

**R535-1. Purpose:** To provide policy guidelines for institutional budgeting, accounting and reporting of reimbursed overhead revenues and expenditures.

## R535-2. References

- 2.1. Utah Code [§53B-7-104](#) (Retention of Net Reimbursed Overhead Revenues)

## R535-3. Definitions

- 3.1 **Reimbursed Overhead Revenue:** Reimbursed overhead revenue is recovery from contracts or grants designated to reimburse the institution for associated overhead expenses.

## R535-4. Policy

- 4.1. **Not a Dedicated Credit:** Reimbursed overhead is not considered a dedicated credit.
- 4.2. **Retained for Support of Research and Related Programs:** Institutions shall retain all research related reimbursed overhead recovery for the support of research and related programs.

4.2.1 Suitable uses of reimbursed overhead funds in support of research include but are not limited to:

- Costs of recruiting and retaining key researchers
- Significant operations and maintenance costs that support research programs
- Graduate student support
- Funding for the development of new research initiatives
- Direct support of specific research programs
- General research support of entities critical to the research program
- Facilities, student, academic, and institutional support
- Cooperative extension programs as a means of extending research results to Utah citizens

4.3. **Annual Report to the Board:** Each institution shall submit an annual report to the Board of Regents as part of the annual budget cycle in a format provided by the Office of the Commissioner. The report shall include an accounting of all reimbursed overhead recovery received during the previous fiscal year. The institution shall report a detailed accounting of how it distributed the funds, specifically identifying the separate uses of reimbursed overhead funds for direct and indirect research support and other related programs. The institutions shall report actual reimbursements and expenditures for the prior fiscal year, and budgeted reimbursements and expenditures for the following fiscal year.

4.4. **Reporting to the Legislature:** The Office of the Commissioner shall provide the report outlined in Section 3.3 to the Legislature through the Office of the Legislative Fiscal Analyst.

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<sup>1</sup> Approved November 23, 1971, amended November 28, 1972, May 25, 1973, October 20, 1976, July 1, 1980, April 21, 1981, March 16, 1982, May 24, 1991 and January 22, 2016, when both R535 and R536 were replaced.

**4.5. Accounting Standards:** In accounting for reimbursed overhead, each institution shall comply with financial accounting and reporting standards as outlined in the "NACUBO Accounting Manual for Higher Education."