U15 Statement on the Indirect Costs of Research

Research-intensive universities are an integral part of the research and innovation ecosystem. They transform teaching and research into economic growth and social progress. To provide these crucial benefits, our universities must develop and maintain the full range of supports that world-class research requires. Many of these critical supports, including libraries and library holdings, laboratories, furniture, custodial costs, security, utilities and administrative and support staff, cannot be directly allocated to the budget of any specific research project. Because these supports cannot be directly attributed to any individual project, they are often referred to as indirect costs.

In order for universities to continue to perform as a strategic platform for business, non-profit organizations, governments and society at large, we must finance research supports in a sustainable and robust manner. It is therefore critical that all of those participating in university research – researchers, administrators, partners, funders and regulators – work together to ensure we fully fund research supports.

In practical terms, this means:

- Governments and regulatory agencies have a responsibility to ensure they achieve appropriate public policy objectives without creating unnecessary indirect costs.

- University administrations have a responsibility to administer research and research supports in the most effective and efficient way possible in order to enable high-quality research and to keep indirect costs as low as possible.

- All parties to research contracts have a responsibility to negotiate indirect cost amounts in good faith:
  - University researchers and administrations have a responsibility to seek full funding, including indirect costs, for partnered research.
  - Research partners and funders have a responsibility to contribute to the indirect costs associated with research.

- Research granting agencies have a responsibility to fully fund the indirect costs associated with their grants.

- Individual institutions have a responsibility for determining how best to allocate indirect cost funding given their unique organizational structures.