Policy Name: Indirect Costs of Research

Originating/Responsible Department: Vice-President (Research and International)

Approval Authority: Senior Management Committee

Date of Original Policy: January 1999, August 2009

Last Update: June 2013

Mandatory Revision Date: September 2017

Contact: Associate Vice-President (Research Planning and Operations)

Policy:
Indirect costs of research are real costs that benefit and support research. These costs must be included in budget requests to external sponsors of research, including donors. Indirect costs cannot be attributed directly or easily to a specific research project, but they are nevertheless real and necessary for the conduct of research. They include such items as space and utilities; provision of library services; support of core facilities and various research services; management and administration of research (grants and contracts); management and administration of research finances; management and administration of regulatory requirements, research compliance and accreditation (i.e. research ethics, biohazards certification, radiation safety, animal care, etc.); hazardous waste disposal; occupational safety; campus security; liability insurance; telecommunications; and laboratory/office furniture.

It is important to recognize that indirect costs of research are incurred at various levels: central university administration, faculty, department, and perhaps even investigator/laboratory. The various levels/units should support the costs of research that are not eligible for funding through grants and contracts.

Purpose:
To consolidate two earlier policies on similar subject matters; to provide transparency in application of the policies; to provide guidance to all researchers on the collection and use of indirect costs of research.

Scope:
This policy applies to all externally funded research with the exception of funds received from the Federal government Indirect Costs Program.

Procedure:
All research agreements are subject to the indirect costs charges as applied to each type of agreement as outlined in this Policy. In the absence of a pre-negotiated Agency or donor-directed fixed overhead rates the following will apply:

Gifts: Indirect costs on gifts in support of research are negotiated in conjunction with University Development.
Grants:
All grants, (charitable, government or industry), seek a minimum of 20% indirect costs in support of Research.

Research Contracts and Agreements (including contribution agreements):
All grants, (charitable, government or industry), seek a minimum of 20% indirect costs in support of research.

Research Contracts and Agreements with federal departments:
Subject to PWGSC public procurement guidelines [https://buyandsell.gc.ca/policy-and-guidelines/node/2120](https://buyandsell.gc.ca/policy-and-guidelines/node/2120)

“Research and development work carried out by universities or colleges is priced at direct costs plus a contribution to overhead. This contribution is a maximum take-out rate of 65 percent of direct payroll costs for on-campus work, and 30 percent of direct payroll costs for off-campus work. In addition, a contribution equivalent to 2 percent of applicable and acceptable travel and living expenses must be made.”

Subcontracts/Flow through:
Not subject to indirect costs.

Service Agreements:
15%

Consulting:
Not subject to indirect costs

Off-Campus:
Any reduction to the indirect costs required are case-by case and must meet the definitional criteria

Distributions:
5% University contingency to cover the unexpected costs associated with contract completion (e.g. bad debts), to be administered jointly by the Office of the Vice-President (Research and International) and the Office of the Vice-President (Finance and Administration).

Of the remaining 95%,
55% Central university operating (27% of this 55% will go to the OVPRI on the first $1.33M). 50% of the overhead to OVPRI that is generated by Carleton University Research Centres (CURCs) will be used, at the discretion of OVPRI, to support the activities of the CURCs.

15% Faculty (for cross-faculty CURCs this amount would be split equally between the Faculties) or Department (on non-CURC related projects, based on the principal investigator’s appointment).

15% Carleton University Research Centre (on CURC projects).

15% Researcher (for eligible research costs; can be reallocated to a CURC at the discretion of the Principal investigator).
Definitions

Indirect Costs:
Indirect costs of research are real costs that benefit and support research. These costs must be included in budget requests to external sponsors of research, including donors. Indirect costs cannot be attributed directly or easily to a specific research project, but they are nevertheless real and necessary for the conduct of research. They include such items as space and utilities; provision of library services; support of core facilities and various research services; management and administration of research (grants and contracts); management and administration of research finances; management and administration of regulatory requirements, research compliance and accreditation (i.e. research ethics, biohazards certification, radiation safety, animal care, etc.); hazardous waste disposal; occupational safety; campus security; liability insurance; telecommunications; and laboratory/office furniture.

Gifts:
Gifts for research are a voluntary transfer of cash and in-kind, from individuals, industry, foundations and other sources to the University for the support of research and scholarship. The funds are provided without expectation of return or consideration from the university - no direct benefit to the donor or to anyone designated by the donor is expected from the payment. A charitable gift receipt is generally issued, at the discretion of the Donor.

Grants:
Grants for research are funds received to support research and scholarship. Typically, research supported by a grant is controlled and directed by the Researcher to pursue the research interests of the Researcher. In general, the granting agency does not: i) specify a statement of work, ii) have a detailed schedule for work, iii) specify deliverables, iv) require invoicing for expenditures, v) require intellectual property rights or vi) restrict publication in any way. Intellectual property rights reside with the creator(s) as per Carleton’s policy. Grant funds are normally received in advance of performing the research and if the funds are provided in a number of payments, the subsequent payments are normally not based on results already obtained nor can further payments be withheld as a function of performance. The Researcher may be required to provide a report to the granting agency on the work performed.
Research Contracts and Agreements (including contribution agreements):
Research contracts/research agreements are agreements negotiated with the University to provide research on a project. Research contracts normally include a work plan, deliverables, conditions related to publication of results, liabilities and warranties as well as clauses related to ownership of intellectual property and its commercialization. Note: All externally sponsored research, regardless of the source, requires that the applicant follows the approvals process as established by the Carleton University Research Office (CURO) prior to implementation.

Subcontracts/Flow through:
Where a 3rd party sub-contractor presents a budget the sub-contract will be a direct flow-through of the amount of the sub-contract and Carleton will not be due indirect costs on the amount of the flow-through.

Service Agreements:
Specialized services may be provided to external private sector and government agencies on a fee for service basis. Such services are normally associated with a major departmental facility or centre and the work normally requires the use of unique facilities or faculty expertise. This may also, include the delivery of a white paper or policy document that involves the unique expertise of a faulty member (not Students). The results typically belong to the sponsor.

Consulting:
A private arrangement between Company or government agency and individual faculty member. There is no permissible use of University space, equipment, or facilities (including internet) without a rental agreement, or any permissible use of the University name. All agreements, including confidentiality arrangements and liability coverage are the responsibility of the individual.

Off-Campus:
Activities performed in facilities not owned or operated by Carleton and to which rent is directly allocated to the project(s) or :

Activities in which the majority of project participants are located at that facility for a minimum of 75% of total grant supported effort for a continuous period of no less than six months in a given year or the life of the project, whichever is shorter.