



REPUBLIQUE DU BENIN
MINISTERE DE L'ENSEIGNEMENT SUPERIEUR ET DE LA RECHERCHE SCIENTIFIQUE

UNIVERSITE D'ABOMEY-CALAVI

CENTRE DE RECHERCHE POUR LA LUTTE CONTRE LES MALADIES INFECTIEUSES TROPICALES (CReMIT)
TROPICAL INFECTIOUS DISEASES RESEARCH CENTER (TIDRC)

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INDIRECT COST POLICY

VERSION 1

2025

TIDRC/UAC RESEARCH GRANTS MANAGEMENT OFFICE

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1. Purpose

The purpose of this policy is to establish guidelines covering the rationale, determination, distribution and management of indirect costs applicable to internal and externally funded projects.

2. Definition

The Indirect Costs refer to those costs that the Tropical infectious Diseases Research Center of the University of Abomey-Calavi (TIDRC/UAC) cannot charge to a particular grant or contract as a direct cost. These are the “facilities and administrative”, “management fee” or “overhead” costs incurred in the operation of TIDRC/UAC that include, but are not limited to:

- a) Financial services;
- b) Human resources services;
- c) Office space, research labs, and other infrastructure;
- d) Electricity, water and other utilities;
- e) Equipment and general services such as copiers, phone systems, janitorial services;
- f) Depreciation and use allowances;
- g) Operation and maintenance expenses;
- h) Library services;
- i) Legal services (included in projects that allows);
- j) Information and communication technology services;
- k) General administration and support services.

Indirect cost rate is a device for determining fairly and conveniently within the boundaries of sound administrative principles, what proportion of indirect cost projects should bear. An indirect cost rate is the ratio between the total indirect expenses and some direct cost base. The indirect cost allocation methods used by each organization depend on its own structure, program functions, and accounting system.

3. Rationale

The TIDRC/UAC, under the University of Abomey-Calavi supervision, provides the necessary infrastructure and services, some of which are listed in Section 2.0, to support all operations. Funded projects are executed using these general facilities and services but cannot be directly charged as a result of cost apportionment challenges. It is therefore appropriate for the funding source to reimburse TIDRC/UAC for the portion of those costs associated with externally funded programs so that the TIDRC/UAC is managed as a financially sustainable enterprise. This is also in line with the TIDRC/UAC's practice of recovering the full cost of funded projects to the largest extent possible. Principal Investigators (PIs), Project Directors (PDs), Heads of research Units, Project Manager must make every effort to recover indirect costs for each grant and contract award.

4. Policy Statement

All funded projects will be charged the minimum institutionally determined indirect cost rate of 15% to 25%, regardless of funding source, unless one of the exceptions below applies.

- a) A funding agency's written policy will not allow full recovery of indirect costs. In this case, TIDRC/UAC will accept a lower rate, provided that the rate is non-negotiable and is specified by the funder's policy.
- b) The funder has an established non-negotiable indirect cost rate.
- c) In the case of sub-awards to TIDRC/UAC, the rate of the indirect cost of TIDRC/UAC will be charged. If the funder has a written policy on sub-award indirect cost rates or a rate is specified for sub-awards in the funding announcement, then such a rate will be applicable.

5. Other Exceptions

The TIDRC/UAC expects that research proposals to external sponsors will include the maximum allowable indirect cost rate in the proposed project budget. In peculiar circumstances where a reduction or full waiver of the allowable indirect costs is required, the PI/PD must apply for such a reduction or waiver in advance for approval by Director or Deputy Director through the finance Office.

6. Distribution of indirect revenue

The total indirect revenue or overhead shall be used to fund:

1. The operations of the research support office including but not limited to the following activities:
 - a. Electricity;
 - b. ICT
 - c. Water supply;
 - d. Generator and operations;
 - e. Vehicle and running cost;
 - f. Renovation of the building.
2. Bank charges;
3. Foreign exchange loss;

7. Responsibilities

Specific responsibilities associated with indirect costs and revenue are as follows:

- 1) Principal Investigators/Program Director/Project Lead
 - a) Develop proposals which include budgets for the recovery of indirect costs at the institutionally approved rate;
 - b) Obtain prior written approval for indirect cost reductions or waivers that fall outside the circumstances stated in the policy statement;
 - c) Ensure that the project budget complies with TIDRC/UAC and sponsor regulations, whether it's adhering to caps on indirect costs or ensure that exclusions are properly identified.
- 2) Coordinator of Research and Grants Management Office
 - a) Provide oversight to ensure that all externally funded projects include the maximum allowable amount of indirect costs;
 - b) Ensure that all indirect costs in their units are recovered;

- c) Ensure that indirect revenue allocated to them are expended in accordance with this policy and TIDRC/UAC regulations;
- d) Ensure that maximum indirect revenue is generated by ensuring that indirect costs are accurately budgeted for and billed to all grants.
- e) Process applications for indirect reductions and waivers;
- f) Coordinate with the Finance Office to ensure policy is reviewed periodically.

3) Finance Office

- a) Coordinate with Research and Grants Management Office and research Units to ensure all indirect costs are recovered;
- b) Ensure that expenditures on funded projects are recorded correctly, so as to achieve full and accurate recovery of indirect costs;
- c) Facilitate distribution of indirect revenue;
- d) Ensure appropriate and timely records of indirect revenue are kept at all levels;
- e) Ensures that the financial procedures are strictly adhered to.

4) TIDRC/UAC Director or Deputy Director

- a) Oversees the implementation and periodic review of the policy;
- b) Makes final decisions on indirect rates and waiver applications and/or delegates this to the Research and Grants Management Officer.

References

OMB Circular A-122 (2 CFR Part 230) for Non-profit Organizations and by the Federal Acquisition Regulation

Approval & adoption

This Indirect Cost Policy version 1.0 is hereby formally approved and adopted as the official policy of the Tropical Infectious Diseases Research Center/University of Abomey-Calavi, effective August 28, 2025.



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