

## TRAC default cost rates 2009-10

### Joint statement by Research Councils UK and the UK higher education funding bodies

This document gives the default cost rates for 2009-10 that relevant institutions should apply from April 2009 through to March 2010.

The document also provides the upper quartile rates.

Further guidance on Transparent Approach to Costing (TRAC) and full economic costs (fEC) project costing is provided in the TRAC consolidated guidance. This is available from the TRAC web-site at [www.jcpsg.ac.uk/transpar/manual/index.htm](http://www.jcpsg.ac.uk/transpar/manual/index.htm)

### **Dispensation default rates**

Institutions eligible for dispensation can apply dispensation default rates. Eligibility is currently defined as institutions with less than £500,000 annual research income from public sponsors.

Public sources is defined as 'Recurrent research grants for HE provision (1(a)(ii)); plus Research Grants and Contracts from OSI Research Councils (3(a)), UK Central Government/local authorities, health and hospital authorities (3(d)) and EU government bodies (3(f)), as reported in HESA Finance Statistics Return Table 5b. A rolling average of Research income (over five years) is used to assess whether £500,000 has been reached or not.

Eligibility for dispensation means that the institutions continue to participate in the annual TRAC process (including submitting the annual TRAC return and TRAC(T) data) but they do not have to be fully robust in their implementation and verification. Institutions that are eligible for, and have elected to apply, dispensation, do not have to comply with some of the requirements (Part II, Chapter C.6 of the TRAC Guidance). A list of the requirements for institutions taking dispensation is provided in Section A.4 of the Statement of Requirements. They then apply the lower of (a) their own indirect cost and estates rates (if calculated) and (b) the dispensation default rates, to Research projects

The rates quoted below are derived from data from the TRAC benchmarking process carried out in January 2009. They are based on the sector average. Some outlying figures from institutions have been omitted. The averages are based on data for the academic year 2007-08, indexed for two years. The rates reflect the prices which should be quoted as 'current year' prices on Research Council projects for which bids are made from April 2009 to March 2010.

<b>TRAC dispensation default rates – for non-HEIs and for HEIs eligible for and applying dispensation.</b>	<b>Indexed rate expressed as £ per staff FTE to be applied from April 2009</b>
Indirect cost rate	£38,000
Laboratory estates rate	£11,100
Non-laboratory estates rate	£6,400

Institutions that applied dispensation during 2008-09 but are now not eligible should apply their own robust rates.

Institutions that are currently eligible for dispensation may choose to opt in or out of dispensation. This decision should apply to all rates, and should be binding for a year. It can be revisited by the institution in the following year.

Institutions that are eligible for dispensation and whose systems are not robust should not apply a separate infrastructure laboratory technician rate. They can however apply their own directly incurred (DI) laboratory technician, directly allocated (DA) pool laboratory technician, Small Research Facilities (SRF) and Major Research Facilities (MRF), in addition to their own academic staff charge-out rates, as long as they have been calculated robustly.

### **Upper quartile rates**

Where HEIs have an indirect cost rate or estates rate above the upper quartile of the sector rates, they may be requested by a sponsor to justify their rate.

<b>TRAC upper quartile rates for the sector</b>	<b>Indexed rate expressed as £ per staff FTE Based on 2007-08 data indexed for two years</b>
Indirect cost rate	£41,200
Laboratory estates rate	£13,400
Non-laboratory estates rate	£7,300

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