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INDIRECT COSTS OF RESEARCH POLICY

MACHAKOS UNIVERSITY





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20.02.2019

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Date: .....

19.02.2019

Approved by the University Council:

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Policy Contact: Deputy Vice Chancellor (Research, Innovation and Linkages)

Policy Title: Indirect Costs Research Policy

APPROVAL

MksU/MR/ICR/014

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## 1.0 PREAMBLE

In the current practice, most funding for Machakos University research projects is obtained by researchers through grant competitions offered by various funding agencies and sponsors, or through signing contracts with government, NGOs or industry. The direct costs of carrying out the research projects are usually well articulated in the grant proposals. But, there are many other significant costs involved in research that are not immediately obvious, nor can they always be attributed to a specific research project. Yet they are real costs that are incurred by the University for all research and project activities. These additional costs are known as, indirect costs. They include administrative or other expenses, oversight, existing facilities costs, purchasing, accounting, grants management, legal expenses, utilities, and technology support. It is clear that such indirect costs have implications for University expenditure hence the need for an indirect costs policy to guide recovery and redistribution of the same. Indirect costs are averaged over a group of items rather than being charged directly on an item-by-item basis to each project.

## 2.0 VISION STATEMENT

A preferred University of Excellence in Scholarship and Service Delivery

## 3.0 MISSION STATEMENT

Provide scholarly education through Training, Research and Innovation for industrial, and socio-economic transformation of our communities.

## 4.0 CORE VALUES

INTEGRITY - To honestly deliver on our promises to our stakeholders

ACCOUNTABILITY – to always be accountable in the assigned duties

PROFESSIONALISM-To be committed to high standards of training and service delivery

INCLUSIVITY - Respect for diversity

CREATIVITY -Determination to continually improve

TEAMWORK -To actively work together to achieve common goals

EQUITY - to strive to be an equal opportunity university where meritocracy is practiced in all areas

### 5.0 MACHAKOS UNIVERSITY MANDATE

- a) Provide directly or in collaboration with other institutions, facilities for technological, professional and scientific education
- b) Advance knowledge and its practical application through Research, Innovation extension and other means
- c) Disseminate the outcomes of research by various means and commercially exploit the results of such research
- d) Participate in technological innovation as well as in the discovery, transmission and enhancement of knowledge and to stimulate the intellectual life in the economic, social, cultural, scientific, and technological development
- e) Contribute to industrial and technological development of society in collaboration with industry and other organizations
- f) Make proposals for new programmes of study including those that culminate in degrees, diplomas and certificates
- g) Make proposals for the establishment of colleges, campuses, faculties, schools, institutes, departments, and other resource and administrative units as may be appropriate from time to time





## 6.0 MACHAKOS UNIVERSITY POLICY STATEMENT

Machakos University is committed to developing a research culture that encourages and rewards excellence in research, innovation and technology. It is committed to building research capacity of its researchers and to developing research facilities that will be accessible to the researchers, and other interested collaborators. The institution has signed several memoranda of understanding (MoU) to enhance collaboration and networking for research and development.

This policy provides a framework for strengthening private-public relationships with the University and for developing consistency, high quality management, accountability, and strategic direction for research at Machakos University. It maps out the processes of identifying and prioritizing research needs and initiating research projects; procedures for preparation and approval of research proposals; guidelines for identifying funding sources and modes of acquisition; mechanisms for project monitoring and control; dissemination of research results and evaluation of research effectiveness and impact.

## 7.0 PURPOSE

The purpose of this policy is to set out the principles for making recoveries towards the indirect costs associated with externally funded Research administered by Machakos University.

## 8.0 DEFINITIONS

**Direct Costs of Research** - expenses incurred in the execution of the research. Examples include: project staff salaries, travel expenses, procurement of the projects research materials, payments to consultants that relate to the execution of a research project, etc.

**Indirect Costs of Research** - general overhead and administration expenses that support the entire operations of research.

**Indirect Cost Rate** – A rate determined by Machakos University to cover indirect costs of research

**Research** – Intentional process of study and creative expression that explores and extends human knowledge and experience.

**Research Funding Agreement** - an agreement with Machakos University to be used for Research purposes, whether it is a grant, contract, collaboration agreement, or in any other form, and whether it is legally enforceable or not.

**University Member** - for the purposes of this policy, it is a person appointed at Machakos University under one of the following categories: professor, associate professor, senior lecturer, lecturer, assistant lecturer or tutorial fellow or any other non-academic with a term of more than one year;

**University Resources** - include, but are not limited to, university infrastructure, personnel (including students) and support services.

## 9.0 SCOPE

This policy applies to all Research Funding Agreements supported by external funds to all University Members as defined by this policy.

## 10.0 POLICY

### 10.1 RECOVERY OF INDIRECT COST OF RESEARCH

The university will make a recovery towards the indirect costs of research from all new or renewed Research Funding Agreements at a flat minimum rate of 15%



of direct cost of research given by Machakos University Research policy section 14 (h).

The flat minimum rate shall be determined based on estimations of the following:

- Administrative support and research management (accounting & financial reporting- secretaries, clerks, accountants, administrative assistants/officers, bank fees, partnership development and maintenance, courier services etc) costs
- Audit costs, contracting, legal advice etc
- Procurement costs
- Vehicle and other equipment maintenance (transport, fuel, generator etc)
- Organisation of meetings
- Office space, infrastructure maintenance/depreciation
- Knowledge/information management (IT support, internet and library services)
- Stationery/other office supplies,
- Communication costs, electricity & water bills etc
- indicators from other institutions (benchmarking).

### 10.2 EXEMPTION

The university recognises that there may be reasons to waive the minimum flat rate in certain circumstances. Some of the exceptions to the flat minimum rate for the Indirect Costs of Research are:

- National grants, where the university already receives compensation for the Indirect Costs of Research from the government;





- Projects that are of strategic importance to Machakos University e.g institutional capacity building projects;
- Projects whose rates are agreed to by the university through the DVC, (RIL) or the VC. Normally these rates will be consistent with those provided to other universities and research organizations;
- Internally funded research/innovation projects.

The amount for indirect funds from grants/contacts etc shall be recovered by the finance department within one month of funds being deposited into the university's bank account, or as per agreement between the university and the funding organization.

### 10.3 DISTRIBUTION OF RECOVERED INDIRECT RATES

The Indirect Costs recovered by the university from Research Funding Agreements, will be distributed as follows:

S/No. Item	Percentage of recovered indirect costs
1. University Research Fund	30%
2. Research directorate (to support the development of research capacity e.g for research training, graduate student support, conference travel etc)	10%
3. University	20%
5. School	10%
6. Department	5%
7. Grant administrative support	20%
8. Principal Investigator (PI)	5%
Total	100%

Indirect funds are to be used in accordance with the definition of the Indirect Costs of Research as contained in this Policy and other policies referred herein, and not for the direct costs associated with the Research Funding Agreement that provided the funds.

#### **10.4 REVIEW OF POLICY**

This policy shall be reviewed periodically but not later than 5 years.

#### **10.5 EFFECTIVE DATE**

The Indirect Costs of Research Policy of Machakos University shall take effect from the date of its signing by the Chairman of the University Council.

