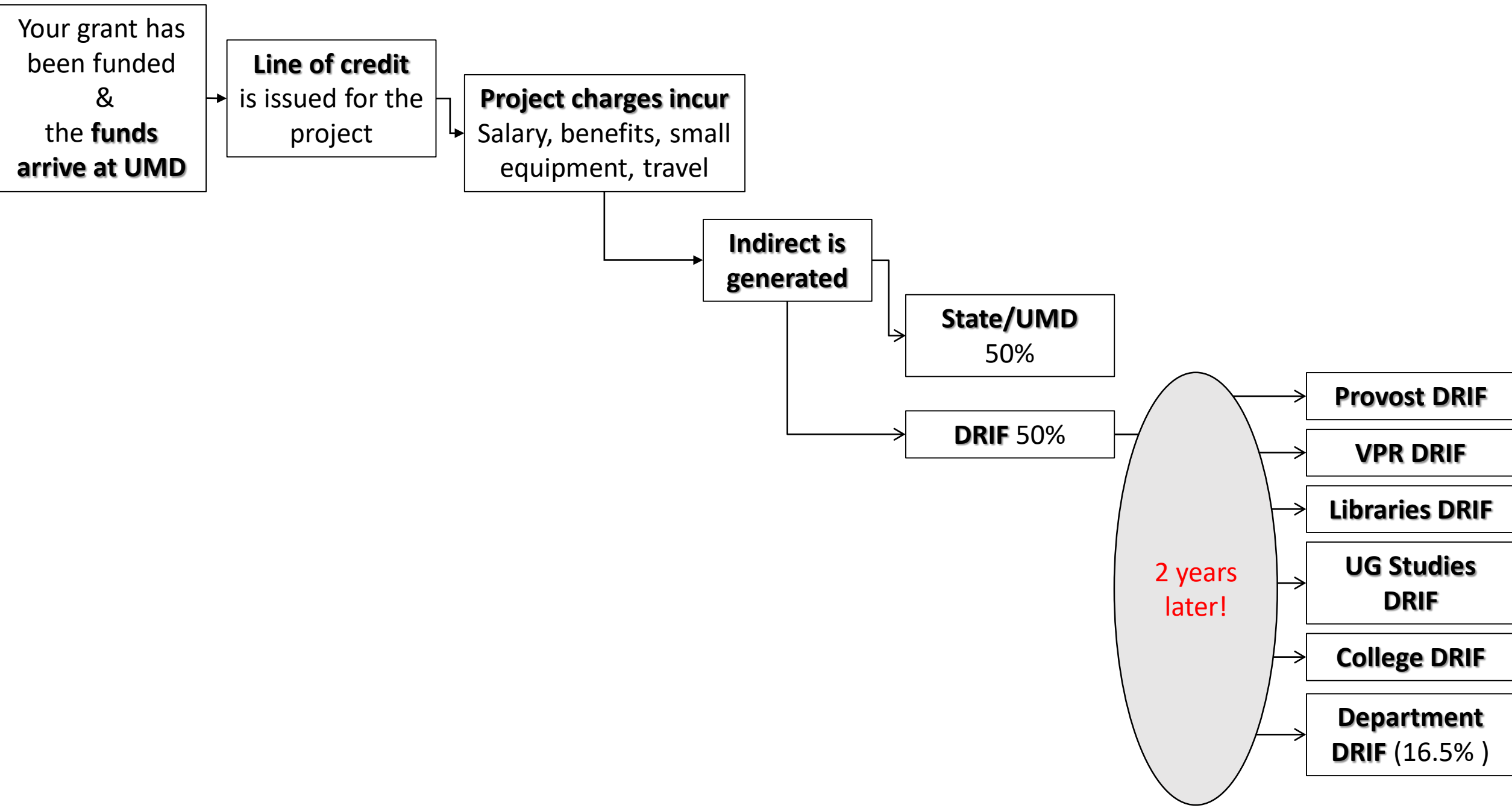# OVERHEAD... DRIF... A21...

What do all these terms mean?

