

# Research Costing Policy

## Section 1 - Purpose

- (1) Ensure all research contracts, research grants and research consultancy include a provision for Indirect Cost Recovery, granting body conditions permitting.
- (2) Ensure full cost principles are taken into account and consistently when considering pricing research projects.
- (3) Ensure all internal approvals are acquired before the commencement of research projects.

## Section 2 - Definitions

Term	Definition
University	Australian Catholic University (ACU)
Charitable Trust / Foundation	an organisation established for charitable purposes and recognised as such by the <a href="#">Australian Taxation Office</a> (ATO).
Bona Fide Donation	gift made to the University to fund a broad target area for which there is no restriction placed by the donor.
Chief Investigator	the lead researcher responsible for the conduct of the research project.
Researcher	University staff, adjuncts and students who carry out research on behalf of the University as part of their role or studies with the University.
Fellowship	grant to support a research position.
Collaborative Research Contract	an agreement between ACU and one or more organisations in which all partners make contributions of in-kind and / or cash to conduct a research project for the benefit of all the parties involved. Intellectual Property derived from the research is the property of the University; partners may be permitted to use the Intellectual Property on a non-exclusive or exclusive basis.
Commercial Research Contract	an agreement between ACU and one or more organisations in which ACU makes available the expertise of researchers for cash in return to conduct a project. Intellectual Property derived from the research will be negotiated between ACU and the external organisation.
Research	defined as that which meets the research requirements defined by the <a href="#">Higher Education Research Data Collection</a> (HERDC) Specifications (to be reported to the Federal Government as part of jurisdictional reporting requirements).
Research Grant	funding for a research project resulting from an application process which is open to more than one organisation.
Intellectual Property	intangible property that is the result of creativity, such as patents, copyrights. Intellectual Property provisions of all grants, contracts and consultancies are subject to the <a href="#">Intellectual Property Policy</a> .
External Funding (for Research)	Grants, Contracts, Consultancy, Fellowships and any other research income.
Full Costs	total of direct costs and indirect costs.

Term	Definition
Indirect costs	costs that are not directly attributable to a project but are incurred by the University in maintaining an environment and facilities for conducting the research activity. This includes, but is not limited to, utilities, library services, information technology, and administrative support at School, Centre, Faculty, Institute and University levels.
Direct costs	costs directly attributable to an identified project. This includes costs that are sought from the Funder such as: salaries and on-costs, consumables, equipment (for the specific project in question) and travel.
On-costs	additional costs, above the annual salary, incurred in employing a person to undertake a role. These costs include provisions for Superannuation, Long Service Leave, Parental Leave, Workers' Compensation and Payroll Tax.
Salary on-costs are	1. 27.5% for staff that are continuing or on a fixed term contract. 2. 17.8% for staff that are casual.
Research Indirect Cost Recovery (ICR)	rates determined and approved by the Deputy Vice-Chancellor (Research and Enterprise).
Discretionary Funding	additional funding made available by the Deputy Vice-Chancellor (Research and Enterprise).

## Section 3 - Scope

- (4) This Policy applies to all ACU staff undertaking research projects.
- (5) This Policy applies regardless of whether the University is the lead institution or a partner in a collaborative project.
- (6) This Policy applies to all proposals for external research funding and applications for Research Grants.
- (7) This Policy does not apply to Grants, Contracts and Consultancies which are not research related.

## Section 4 - Policy Statement

- (8) The University will satisfy the [National Competition Policy](#) obligations by adopting a transparent methodology for costing research projects.
- (9) The minimum amount of funding requested from a granting body / sponsor must include the total of all direct and indirect costs of a research project.
- (10) Researchers are encouraged, wherever possible, to seek / apply full commercial rates, that is, prices in excess of the minimum as determined by this Policy.
- (11) The full cost of all projects must be determined, using ACU's standard Costing Template and ICR Calculator.
- (12) Where a research grant does not provide for indirect costs, the University will make provision for indirect cost recovery by subsidising the indirect cost from elsewhere within the University.
- (13) Where funding bodies have already specified higher minimum rates of indirect cost recovery (ICR) than proposed here, the higher rates will remain in force. The University will reserve the right to charge a higher ICR if a higher maximum is provided for under the funder's stated public policy.
- (14) Industry Partner contributions as required for collaborative grant schemes such as ARC Linkage Projects are not required to include the ICR.

(15) Where a research project and / or associated contract requires an audit, the research project budget must include the audit cost if this cost is allowed.

(16) Where a research grant has a surplus at the conclusion of the project, researchers must seek approval from the Deputy Vice-Chancellor (Research and Enterprise), to use the funds for further research activity, granting body permitting.

(17) Where a research grant is priced above full cost, the surplus will accrue to the research fund concerned.

## Section 5 - Indirect Cost Recovery Fee

(18) Research grants, research contracts and consultancy contracts, with the exception of those that are associated to Category 1 funding body e.g. ARC, NHMRC, must include a provision for indirect cost recovery, granting body conditions permitting.

(19) The University will seek to price research contracts grants and consultancy to recover, as a minimum, all direct costs and indirect costs from project funds.

(20) Research Finance levy the grant at the end of each month based on the invoice generated within that month.

(21) The direct cost component is distributed to the Chief Investigator to be used to carry out the project; and

(22) The indirect cost component is distributed 60% to the host School or Institute to meet local costs, with the other 40% distributed to support Office of the Deputy Vice-Chancellor (Research and Enterprise) (ODVCRE) costs.

