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Parent Policy: Financial Management and Practices Policy

Indirect Costs of Research Procedure

Office of Administrative Responsibility:	Office of the Vice-President (Research)
Approving Authority:	Vice-President (Research) Vice-President (University Services, Operations and Finance)

Purpose

Research is expensive. Maintenance of and improvements to infrastructure and related administration requires ongoing reinvestment on a significant scale. For this reason, research project funding should cover the full costs incurred in support of research.

If **indirect costs** are not recovered in research project funding, the University absorbs these costs from other revenue sources which can negatively affect other University operations. This is not acceptable since the intent is to recover the full costs of research.

The purpose of this procedure is to state the University of Alberta's position with respect to the recovery of indirect costs for all research funding, and identify the distribution of indirect research costs.

Definitions

The attached definitions table outlines the terms used in this procedure and any specific rules of interpretation that apply.

Scope

This procedure applies to all individuals eligible to apply for and hold research funding including Academic Staff and Colleagues, excluded staff, professor emeriti, undergraduate and graduate students, post-doctoral fellows and to all persons who hold research projects.

Procedure

1. PRINCIPLE

Indirect costs must be included in research project funding, as outlined below, unless the sponsor has more restrictive, publicized terms or policies regarding indirect costs.

2. RATE

   The University of Alberta's indirect costs rate is 30% of total **direct costs** or the maximum allowable rate as published by the sponsor.

   The indirect costs rate for those grants, contracts and proposals in place on the effective date of this Procedure will be honored until the end of the grant or contract, or until the time of renewal.

3. DISTRIBUTION

   Indirect costs shall be distributed to the faculty that holds the research project generating indirect costs.

4. EXCEPTIONS

   The University does not wish to disadvantage its researchers by refusing to sanction applications to granting organizations with formal regulations against paying indirect costs. However, the University may decline to accept funding from such sources if indirect costs are not recoverable. The University's capacity to absorb the indirect costs associated with these funding sources is extremely limited.

   The University may accept modified indirect cost rates and distributions from government and non-profit agencies when there is sufficient evidence that the modified rates are applied to all Canadian universities. Indirect costs will not apply to matching funding for awards involving contributions from Tri-Agencies and partner organizations to the University. Any other modified indirect cost rate must be approved by the Dean.

Definitions

Any definitions listed here apply to this policy document only with no implied or intended institution-wide use.	
Direct Costs	Expenditures directly attributable to a research project. Direct costs include but are not limited to: a. salaries and benefits of employees working on a research project; b. equipment; c. consumables; d. travel
Indirect Costs	Expenditures incurred in the conduct of research that are not readily or effectively traceable to specific expense activities, yet are real costs that must form part of the budget for a research project. Examples include maintenance, caretaking, utilities, financial and agreement management, human resource services and information technology.

Related Links

- There are no related links for this procedure.

For questions surrounding policy document interpretation or implementation, please contact the Office of Administrative Responsibility.

The official version of this document may be obtained from https://www.ualberta.ca/policies-procedures/index.html