What kind of money are we talking about?
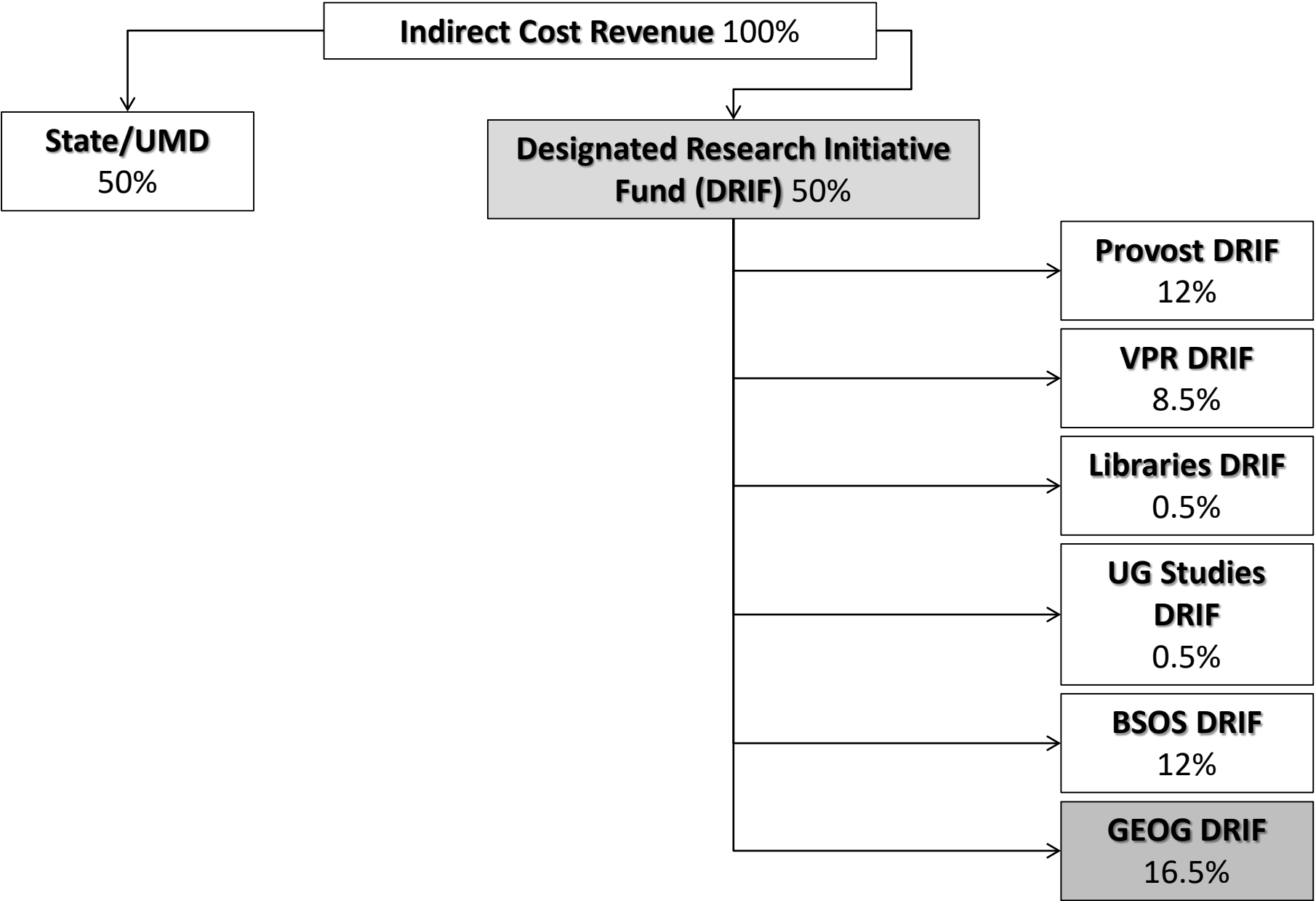
What do we actually get?

