Indirect Cost Recovery (Research) Guideline

Section 1 - Introduction

(1) To ensure that all externally funded research activity undertaken by the University of Newcastle (University) includes the provision to recover the indirect costs associated with that activity.

Section 2 - Audience

(2) University researchers and Professional staff supporting researchers.

Section 3 - Guidelines

(3) An Indirect Cost recovery charge of 25% will apply on all externally funded research other than the exemptions listed in Clause 5 below.

(4) The recovered Indirect Costs will be distributed as follows:

a. Indirect Costs on all externally funded research shall be recovered into a Research and Innovation Division account.
b. Distribution and use of the Indirect Costs will be to support research at the discretion of the Deputy Vice-Chancellor (Research and Innovation).

(5) Research funding received under the following are exempt from the 25% Indirect Cost charge:

a. No additional Indirect Cost charge shall apply to on-shore and off-shore agreements which provide for payments of fees by research students. The fee includes a component for indirect costs, which is distributed to Faculties and Divisions according to the relevant distribution formula.
b. Research funding received under schemes listed on the Australian Competitive Grant Register (Higher Education Research Data Collection (HERDC) Category 1) are exempt from Indirect Costs.
c. Research partner funding which is required and listed on a successful application for funding under a scheme listed on the Australian Competitive Grant Register (e.g. Australian Research Council Linkage Project partner funds) are exempt from Indirect Costs.
d. Research funding received where the sole purpose of the funding clearly states that it must be used for a Higher Degree by Research (HDR) Scholarship are exempt from Indirect Costs. For clarification funding for a HDR Scholarship as part of a larger funded research project are not exempt from the Indirect Cost charge.

(6) External research funding from Not For Profit organisations which have a published policy stating that they do not pay Indirect Costs or at a rate lower that the University rate, will require the approval of the Director, Research and Innovation Services for the reduction in the University Indirect Cost rate.

(7) External research funding from competitive International research schemes which have a published policy stating that they do not pay Indirect Costs or at a rate lower that the University Indirect Cost rate, will require the approval of the Director, Research and Innovation Services for the reduction in the University rate.

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(8) The Deputy Vice-Chancellor (Research and Innovation) may agree to a reduced Indirect Cost rate in exceptional circumstances. In these cases the full direct cost of the research must be included in the budget, such as the inclusion of the salary for the researcher's time working on the project. Researchers seeking a reduced Indirect Cost rate may do so by submitting a 'Request for Reduction of Overhead Charge' form (see Grants and Funding Forms and Codes)to Research and Innovation Services.

Section 4 - Roles and Responsibilities

(9) Researchers are expected to price all research projects in accordance with this Guideline. Where this is not possible, researchers should not agree to a lower Indirect Cost rate without previously obtaining the required written approval with the appropriate University authority listed in the Guidelines.

(10) Researchers are expected to seek all allowable direct costs of a research project including salaries, on-costs, equipment and consumables and, where allowable, the indirect costs of overheads and infrastructure.

(11) Faculties are expected to ensure that all new researchers and professional staff supporting researchers are aware of this Guideline.

(12) The Research and Innovation Division is responsible for ensuring that this Guideline is applied correctly to all research funding and submitted research applications.

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Status and Details

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Responsible Executive	Craig Simmons Deputy Vice-Chancellor (Research and Innovation)
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Glossary Terms and Definitions

"University" - The University of Newcastle, a body corporate established under sections 4 and 5 of the University of Newcastle Act 1989.

"Student" - A person formally enrolled in a course or active in a program offered by the University or affiliated entity.

"Exemption" - When referring to a student's learning pathway, exemption means being excused from undertaking preparatory subjects, units, modules or competencies in a course or program, while still being required to undertake the same number of subjects, units, modules or competencies as would be completed if an exemption had not been granted. For all other uses of this term, the generic definition applies.

"Staff" - Means a person who was at the relevant time employed by the University and includes professional and academic staff of the University, by contract or ongoing, as well as conjoint staff but does not include visitors to the University.