Total Funding	Indirect Cost Recovery Fee	Allocation Retained ODVCRE	Allocation to School/ Institute
Up to \$10,000	15%	40%	60%
Over \$10,000	20%		

## Section 6 - Indirect Cost Recovery Fee (ICRF) Exemptions and Variations

(23) On a case by case basis, the Deputy Vice-Chancellor (Research and Enterprise) may approve a reduction or complete waiver of the ICRF.

(24) Applicants seeking full or partial exemption from the ICRF must submit the Indirect Cost Reduction Waiver Form via the Head of School or Research Institute Director to the Deputy Vice-Chancellor (Research and Enterprise) via the Research Operations Grants team.

(25) The following categories of external research funding are exempt from including a charge for indirect costs:

- a. commonwealth schemes listed on the [Australian Competitive Grants Register \(ACGR\)](#).
- b. travel and Equipment Grants.
- c. bona fide donations to the University.
- d. fellowships and scholarship stipends for training of Postgraduate students.
- e. schemes that specifically prohibit or cap the recovery of indirect costs in their Terms and Conditions.

## Section 7 - Research Project Approval Requirements

(26) The nominated School and Research Institute staff (as indicated on the relevant research application form) must endorse all submissions of funded research project requests prior to submission to the ODVCRE by the internal deadline. This endorsement will include confirmation:

- a. that the project meets the [HERDC](#) specifications definition of research;
- b. that the necessary facilities required for the proposed research is available;
- c. that each staff member named on the project has the necessary workload allocation and is able to conduct the research in the light of teaching, supervision and other responsibilities as appropriate; and
- d. that the project has been costed at a minimum to recover all costs and so as not to adversely affect the University.

(27) All applications for externally funded research projects, including commercial, consultancy and professional services that satisfy the definition of research, must be approved by the Pro Vice-Chancellor (Research).

(28) All successful applications for research will be covered by a contract or other formal agreement between the funding body, the University and any third parties and approved by the Deputy Vice-Chancellor (Research and Enterprise), or nominee.

(29) Before a research project can commence the following requirements must be met:

- a. Contracts have been executed with all parties outlined in clause 29 of this Policy.
- b. All approvals including but not limited to human, animal ethics and biosafety requirements have been obtained;
- c. Where awarded budgets differ from the requested amount, a revised budget signed by the nominated faculty and chief investigator must be submitted to the Pro Vice-Chancellor (Research) for approval.

(30) The Lead Chief Investigator is responsible for ensuring that the project deliverables or milestones as specified in the contract are provided by the due dates.

(31) Research funds may not be used for any purpose other than that approved under the contract conditions, unless a variation is approved.

(32) The Lead Chief Investigator is responsible for ensuring expenditure against the research project budget is incurred in accordance with the conditions of the funding agreement and any related contracts.

(33) NHMRC and ARC final reports are to be submitted to the ODVCRE for review, recording and project closure. All other reports are to be submitted directly to the granting body by the chief investigator or delegate with a copy forwarded to Post-Award.

(34) Any unspent funds at the end of the project (that is, the end date specified in the contract) must be dealt with in the manner set out in the contract. Where unspent funds are not addressed in the contract, they should be referred to Post-Award for determination of their use.

(35) All deficits in research accounts at project end will be recovered from the relevant School or Institute operating budget.

## Section 8 - Foreign Exchange Risk

(36) Due to volatility in exchange rates, research income awarded in foreign currency may be potentially subjected to

material changes once converted to Australian Dollars. The unpredictable markets can also influence expenditure and payments pertinent to an overseas research contract.

(37) Prior to agreeing to enter into an international contract or applying for overseas research funding the researcher should consult with the ODVCRE to ascertain the potential risks associated with the specific contract or application at hand.

(38) Once it has been agreed that it is in the best interest of the University to proceed with the contract or application, the following options are available to minimise foreign exchange risk:

- a. Endeavour to negotiate the contract or application in Australian Dollars.
- b. Upon referral by the ODVCRE, Finance and Planning will undertake an assessment of the research contract that will encompass the review of elements such as:
  - i. the amount and currency of the awarded overseas contract;
  - ii. current volatility;
  - iii. the market exchange rate;
  - iv. the potential interest rate differential between the two currencies being exchanged over the period of the foreign exchange contract;
  - v. the duration of the contract between trade date and settlement date where trade date is the date the University would enter into the forward contract and the settlement date is the date the currencies are exchanged; and,
  - vi. whether an optional delivery period is required and / or feasible for the foreign currency risk management.

(39) Where Finance and Planning sees fit, it will provide researchers with a guaranteed exchange rate (hedge) for foreign currency grants from the time of application. Market rates will be used to determine the guaranteed rate.

(40) This means that researchers will be provided with a secure foreign exchange rate that is fixed from the time of the application until the time that the funds are received. Effectively, the budget of the research project application will not be affected by any volatility in the markets.

(41) Finance and Planning will then determine how the University minimises risk against its foreign currency exposure.

## **Section 9 - Review**

(42) The University will review this Policy annually and make necessary adjustments.

(43) Unless otherwise indicated, this Policy will still apply beyond the review date.

## **Section 10 - Compliance and Breaches**

(44) The University may commence disciplinary procedures if a person to whom this Policy applies breaches this Policy or any of its related procedures.

## **Section 11 - Associated Information**

(45) For related legislation, policies, procedures and guidelines and any supporting resources, please refer to the Associated Information tab.



## Status and Details

<b>Status</b>	Historic
<b>Effective Date</b>	5th February 2024
<b>Review Date</b>	30th April 2024
<b>Approval Authority</b>	
<b>Approval Date</b>	5th February 2024
<b>Expiry Date</b>	9th October 2024
<b>Responsible Executive</b>	Abid Khan Deputy Vice-Chancellor (Research and Enterprise)
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