



KILIMANJARO CHRISTIAN MEDICAL UNIVERSITY COLLEGE

(A constituent college of Tumaini University,
Makumira)

INSTITUTIONAL OVERHEAD POLICY AND OPERATIONAL GUIDELINES

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Abbreviations

CAC:	College Academic Committee
CRCC:	College Research and Consultancy Committee
DPA:	Deputy Provost for Administration
DPAA:	Deputy Provost for Academic Affairs
DRC:	Directorate of Research and Consultancy
GMO:	Grants Management Office
OSP:	Office of Sponsored (Research)/Projects

1 INTRODUCTION

1.1. Background

Research is a core activity at Kilimanjaro Christian Medical University College (KCMUCo). Recently, research activities have increased immensely at KCMUCo, reflecting the College's commitment to undertake high-quality research as a core function of any University. While the current Institutional capacity in initiating, implementing and reporting research is increasing, it is the College's responsibility to ensure that the recorded progress is sustained to maximize institutional research output and the expansion of research capacity. Funding from research activities is one of the main sources of funds for KCMUCo. KCMUCo ensures that research funding, apart from funding direct research activities, also supports the institution's research capacity through Institutional Overheads. This Institutional Overhead Policy and Operational Guidelines stipulate the requirements and procedures that funded projects through KCMUCo, should follow and include funds for indirect costs. Indirect cost funds are essential for the smooth conduct of the funded projects and supporting research capacity at KCMUCo. These expenditures are, in this policy document, referred to as Institutional Overheads. The Policy directs that the Institutional Overhead

cost be at least 20% of the project grant's total direct cost budget to facilitate budgeting and negotiation with funding agencies. The Policy further sets the percentage distribution of the funds that the University College collects as Institutional Overhead to relevant KCMUCo cost centres to facilitate accounting processes. This Policy is also meant to strengthen appropriate structures and functions that ensure compliance in administering sponsored project funds.

1.2. Policy Justification

KCMUCo intends to ensure that research projects undertaken have enough funding that provides their successful completion. Researching at KCMUCo involves costs that may not be directly related to the project, referred to as indirect costs. They include frequently overlooked expenditures but are real costs incurred by the College to support the infrastructure and functions required to allow a sponsored research project to proceed as planned. If the Principal Investigator (PI) or Sponsor of the research project do not budget for these costs, the College will ultimately incur them. It is recognized that indirect/overhead costs are a necessary part of any institution's operations. KCMUCo will need to be compensated for these Institutional Overheads as part of the Sponsor's agreement with the KCMUCo.

Therefore, this Policy is developed to inform College staff, stakeholders, organizations and institutions that work with KCMUCo how sponsors supporting research at KCMUCo will help offset indirect costs or overheads for the research project they support before they enter into an agreement with KCMUCo. The Policy provides direction to determine which costs are eligible for compensation. It aims to ensure uniformity in estimating indirect cost to all collaborating institutions and sponsors who support research at KCMUCo. This Policy covers the allowable level of indirect cost overhead that can be charged on project agreements with Partners either on their indirect costs or on flow-through funding.

1.3. Purpose and context

This Policy provides guidance on Institutional Overhead charges that will be applied to all research projects undertaken at KCMUCO and provide guidelines on how the institutional overhead funds charged should be utilized by KCMUCo. The College, funding agencies, and researchers desire to have a policy that clearly outlines the mechanism of recovering overhead costs, spells out the cost centres that should be the beneficiaries of the institutional overheads, and distribution formula among the beneficiary cost centres.

Implementation of this Policy will be in line with:

- (i) KCMUCo values demand that the College fulfil public accountability through transparent decision-making, open review, responsible and efficient use of resources.
- (ii) Tanzania Development Vision 2025, which emphasizes, among other things, good governance that adopts the strategies aimed at building integrity by promoting accountability and transparency and
- (iii) Grants policies of major research sponsors of the College are either fixed or negotiable.

Grant policies of major funding agencies require the institution applying for project grants to show precisely how the funds, including the Institutional Overheads, will be utilized. This Institutional Overhead policy addresses this requirement. The benchmarked policy documents from referred Universities stipulate the per cent to be deducted as Institutional Overheads and the per cent distribution of the Institutional Overhead funds to relevant cost centres.

1.4 Scope

This Policy applies to the KCMUCo employees, collaborators and others who conduct sponsored project activities or approve sponsored project

budgets or sponsored project agreements under the auspices of the KCMUCo.

