

103^D CONGRESS
1ST SESSION

S. 1184

To limit the amount of indirect costs that may be incurred in conducting federally sponsored university research and development to 50 percent of the modified total direct costs related to such research and development.

IN THE SENATE OF THE UNITED STATES

JUNE 30, 1993

Mr. BROWN (for himself, Mr. GRASSLEY, and Mr. NICKLES) introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

A BILL

To limit the amount of indirect costs that may be incurred in conducting federally sponsored university research and development to 50 percent of the modified total direct costs related to such research and development.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. LIMITATION ON INDIRECT COSTS INCURRED IN**

4 **FEDERALLY SPONSORED RESEARCH.**

5 (a) LIMITATION.—Notwithstanding any other provi-
6 sion of law, on and after the date of the enactment of
7 this Act, each head of a Federal agency making a grant

1 to, or entering into a contract with, an institution of high-
2 er education for research and development, shall condition
3 such grant or contract on a requirement that the institu-
4 tion not use such grant or contract funds to pay for those
5 indirect costs related to such research and development
6 which exceed the amount equal to 50 percent of the modi-
7 fied total direct costs that are incurred by such institution
8 for such research and development.

9 (b) DEFINITIONS.—For the purpose of this section—

10 (1) the term “indirect costs” means administra-
11 tive costs and the costs of library and student serv-
12 ices, building and equipment, and operations and
13 maintenance;

14 (2) the term “institution of higher education”
15 has the same meaning given to such term by section
16 1201(a) of the Higher Education Act of 1965;

17 (3) the term “Federal agency” means each de-
18 partment, agency or instrumentality of the Federal
19 Government, including an executive agency as de-
20 fined in section 105 of title 5, United States Code;
21 and

22 (4) the term “modified total direct costs”
23 means the costs of—

24 (A) salaries and wages;

25 (B) fringe benefits;

1 (C) materials, supplies, services and travel;

2 and

3 (D) awarding a subgrant to, or entering

4 into a subcontract for, not more than \$25,000.

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