

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:	October 2018
Mandatory Revision Date:	October 2023
Contact:	Associate Vice-President (Strategic Initiatives 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 and IT 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; and liability and indemnity insurance.

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 provide transparency and clarity in application of the policies; to standardize policy for different types of agreements; 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 outlined in this Policy. In the absence of a clearly advertised, 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, in order to fund the full costs of the activity.

Grants, Research Contracts, and Agreements (Including Contribution and Service Agreements):

All research grants, contracts, and agreements (government, industry or NGO), seek a minimum of **20%** indirect costs in support of Research. In cases where a research grant leverages additional federal funding, the application of indirect costs will be negotiated to maximize the benefit to the project and University. A list of such programs will be approved by both the Vice-President (Research and International) and the Vice-President (Finance and Administration) and will be maintained by the Office of the Vice-President (Research and International) - OVPRI.

Research Contracts and Agreements with Federal Departments:

Subject to PWGSC public procurement guidelines <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:

Each agreement is negotiated on a case by case basis depending on where the indirect costs are incurred.

Distribution of Indirect Costs of Research Funds:

40%	Central university operating
15%	Office of the Vice-President (Research and International)
15%	Faculty (for cross-faculty CURCs* this amount is split equally between the Faculties)
15%	Department or School (based on the principal investigator’s appointment)
15%	Principal Investigator – Researcher (for non-CURC* projects) OR CURC* (for CURC* projects)

*** CURC (Carleton University Research Centre)****Definitions:****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 follow the approvals process as established by the Industry and Partnership Services (IPS) office prior to implementation.

Subcontracts/Flow through:

Where a 3rd party sub-contractor is engaged by Carleton to perform some of the work, the sub-contract will be a direct flow-through of the amount of the sub contract, and indirect costs negotiated on a case by case basis.

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 faculty member (not Students). The results typically belong to the sponsor.

Contact: Associate Vice-President (Strategic Initiatives and Operations)

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