OVERHEAD or INDIRECT COST REVENUE

- UMD negotiated rate that is approved by Federal Agencies
- Some organizations (NGO, Foundations, etc) have written policies on indirect return which are different than the approved rate (but those are not generally welcome by UMD)

- Overhead pays for facilities and services provided by the University and can be conceptually compared to taxes → your "tax dollars" are distributed to pay for the common goods and services even though you personally may not be eligible to benefit from those

BUT

- A portion of your overhead trickles down the chain and is returned to support research and individual PIs

```
┌─────────────────┐     ┌─────────────────┐     ┌──────────────────────┐
│ Your grant has  │     │ Line of credit  │     │ Project charges incur│
│  been funded    │ ──▶ │ is issued for   │ ──▶ │ Salary, benefits,    │
│      &          │     │  the project    │     │ small equipment,     │
│ the funds       │     │                 │     │ travel               │
│ arrive at UMD   │     │                 │     │                      │
└─────────────────┘     └─────────────────┘     └──────────────────────┘
```

```
                        ┌──────────────┐     ┌──────────────┐
                        │ Indirect is  │ ──▶ │ State/UMD    │
                        │ generated    │     │ 50%          │
                        └──────────────┘     └──────────────┘

                                         ┌──────────────┐
                                     ──▶ │ DRIF 50%     │
                                         └──────────────┘
```

2 years later!

- **Provost DRIF**
- **VPR DRIF**
- **Libraries DRIF**
- **UG Studies DRIF**
- **College DRIF**
- **Department DRIF** (16.5%)

Designated Research Initiative Funds (DRIF)

- Indirect is not generated until direct charges (salary, benefits, other direct costs) are charged to account.
  - Delayed start/underspending delays the generation of indirect.

- DRIF return is based on indirect generated two years earlier.

  - FY22 indirect totals will be used to calculate FY24 DRIF return.

  - 50% Indirect goes to state/facilities support.

  - Remaining 50% becomes DRIF return distributed to multiple units.

```
Indirect Cost Revenue 100%
├── State/UMD
│   50%
└── Designated Research Initiative
    Fund (DRIF) 50%
        ├── Provost DRIF
        │   12%
        ├── VPR DRIF
        │   8.5%
        ├── Libraries DRIF
        │   0.5%
        ├── UG Studies DRIF
        │   0.5%
        ├── BSOS DRIF
        │   12%
        └── GEOG DRIF
            16.5%
```

Indirect Cost Revenue
Designated Research Initiative Funds (DRIF)
(In Millions)

Indirect Cost Revenue		$60.0
DRIF Allocation		50%
DRIF Funding		$30.0
DRIF Distribution		
Departments	33%*	$9.9
Provost	24%	$7.2
College	24%	$7.2
VP Research	17%	$5.1
Undergraduate Studies	1%	$0.3
Library	1%	$0.3
Total DRIF Distribution	100%	$30.0

* ~16% of generated indirect.

Example only. Distribution may vary depending on actual recovery
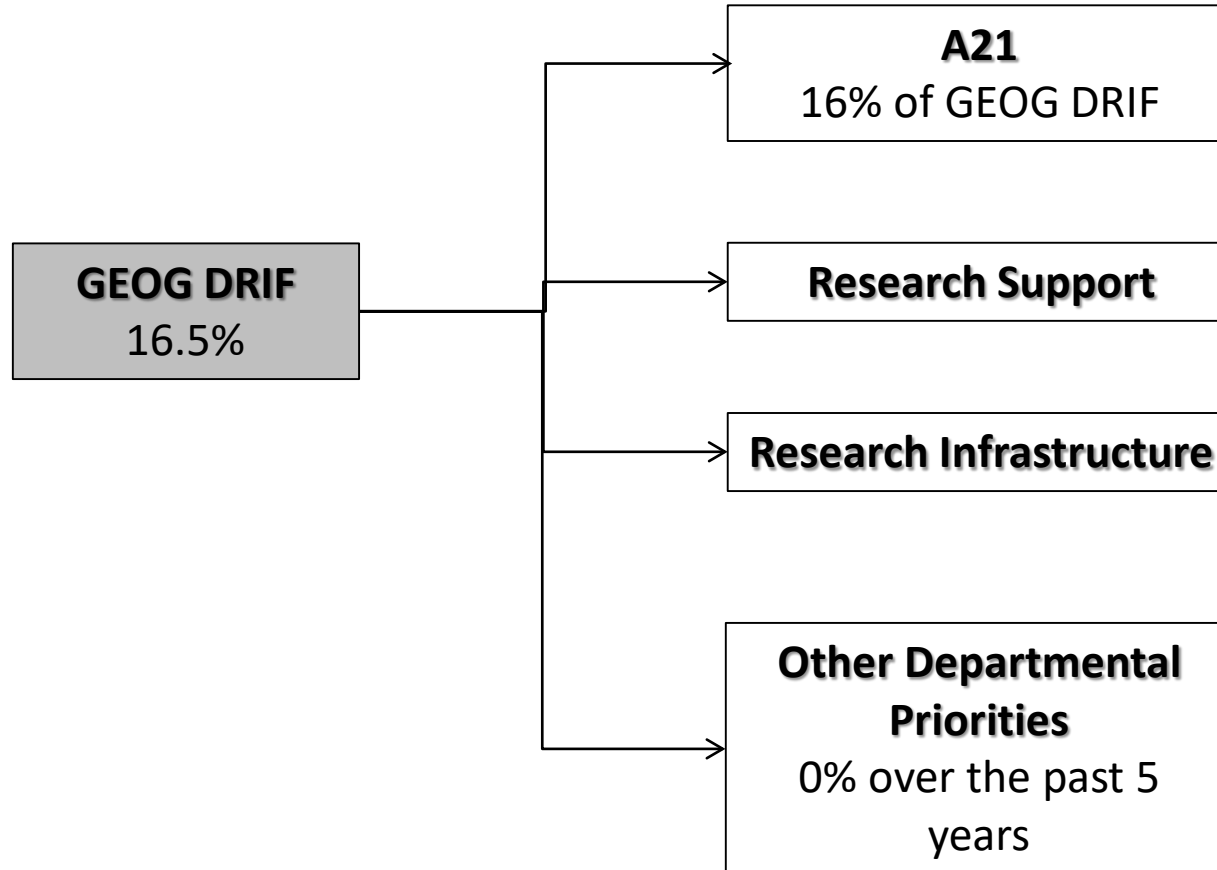
GEOG DRIF funds balance

