

**MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY
OFFICE OF THE UNIVERSITY SECRETARY**

Ref. MUST 13/7

8th August 2010

The Vice Chancellor
The Academic Registrar
The Faculty Deans
The Institute Director
The Dean of Students
The Director, MUST Grants Office

Dear Sir,

RE MUST OVERHEAD POLICY

Please receive a copy of the university overhead policy as approved by the 43rd meeting of the University Council.

Yours sincerely



Zadock Beebwa

FOR UNIVERSITY SECRETARY

cc. Grants Officer
MGO



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 researchers 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 recurrent 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 arises 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 cost centres:

- 50% for the Central Administration
- 30% for the faculty/institute
- 20% 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, and only granted by the Vice Chancellor. However, the following circumstances may apply for a waiver to be considered.

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.

