

**ORA-00-04.01 Definitions**

Direct cost	Direct costs are those costs that can be identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.
Indirect cost (IDC)	IDC costs are those that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. Indirect costs are also referred to as Facilities and Administrative Costs (F&A) or Overhead Costs.
IDC Rate Agreement	An agreement between UA and the Federal government, which sets indirect cost rates for grants, contracts and other agreements.
Off campus	Activities performed in facilities not owned by the University. If project activity occurs at UA facilities, the on-campus rate is applied. If project occurs only at non-UA facilities, the off-campus rate is applied. If more than 50% of a project is performed off campus, the off-campus rate will apply for the entire project.

**ORA-00-04.02 Categories**

Organized Research	All externally funded research activities, both basic and applied, and all development activities. This also includes activities related to the training of individuals in research techniques (commonly called <i>research training</i> ) where such activities utilize the same facilities as other research and development activities.
Instruction	All teaching and training activities, except for research training, whether they are offered for credit toward a degree or certificate, on a non-credit basis, or through regular academic departments or by separate divisions, such as summer session. Some examples of <i>Instruction</i> include: <ul style="list-style-type: none"> <li>• Any project for which the purpose is to instruct any student at any location; recipients of this instruction may be UA students or staff, teachers or students in elementary or secondary schools, or the general public</li> <li>• Curriculum development projects at any level, including projects which involve evaluation of curriculum or teaching methods; such evaluation may be considered "research" only when the</li> </ul>

- preponderance of activity is data collection, evaluation and reporting
- Projects which involve UA students in community service activities for which they are receiving academic credit
- Activities funded by awards to departments or schools for the support of students
- General support for the writing of textbooks or reference books, video or software to be used as instructional materials.

- Other Sponsored Activities Externally funded projects which involve the performance of work or activities that are not considered Organized Research or Instruction. Some examples include:
- Support for conferences or seminars
  - Support for student participation in community service projects which do not result in academic credit
  - Support for projects pertaining to library collections, acquisitions, bibliographies or cataloging
  - Programs to enhance institutional resources
  - Demonstration projects (project to determine whether a specified change in policy or procedure results in increased efficiency, reduction in cost, improved delivery of services, etc.)
  - Health Service Projects that support the public
  - Community Service Programs
  - Consulting agreements
  - Fee-for-service agreements (unit provides a routine service as part of its normal business operations)

### **ORA-00-04.03 Reason for Policy**

Direct costs in project budgets do not fully reimburse the University for all costs related to the sponsored project. Indirect costs are real costs to the University and include costs of activities that support sponsored research but cannot be charged as a direct cost to a research project.

### **ORA-00-04.04 Policy**

It is the Policy of the University of Akron to charge all sponsored projects IDC costs at the appropriate federally-approved rate. ([UA's rate agreement](#))

### **ORA-00-04.05 Procedure**

Full IDC at the current federally-negotiated rate must be included in all proposal budgets prior to approval by the University and submission to the sponsor, regardless of sponsor type. The only exceptions are:

- NSF, NIH and Dept. of Ed training grants: 8% TDC
- USDA: 25% MTDC
- ODOT: current rate on salaries and wages only.

The above exceptions do not require a waiver form.

In some cases, external sponsors may limit indirect costs, or may prohibit them altogether. In these cases, the Principal Investigator/Project Director (PI/PD) must complete the "Indirect Cost Waiver Form," and submit it, along with a proposal abstract and the proposal budget, to his/her Chair/Director and Dean for approval. If approved, the Form and its attachments must be submitted to the Office of Research Administration for review and final approval. It should not be assumed that proposals with reduced or no indirect costs will be approved for submission to the external sponsor.

In cases where a PI/PD wishes to request a voluntary reduction of indirect costs, the "Indirect Cost Waiver Form," must be completed and the same procedure as above must be followed. It should be noted that a voluntary waiver of indirect costs is unlikely to be approved except under very unusual or compelling circumstances.

In cases where indirect costs are reduced or waived, the PI/PD, Department and Dean will forego indirect cost recovery.

Reduced indirect costs or waivers of indirect costs will not be approved for proposals to for-profit sponsors.