1.5 Definitions

In this Policy:

“Direct costs” means costs that are identified as directly attributable to a research project. Direct costs include, but not limited to, the cost of:

- a) Salaries and related benefits of research project personnel prorate if the individuals are working on many projects.
- b) Acquisition and maintenance of equipment including computers;
- c) Capital costs;
- d) Consumables;
- e) Laboratory services
- f) Insurance cover;
- g) Travel and transportation;
- h) Audit
- i) Space hiring
- j) Field costs
- k) Data management and storage
- l) Internal and external regulatory certification
- m) Cost of meetings and conferences
- n) Project information and data dissemination
- o) Publication costs

“Indirect costs” means central, departmental, institute, faculty or directorate costs that the College incurs to support sponsored Project and other operations which are not directly attributable to a specific sponsored project. Indirect costs include but not limited to the costs of:

- a) Utilities;
- b) Cleaning;
- c) General liability, property damage and other insurance;
- d) General administrative support;
- e) Security;
- f) Legal and financial administration;
- g) Environmental health and safety services;
- h) IT services;
- i) Building maintenance services; and
- j) Library services

“College” means the Kilimanjaro Christian Medical University College.

"Overhead" means the amount required following the Research Overhead procedure to be set out in a Research Project's budget as a contribution towards Indirect Costs.

“Principal Investigator” means the individual who has primary responsibility for designing, executing, and managing a Research Project.

“Research Project” means research or research-related activities, including research-related analysis and technical services or research training for which the Principal Investigator, on behalf of the College, receives funds from sources other than from the College (internal funding).

“Cost centre” means an administrative unit in the College involved in the conduct of the research applicable to this Policy.

“Beneficiary cost centre” means an administrative unit in the College entitled to benefit from the Institutional overhead revenue.

2 POLICY STATEMENTS

2.1 Overhead recovery rates in projects

- (i) Unless stated otherwise, the budget for a sponsored project shall include Indirect Costs at a minimum rate of 20% of the Direct Costs or the percentage specified by the Sponsor's Policy. Where funding organizations have specified overhead amounts higher than 20%, the latter shall be adopted. Where the amounts are lower than 20%, KCMUCo shall consider negotiating for a higher amount.
- (ii) In rare occasions, where the Sponsor's Policy allows negotiation of the overhead Cost, the PI and Cost centre can negotiate and increase the overhead charge. However, the negotiated Overhead cost shall be reflected in the grant agreement to boost both the Institutional share and the Departmental share (*see section 2.6*).
- (iii) The Principal Investigators shall include all of the Research Project's Direct Costs, including renovations and or extension of buildings if applicable, and Overhead costs in the research budget when applying for external funding for Research Projects.

2.1.1 Procedures

- a) During preparation for Sponsored projects proposals, the College Staff and or Collaborators shall consult the Office of Sponsored Projects (OSP) of the Directorate of Research and Consultancy for Budget and overhead calculation compliance before the Project budgets specific funding requirements are agreed to with sponsors.
- b) OSP shall ensure that the sponsored Project's Direct Costs, including renovations and or extension of buildings if applicable, and Overhead Charges have been included in the sponsored project applications, proposals and agreements following this Overhead Policy and Procedures for Sponsored Projects;
- c) OSP shall review requests for waivers or reductions of Overhead and make recommendations for approval by the Provost only when deemed appropriate and justifiable.

2.2 Waivers and exemptions

A waiver or reduction of Overhead will only be approved by the Provost when deemed necessary following the recommendation from

the Dean of the Faculty or Director of the Institute hosting the Principal Investigator. Examples of grants that may be eligible for waivers depending on the donor's conditions include training and equipment purchase grants.

2.3 Exceptions to the overhead recovery rates

- (i) Grant funding in which the grant's purpose is solely to support a graduate student thesis, paid via studentships, fellowship awards, or any other form of studentships shall not be subject to overheads. This does not refer to the costs of student employment (labour) or student stipends incurred as part of a broader research project.
- (ii) If the Principal Investigator requests an overhead rate below KCMUCo's published rate, a written request for an exception to the overhead rates shall be made to the Provost via the Director of Research Consultancy (DRC).

2.4 Responsibilities

In line with this Policy's scope, KCMUCo employees conducting sponsored projects or approving research budgets or research agreements shall be familiar with this Policy, the Institutional Overhead

Procedures and guidelines, and sponsors' overhead policies.

2.5 Transfer of overhead funds

Sponsored projects Overheads (indirect cost funds) shall be transferred from the Project account to a specified College account.

