

**OLD DOMINION UNIVERSITY**  
**University Policies and Procedures**

**5330 - INDIRECT COST RECOVERY**

Statement: Indirect costs are real costs which are expended by the university in the provision of space, equipment, utilities, personnel, and other services in order to meet its responsibilities in the fulfillment of its mission. Whenever research and other services are provided for outside sponsors, an appropriate charge shall be made to offset these indirect costs. Accordingly, it is the policy of the university that funds provided by outside sponsors will include a recovery of indirect costs.

Projects which provide funding for such things as equipment, instructional support, faculty and student support, capitation and facilities grants and training grants may not permit full recovery of indirect costs. In such instances, allowable indirect costs are to be charged according to the published guidelines.

Schedule of Indirect Costs

Indirect costs shall be charged in accordance with a predetermined approved schedule of rates as developed, negotiated, and released by the Office of the Vice President for Administration and Finance and the Old Dominion University Research Foundation.

Certain sponsors may not provide for the payment of indirect costs. In those instances, indirect cost recovery may be waived, provided that the published literature of the organization states that indirect costs are not allowed; and further provided that the project will essentially support the mission of the university. Recommendation for waiver shall be made by the department chair, concurred in by the Provost and Vice President for Academic Affairs, and the determination shall be made by the Vice President for Research.

In the event a project is supported by an industrial or commercial firm for product testing and/or development, indirect costs shall be charged at a rate not less than the predetermined and approved schedule of rates as developed, negotiated and released by the Office of the Vice President for Administration and Finance and Vice President for Research.

In the event industrial or commercial firms provide funds for support of projects and impose no restriction on the conduct of the projects, and further do not require reports, such funds shall be treated in the same manner as are other gifts to the university, but shall be reported to the Research Foundation.

Only under unusual circumstances will the university waive its rights to data developed under a grant or contract. When an outside commercial or industrial firm shall require rights in data to the exclusion of the university and/or shall claim full rights to patents developed under such a project,

indirect costs shall be charged at a rate of not less than two hundred percent of total direct costs. Any waiver of such rights shall require the approval of the President of the University.

In the event that patent rights or rights in data developed under a grant or contract are retained by the sponsor, the amount of the indirect costs recovered which exceeds the published indirect cost rate for a campus shall be considered to be royalty income and be distributed in the manner described by patent regulations. This royalty income shall not become available for distribution until the fiscal year in which the grant or contract terminates. Subject to the approval of the immediate supervisor, it shall be the responsibility of the principal investigator to determine the division of the inventor's share of royalties among those participating in the project.

**Responsibility:** Vice President for Research

**Authorization:** Roseann Runte, President

**Date:** December 1, 1988; Revised May 14, 2004