Board-approved Policy on Indirect Cost Rates in University Research Contracts

Adopted September 15, 2026

Purpose

This policy establishes that ROC USA will not pay indirect or overhead costs to a university or university-affiliated research unit under a service contract, grant, or subaward for research or research-related work. The policy is intended to protect ROC USA's ability to direct the largest possible share of research funding toward direct project activities, while maintaining ROC USA's credibility and consistency with its mission and funder expectations.

Policy Statement

ROC USA will not pay indirect or overhead costs to a university or university-affiliated research unit under any grant agreement, contract, or subaward. This applies whenever a university would otherwise bill indirect or overhead costs as a separate line item, whether under a grant, a cost-reimbursable contract, or a subaward. Universities are expected to submit budgets and invoices reflecting direct project costs only.

This policy applies regardless of a university's federally negotiated indirect cost rate or any published overhead rate. Where a university's standard practice includes an indirect or overhead charge, staff shall negotiate its removal from the proposed budget before the contract is executed.

Scope

This policy applies to:

- New contracts, grants, and subawards with universities or university-affiliated research centers.
- Renewals, extensions, or material modifications of existing university research agreements.
- Agreements in which ROC USA is the funder, the direct contracting party purchasing research or technical services, or a pass-through of funding from a third-party funder.

Roles and Responsibilities

1. Staff negotiating a university research agreement are responsible for confirming that the proposed contract includes no indirect or overhead costs before the agreement is sent for signature.
2. The Chief Executive Officer, or their designee, is responsible for confirming compliance with this policy.

3. Finance is responsible for verifying, as part of contract and invoice review, that costs billed under university research agreements are calculated and applied consistent with this policy.