

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. Policy

- 3.1. **Not a Dedicated Credit:** Reimbursed overhead is not considered a dedicated credit.
- 3.2. **Retained for Support of Research and Related Programs:** All reimbursed overhead revenues shall be retained by the institution for the support of research and related programs.
 - 3.2.1. Related programs include expenditures for instruction, public service, necessary physical plant, and student, academic and institutional support.
 - 3.2.2. Institutions shall apply reimbursed overhead to direct and indirect support of research programs in approximately the proportion of such funds earned on research contracts to total reimbursed overhead revenues.
- 3.3. **Annual Report to the Board:** Each institution shall submit an annual report to the Board 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 revenues received during the most recently completed fiscal year. The report shall also include a detailed accounting of the expenditures of such funds, specifically identifying the separate uses of reimbursed overhead funds. In addition to the reporting of actual revenues and expenditures, budgeted revenues and expenditures for the current fiscal year, and planned revenues and expenditures for the following fiscal year shall be reported.
- 3.4. **Reporting to the Legislature:** The report outlined in Section 3.3 shall be provided to the Legislature, through the Office of the Legislative Fiscal Analyst.
- 3.5. **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."

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