



Indirect Cost Recovery Procedure

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Custodian: Deputy Vice-Chancellor (Research and Enterprise)

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

1. PURPOSE:

1.1. The purpose of this procedure is to outline the process for the calculation and distribution of indirect research costs associated with externally funded research activities.

2. SCOPE:

2.1. This policy applies to all research carried out by University of Canberra staff, students, and affiliates (academic, professional, honorary appointments) under the auspices of the University of Canberra.

2.2. Consultancy income and levies are excluded from this policy. For consultancy income refer to Consultancy Management Procedure.

3. PROCEDURE:

3.1. All external research funding applications must include a minimum indirect cost recovery levy of 25% of the research costs (e.g., if the cost of the research is \$100,000, the indirect research costs are \$25,000 resulting in a total funding submission of \$125,000), unless one of the following exemptions applies:

3.1.1. The application is to a funding body that explicitly prohibits the inclusion of indirect research costs

3.1.2. The funding body stipulates an indirect cost rate of less than 25%, in which case the maximum permissible rate must be included

3.1.3. The application is for funding by Australian Charitable Trusts/Foundation

3.1.4. The application is for funding from a Not-For-Profit organisation which have a published policy stating that they do not pay indirect costs

3.1.5. The application is for use of Bona-fide donations

3.1.6. The application is specifically for a student stipend.

3.2. The Deputy Vice-Chancellor, Research & Enterprise (DVCR&E) may approve a reduced indirect cost recovery rate in exceptional circumstances. Researchers seeking a reduced rate must submit a 'Request for Reduction of Indirect Cost Recovery Charge' form, that provides a justification of the reduced rate, to Research Services to process.

3.3. The recovery of indirect costs associated with externally funded research activities will be distributed between the relevant Faculty and the Office of the DVCR&E, journalled monthly by Grant Accounting Services, as follows:

3.3.1. For grants less than \$10,000 the full levy is returned to the faculty

3.3.2. For grants greater than \$10,000 the levy is distributed as follows:

3.3.2.1. 40% of the levy goes to the R&E portfolio (capped at \$5,000 per award) and 60% to the faculty, for reinvestment in research-activities. Where the levy to R&E is capped, the remaining levy is allocated to the faculty.

3.3.2.2. Where the named UC Chief Investigators are in different faculties the IDC is split proportionately between the relevant faculties based on the number of Chief Investigators, unless a different arrangement is specifically negotiated between the faculties.

3.4. Indirect costs recovered are to be used to support additional research and research related activities.

4. ROLES AND RESPONSIBILITIES:

Who	Responsibilities
Researchers	Ensure that all applications include 25% indirect research costs unless exempt (see Clause 3.1). Any request for exemption from inclusion of indirect costs and/or a reduced rate must be made to the DVCRE on the required form.
Grant accounting services	Ensure that the indirect research cost income is distributed as per this procedure.
DVCRE and Faculties	Ensure that indirect research cost income is used to support research-related activities. Ensure that indirect cost recovery income use is reported annually.

5. IMPLEMENTATION AND REPORTING:

5.1. Grant Accounting Services will ensure that the levy is journalled according to this procedure.

5.2. The DVCRE will report annually to Faculties on use of indirect cost income allocated to DVCRE.

5.3. Each Faculty will report annually to the DVCRE on use of indirect cost income, including proposed future use.

6. GOVERNING POLICY AND LEGISLATION:

6.1. This procedure is governed by the *University of Canberra Act 1989* (ACT).

7. SUPPORTING INFORMATION:

Supporting information for this procedure:

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