

# Procedure: Indirect Costs of Research and Consultancies

## Purpose

To outline the procedure for costing and pricing externally funded research projects, University consultancies and commercial services.

## Procedure

1. The full cost of a research project, comprising the total of Direct Costs and Indirect Costs, must be calculated using the ANU budget tool to record all contributions (cash and in-kind).
2. All reasonable attempts should be made to identify as many Direct Costs as possible to avoid project overspend, and to make estimates as accurate as possible.
3. Any subsidy of direct or indirect costs must be approved by relevant budget delegates in all cases, at the time of proposal submission (as per the *Policy*). For example, meeting salary on-cost shortfalls from specific funds providers, or reducing the amount of Indirect Costs to be recovered by that delegate's area.
4. Each payment to ANU received in respect of the project will represent a mix of recovered direct costs and recovered indirect costs.
5. The amount of indirect cost recovered will be allocated according to the distributions outlined in the *Policy*.
6. The Deputy Vice-Chancellor (Research and Innovation) with the Director of Research Services and the Chief Financial Officer will review all ANU rate formulae and the ANU indirect cost recovery rate calculations.
7. Research Services Division will provide guidelines, and advice on costing and pricing procedures of major research funders, development tools and systems to support effective costing and pricing.

**Note:** *definitions of terms used in this procedure can be found in the Policy – Indirect Costs of Research and Consultancies.*

## Document information

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