

MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY

OVERHEAD POLICY

1.0 Introduction

Research projects contribute to the cost of running the university's activities including improvement of the institution's infrastructure. The overhead policy will guide research during project proposal writing to arrive at the overhead costs to be included in project proposals when applying for funds from donors. It will also guide donors who normally want to know the institution's overhead policy.

The overhead cost rate is calculated basing on the institution's indirect costs in the recruitment expenditure budget.

1.1 Indirect costs

The indirect costs cover all the support activities of the projects/grants/contracts and also contribute to the improvement of the institution's infrastructure that arise from the indirect use of the joint resources in the support activities. Examples of indirect costs include:

- Management
- Education and Research Administration
- Financial and Human Resource Administration
- Infrastructure and services

1.2 Calculation of the Rate

The overhead is calculated using the university's recurrent expenditure. For a start and basing on the budget estimates for the financial year 2009/10, the rate will be 15% which is the cost of support activities divided by the total recurrent budget cost (1,902,359,000/12,410,019,000) (refer to attached appendix). The rate may be reviewed from time to time depending on the prevailing economic circumstances.

2.0 Distribution

Overhead is a benefit to the university, the faculty/institute, the department and the researchers. The university needs overhead to run the Grants office which negotiates, vets and manages research agreements and contracts. The faculty/institute and department use overhead to support their research infrastructure.

The following is the proposed distribution of the overhead income to various costs centres:

- 50% for the university
- 10% for the faculty/institute
- 40% for the department

3.0. Waiver of overhead

Since overhead revenues benefit the university, the faculty/institute, the department and the researcher, the waiving of overhead should be regarded as an exception. However, the

following circumstances may apply for a waiver to be considered.

Small Project

These are projects whose total cost is less than US\$ 25,000 and are limited in time to less than 12 months.

Ongoing Projects

On-going projects at the time of coming into force of this policy may not be affected by the policy. However, when an on-going project is to be renegotiated, the project management should apply the policy.

Separate Overhead Agreement

A separate overhead agreement may be negotiated with organizations that often contribute to the university's activities or donors who have their own overhead costs different from the university's management and such organizations may sign a separate Memorandum of Understanding to that effect.

Appendix

Mbarara University 2009/2010 Consolidated Budget Estimated	Total 2009/10 000	Total 2009/10 Direct	Total 2009/10 Support
211101 Staff Salaries	6,384,680	5,285,391	1 099 289
211103 Allowances	705 886	596 858	109 028
213001 Medical Expenses	35 800	25 400	10 400
213002 Incapacity, death benefits & funeral expenses	24 000	16 000	8 000
213003 Retirement Costs	9 000	5 000	4 000
213004 HIV Policy	5 000	0	5 000
221001 Advertising and public relations	54 086	7 086	47 000
221002 Workshop and Seminars	62 540	59 540	3 000
221003 Staff training	83 280	64 280	19 000
221004 Recruitment Expenses	10 000	8 000	2 000
221005 Hire of Chairs	1 500	1 500	0
221006 Committee, Council & Board expenses	92 000	18 400	73 600
221007 Books, periodicals & newspapers	305 928	304 207	1 721
221008 Computer supplies and IT services	62 900	59 900	3 000
221009 Welfare and entertainment	47 772	27 772	20 000
221011 Printing, stationery, photocopying	152 000	107 000	45 000
221012 Small office equipment	21 500	14 500	7 000
221014 Bank charges	13 500	0	13 500
222001 Telecommunications	42 560	23 560	19 000
222002 Postage and courier	9 860	2 860	7 000
222003 Information & Com. Technology	133 304	123 474	9 830
223001 Property expenses	124 402	111 962	12 440
223002 Rates	1 000	0	1 000
223003 Rent-produced assets	30 000	15 000	15 000
223004 General supply of goods & services	5 000	0	5 000
223005 Electricity	150 000	142 500	7 500
223006 Water expenses	115 000	109 250	5 750
223007 Other utilities (fuel, gas, firewood, charcoal)	12 000	12 000	0
224001 Medical and veterinary supplies	10 000	7 000	3 000
224002 General supply of goods & services	245 640	229 240	16 400
225001 Consultancy services-short term	10 000	0	10 000
226001 Insurance	81 828	54 825	27 003
226002 Licenses	700	0	700
227001 Travel inland	182 466	109 672	72 794
227002 Travel abroad	180 377	140 377	40 000
227003 Carriage and haulage	500	500	0
227004 Fuel, lubricants and oil	133 637	93 637	40 000
228001 Maintenance - civil	86 323	1 920	84 403
228002 Maintenance-vehicle	108 648	73 648	35 000
228003 Maintenance-machinery, equipment & furniture	68 720	48 720	20 000
262101 Contributions to international organizations	20 000	20 000	0
263106 Other grants (food)	225 000	225 000	0
264101 Contributions to autonomous institutions	641 497	641 497	0
282101 Donations	2 000	2 000	0
282103 Scholarships and related costs	1 568 185	1 568 185	0
282104 Compensation to third parties	150 000	150 000	0
Total	12 410 019	10 507 660	1 902 359