		FY17	FY18	FY19	FY20	FY21	FY22		Total	
DRIF		407,833	483,559	467,905	477,562	482,738	589,747		2,909,344	
A21 allocation to PIs		-65,253	-77,369	-74,865	-76,410	-77,238	-94,360		-465,495	
Research Admin*		-235,721	-235,721	-260,333	-260,333	-260,333	-331,261		-1,583,702	
Network charges		-96,805	-96,805	-96,805	-96,805	-96,805	-96,805		-580,830	
Infrastructure**									<u>-573,137</u>	committed
							Total		**-293,820**	

*Assistant Director of Research and Financial Research Coordinators.

Does not include DAS, ADAS, Business Managers, Admin Faculty Specialists, or IT

**   HPC, HADOOP Cluster, GeoViz Room River Road, - money committed to get matching funds spent over several years

A21 – the research money with fewer strings attached

- Not tied to any individual grant and therefore can support expenditures that cannot be authorized under specific grant restrictions, e.g.
  - Materials and supplies (as simple as pencils an books)
  - Supplies that will be used across multiple projects
  - Publications after grants already finished
  - Travel to a conference for a grad student not linked to exact project topic
  - Visa processing for visitors or new hires
- Funds arrive aggregated across all projects (lump sum) and are reapportioned at the Department level upon arrival

Reapportioning lump sum A21 to PIs

- We can support only a manageable number of A21 accounts – organize around PIs or funded projects
- All Department research personnel are attributed to research groups led by one PI
  - Majority cases: if someone is a PI of a project, they have their own A21 account
  - Few cases: some groups are bundled together based on their research coherence (e.g. GLAD, HARVEST)

Calculation of A21 PI-specific budget

- Step 1: Personnel-based allocation to account for group size
  - $400 per research staff member of the group @100%FTE ($200 per GRA).

- Step 2: Proportional distribution of the remaining balance
  - based on the percentage of indirect generated by the PI for the previous fiscal year. (i.e. PI X generated 10% of indirect, they get 10% of remaining balance.)

COVID-19 + challenges

- Due to staffing issues and COVID, the Department has not provided PI-specific budget totals recently

BUT

- The Department has instructed all RCs to allow PIs to charge to A21 funds to support anything that should not be direct charged to the projects

Future of research support from DRIF & A21

- We will start issuing PI-centered A21 allocations again
- We are open to reconsidering the design for allocations but would rather do that sooner rather than later
- We welcome input from the community with the caveat that the execution of the proposed system cannot present a higher administrative burden on staff – there is no slack in the admin team.