

Original Approval Date: March 2, 2001

Most Recent Approval Date: December 13, 2013 Effective Date: January 1, 2014

Parent Policy: [Financial Management and Practices Policy](#)

Indirect Costs of Research Procedure

Office of Administrative Responsibility:	Research Services Office
Approver:	Vice-President (Finance & Administration) and Vice-President (Research)
Scope:	Compliance with this University-wide procedure is extended to all members of the University community.

Overview

Research is expensive. Maintenance of and improvements to research infrastructure require ongoing reinvestment on a significant scale. For this reason, research project funding should cover the full costs of the research allowable under University policy. A research project budget must include both indirect and direct costs wherever possible. This Procedure applies to all research funding except Tri-Council funds.

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

Purpose

To state the University of Alberta's position with respect to the recovery of indirect costs for all research funding except Tri-Council funds, and

Identify the distribution of indirect research costs.

PROCEDURE

Prior to any commitment of University resources to a research project, the Vice-President (Research) requires indirect cost recoveries in all research contracts, research grants, technical services agreements, flow through contracts and clinical trials, except where expressly prohibited by the granting organization.

Indirect costs will be deducted from research funds received, except in those instances where a sponsor's formally established research policy expressly prohibits or limits their recovery.

Indirect costs shall be allocated in the following manner except where expressly prohibited by the granting organization:

Faculty (ie, Dean)	85%
Central Administration	15%

Researchers must apply for 20% indirect costs relative to the total cost of the research agreement with the exception of Tri-Council grants.

While the University does not wish to disadvantage its researchers by refusing to sanction applications to granting organizations with formal regulations against paying indirect costs, 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.

Where capital expenditures promote long-term benefits to the University, the University may elect to contribute its own resources to offset a portion of the actual indirect costs. In all cases, the prior written approval of the Department Chair, Dean and Vice-President (Research) is required.

DEFINITIONS

Any definitions listed in the following table apply to this document only with no implied or intended institution-wide use. [\[▲Top\]](#)

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.
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