2.5.1 Procedures

- a) Overhead costs shall be charged against actual direct cost expenditures determined from time to time through project financial reports to the Sponsor and periodic disbursements of funds from the Sponsor.
- b) The College Bursar and Project PIs shall arrange and initiate indirect cost transfers immediately the funds are realized in the College project's account. c) As a good practice, the College Bursar shall invoice projects PIs for overhead cost charges once the money is disbursed in the Project's account from the Sponsor.
- d) Project accountants shall seek approval from the PIs before effecting any transfer of overheads and shall inform the College bursar accordingly.
- e) As the custodian of College Finances, the College Bursar must reconcile the transfer of

overheads from the Projects accounts to the specified College account quarterly.

2.6 Distribution of Overheads Charges

KCMUCo overhead funds shall be distributed to the following cost centres as per percentages in brackets:

- (i) College Central Administration - the Institutional share (75%).
- (ii) Department/unit hosting the Principal Investigator - the departmental share (25%).

2.6.1 Procedures:

- a) Following the transfer of overheads to the KCMUCo overheads account, the Bursar will appropriately allocate the funds to the cost centres.
- b) If the research involves more than one department or units, the departmental 25% overhead costs shall be shared between the departments/units based on the percentage workload of the departments or units involved.
- c) Departmental research overhead funds shall be used to support research training and activities in the respective departments/units, including activities that would encourage and

attract more research to the department, including grant writing workshops and annual retreats.

3 INSTITUTIONAL OVERHEAD GUIDELINES

- (i) Before the commitment of College resources to a research project, the Director of Research and Consultancy requires Indirect Costs to be included in the research project budget, except in cases where the granting organization does not allow such provisions.
- (ii) Overhead costs shall be deducted from research funds received, except when the Sponsor prohibits such provisions.
- (ii) Upon recommendation by the respective Head of department or unit or Director of the Institute, or Principal Investigator (PI), all research contracts shall only be approved by the Provost or his delegated representative. The Head of department or unit or Director of the Institute or PI shall ensure compliance with all other College and/or donor policies, regulations and procedures in the recommendation process.

- (iv) Institutional Overhead must be included in all applications/proposals for project grants/contracts except where the funding organization does not allow such provisions.
- (v) In very exceptional cases, the Provost may consider waiving or reduction of overhead rates stipulated in this Policy when deemed necessary and justifiable. The Head of Cost Centre and PI requesting a waiver must fill in the Research Overhead Charge Waiver Form (Appendix A) for approval by relevant authorities listed in the waiver form.
- (vi) The Deputy Provost for Finance and Administration (DPA) shall authorize the distribution of overhead cost recovered into the codes of relevant cost centres every quarter of the financial year.

4 IMPLEMENTATION OF THE POLICY

All KCMUCo staff and administrative units shall have access to the hard copy of this Policy, and it will be available electronically on the KCMUCo website.

DRC through OSP shall disseminate the Policy through various meetings, including workshops where applicable and/or when deemed necessary.

Monitoring the policy implementation will be done by assessing various projects and stakeholders' compliance with the Policy from time to time and shall be reported quarterly in appropriate College meetings. Noncompliance shall be communicated to the responsible staff or stakeholder, and where necessary remedial action shall be taken.

5 POLICY STATUS

This is a new policy.

6 RELATED POLICIES

- (i) Research Policy
- (ii) Effort time Reporting and Compensation policy
- (iii) Collaboration and Partnership policy
- (iv) Financial Regulations

7 KEY STAKEHOLDERS

The following are key stakeholders: KCMUCo staff, Principal investigators, Heads of departments, Directors, Deans, Development partners, project collaborators and Funding Organizations.

8 APPROVAL DETAILS

This Policy is approved by KCMUCo Governing board.

9 EFFECTIVE DATE OF THE POLICY

This Policy shall be operational immediately after the approval by the CGB.

10 NEXT REVIEW DATE

The Policy is reviewed after every three years from the first approval date.

11 POLICY OWNER

KCMUCo Management, Finance, Planning and Investment Committee

12 POLICY CUSTODIAN

The Directorate of Research and Consultancy of KCMUCo

Appendix A: Research Overhead Waiver Form



Kilimanjaro Christian Medical University College
(A Constituent College of Tumaini University Makumira)

Research Overhead Waiver Form

1. Principal Investigator:
2. Principal Investigator
Department:
3. Research Project title:
4. Project/Agreement
Number:
5. Funding source:
6. Proposed percentages
of Overhead to waive:
7. Overhead waiver
amount:
8. Justification for waiving
Overhead:

9. Principal Investigator Signature:	Date:
10. Dean/Director Signature:	Date:
11. Director of Research and Consultancy Signature:	Date:
12. Provost Signature:	Date:
