Indirect Cost Recovery for Externally Funded Research Activities Policy

UNIVERSITY OF CANBERRA

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In developing this policy the University had regard to the provisions of section 40B(1)(b) of the Human Rights Act 2004 (ACT).

PURPOSE:

1. This Policy states the University's requirements for indirect cost recovery for externally funded research activities.

SCOPE:

2. This Policy applies to:

- All University of Canberra staff and affiliates (academic, professional, honorary appointments) undertaking research activities.
- All externally funded research activities that use University's resources, unless otherwise expressly stipulated by the funding body.

PRINCIPLE:

3. **Full Cost recovery principles**

- The University recognises that there are direct and indirect costs to the University in undertaking externally funded research activities.
- All externally funded research activities (except those exempted as below) must be fully costed to take into account of all direct and indirect costs of undertaking the work that complies with *the Competition and Consumer Act* to ensure meeting the requirements for competitive neutrality and avoidance of anti-competitive practices.
- Forms of external research funding usually exempt from this indirect cost recovery process include:
    - projects funded by Australian Charitable Trusts/Foundations;

    - funding from Non-For-Profit organizations which have a published policy stating that they do not pay indirect costs or at rate lower than 25%;
    - bona-fide donations;
    - funds specifically for a student stipend (i.e. funding for an HDR Scholarship as part of a larger funded research project is not exempt from the recovery of indirect costs); and
    - funds where the funding body's guidelines expressly prohibit funding indirect costs.

- For all externally funded research activities, the University will apply indirect cost recovery levy, at the level of **minimum** 25% of the total externally funded project cost.
- The University may determine funds providers and funding schemes where a reduced indirect cost recovery rate can be applied. The delegate for reducing the indirect cost recovery is Deputy Vice Chancellor Research and Innovation.

4. **Recovery of indirect cost**

- In engaging in externally funded research activities, the University incurs real indirect costs that are associated with services that are associated with but not limited to administration, facilities, cleaning and maintenance, information and computing services, legal services, library, etc.
- The University asserts the right to apply indirect costs recovery levy of **minimum** 25% of the total externally funded project cost.
- In some cases, externally funded research activities have greater demand on the University's resources and infrastructure. The Executive Dean can request the DVCRI to approve a rate in excess of the minimum of 25%.
- The specified indirect cost recovery will be charged to the activity related cost centre on a quarterly basis.

5**. Distribution of indirect cost recovery fees**

- The recovery of indirect costs associated with externally funded research activity will be distributed between Faculty and the Office of the DVCRI. Should more than one Faculty be involved, the Faculty's indirect costs recovery should be distributed on a pro-rata basis between the number of Faculties involved and, by agreement as to the pro-rata rate by each Faculty.
- If the minimum indirect cost recovery of 25% is applied, indirect cost recovery distribution is as following:
    - 15% of indirect cost recovery to be distributed to the Faculty
    - 10% of indirect cost recovery to be distributed to the Office of DVCR&I

- If the indirect cost recovery applied is higher than 25%, the indirect cost recovery fee distribution is as following:

- (Applied Levy % -10%) of indirect cost recovery to be distributed to the Faculty
- 10% of indirect cost recovery to be distributed to the Office of DVCR&I

- If the reduced rate of indirect cost recovery is applied due to the specific requirements stipulated in the funding agreement or if approved by DVCR&I, the apportionment of the applied indirect cost recovery is as following:

- (Applied levy %)*0.6 of indirect cost recovery to be distributed to the Faculty
- (Applied levy %)*0.4 of indirect cost recovery to be distributed to the Office of the DVCR&I.

6. **Treatment and use of recovered funds**

- Use of the Indirect Cost recovery distributed to the Office of DVCR&I will be used to support research activity at the discretion of DVCR&I.
- Use of Indirect Cost recovery distributed to the Faculty will be used to support research activity at the discretion of the Executive Dean or authorised delegate.

RESPONSIBILITIES:

Who	Responsibilities
Deputy Vice Chancellor Research and Innovation	Owner of the policy
Director Research and Innovation Services	Contact for the policy

LEGISLATION:

This policy is governed by the *University of Canberra Act 1989 (ACT)*. In developing this policy, the University has had regard to the provisions of section 40B(1)(b) of the *Human Rights Act 2004 (ACT).* https://www.canberra.edu.au/Policies/PolicyProcedure/Index/61

SUPPORTING INFORMATION:

Charter of Conduct and Values
Policy Consultancy Management
Research Cost Centre Management Policy
Research Cost Centre Management Procedure
Delegations of Authority Policy
Responsible Conduct of Research Policy

DEFINITIONS:

Externally Funded Research Activities	Externally Funded Research Activity is usually initiated by a research application through a competitive process, or may be a jointly-initiated collaborative project between the University and an external agency (industry, government, commercial organisation etc), or may follow from a specific request from an external agency for a research project to be undertaken. These activities also include consultancies where research is a component of the activities provided.
Delegated Officer	Deputy Vice Chancellor Research and Innovation (DVCR&I)
Direct Cost	Means all costs directly attributed to an activity and funded externally including: • Salary and salary on-costs for all staff involved in the activity • Non-salary costs including material and supplies, travel, equipment and components, and provision of communications
Indirect Cost	Means all cost incurred by the University in supporting an activity, but which usually cannot be directly attributed to individual projects. This includes, but is not limited to: • providing utilities; • cleaning and maintaining buildings; • providing and maintaining information technology and computing services, systems and other infrastructure; • management, legal and accounting costs; • procuring equipment or recruiting personnel; • providing and maintaining libraries; and • insurance necessary for the activity.
Indirect cost recovery	Means minimum fee required by clause 4 of this Policy.
Full Cost	Means the total of the direct and applicable indirect costs of an activity.
Fund Providers	External organisation or individual who provides funding for specific research activity.