Last Revised June 21, 2017

Overhead Return Policy

Overhead return is calculated as follows:

10% of overhead generated in the prior fiscal year for Organized Research on-campus awards that have been funded at the full negotiated rate.

5% of overhead generated in the prior fiscal year for Organized Research on-campus awards that have been funded at an agency capped rate.

5% of overhead generated in the prior fiscal year for Organized Research off-campus awards that have been funded at the full negotiated or agency capped rate.

5% of overhead generated in the prior fiscal year for Other Sponsored Activities awards, whether on- or off-campus, that have been funded at the full negotiated or agency capped rates.

Overhead return is not applicable to projects that have overhead waived.

Awards requiring cost share are eligible for overhead return provided that:

1) Overhead on the award is not waived.

2) When cost share is provided by an external third party, the research accountant administering the award verifies that the third party is meeting its full cost share commitment and that the third party cost share contributions are a) verifiable from the third party's records; b) not included as contributions for any other Federal award; c) necessary and reasonable for accomplishment of project or program objectives; d) allowable under Subpart E –Cost Principles; e) are not paid by the Federal government under another Federal award except where approved by Federal statute to be used for matching or cost sharing requirements; and f) provided for in the approved budget when required by the Federal awarding agency.

NOTES:

1) Overhead return is not applicable to groups which use the separately negotiated and approved EMRTC overhead rates, as overhead is returned for those organizations in the Banner system on a monthly basis.
2) Overhead return on awards that are over budget at the end of the period of performance will be adjusted to refund NMT for any excess return received in current or prior years.

Last Revised June 21, 2017

Overhead Return Procedure

Groups eligible for overhead return include, but are not limited to, the following:

All academic departments
Bureau of Geology and Mineral Resources
Petroleum Recovery Research Center
Other groups that are awarded external sponsored project funding such as IRIS Passcal, MRO, Cave and Karst, Bureau of Mine Safety, Tech Transfer, Academic Affairs, the academic deans, and Research and Economic Development (R&ED).

Overhead return is not applicable to groups which use the separately negotiated and approved EMRTC overhead rates, as overhead is returned for those organizations in the Banner system on a monthly basis.

Overhead return is calculated by the Cost Accounting office after fiscal year end on the following basis:

10% of overhead generated in the prior fiscal year for Organized Research on-campus awards that have been funded at the full negotiated rate.

5% of overhead generated in the prior fiscal year for Organized Research on-campus awards that have been funded at an agency capped rate.

5% of overhead generated in the prior fiscal year for Organized Research off-campus awards that have been funded at the full negotiated or agency capped rate.

5% of overhead generated in the prior fiscal year for Other Sponsored Activities awards, whether on- or off-campus, that have been funded at the full negotiated or agency capped rates.

Overhead return is distributed annually by the Cost Accounting office to individual or departmental overhead return funds, generally 122xxx funds.

Overhead return on awards that are over budget at the end of the period of performance will be adjusted to refund NMT for any excess return received in current or prior years. This is accomplished by either netting current overhead deficits against overhead on other active awards or by reducing previously credited overhead return, e.g., Debit 122xxx (Individual Overhead Return Fund) / Credit 103004 (Overhead Return Fund)

Overhead return can be utilized to pay deficits on external awards, to provide cost share for external awards, to pay for student salaries, supplies, travel, professional licenses, books, and other related professional expenses.

Overhead return cannot be used to pay faculty or other professional salaries or for alcohol.