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Indirect Costs policy on university-administered research

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1. Preamble

- 1.1** The purpose of this document is to state Laurentian University’s position with respect to the recovery of indirect costs for research activity, and to identify the distribution of overhead charged to the sponsors of research.

- 1.2** This policy is directed to research that is not included in the existing Tri-Council Indirect Costs Program or special initiatives where overhead charges are not allowed. This policy replaces the “Laurentian University Overhead Policy” developed in 2001. The present document will be reviewed at least every three years.

- 1.3** Similar policies are found in most Canadian universities. While variation exists in rates and allocation of overheads between universities, they are relatively similar. This policy

respects the most current policies of the Ontario Council on University Research (requesting and respecting the need to have a minimum rate of 25% on all research funds) as well as the relevant provincial and federal regulations.

2. Principles

- 2.1** The costs of conducting research at Laurentian University include not only the direct costs of the project but also the indirect costs. Indirect costs include any expenditure that cannot be specifically traced to a research project but are costs that are incurred by the University to provide the resources and infrastructure required to allow a research project to proceed. Indirect costs include: accounting, human resources and payroll (invoicing, research account maintenance, preparation of financial reports, purchasing), research administration (drafting of research agreements, negotiation of contracts, review of research proposals, on-going contract administration, maintenance of information on funding sources, etc.), related committees (Animal Care Committee, Research Ethics Board, etc.), support for the libraries, access to computer services and the provision and maintenance of research facilities and office space.
- 2.2** Current research revenues from provincial and federal governments do not cover these costs, with the exception of federal government grants covered by the Indirect Cost Program as well as indirect costs payments from the Ministry of Research and Innovation (MRI), the Ministry of Education and the Ministry of Health and Long Term Care (MOHLTC).

3. Procedures

- 3.1** The Principal Investigator (PI) shall discuss overhead issues with the Research, Development and Creativity (RDC) Office during the proposal stage. There may be room for negotiations on the rate or the allocation, under exceptional circumstances. Any negotiations with a research sponsor concerning overhead rates are the responsibility of the RDC Office.
- 3.2** Once the rates and allocation are determined, the information is added to the Research Proposal Approval Form (RPAF) as a record.
- 3.3** Once the project is approved, the RDC Office will forward the information included in the RPAF to the Office of Financial Services in order to open the appropriate accounts. Note that overheads are only charged once the funds are spent.

4. Overhead rates

- 4.1** The following overheads rates will apply to grants and contracts that are administered by Laurentian University. The following is a schedule of rates:

- 4.1.1** For small grants or contracts of less than \$5,000, an administration fee of 10% will apply. If the grant or contract is between \$5,000 and \$10,000, the administration fee will be 15%.
- 4.1.2** If a grant or contract is above \$10,000 but is 100% for graduate student support (other than federal or provincial scholarships), an administrative fee of \$1,000 will be charged.
- 4.1.3** NSERC-Collaborative Research and Development Grants: 35% on industry portion
- 4.1.4** Research funded by the federal government (according to the Treasury Board):
- 4.1.4.1.** Public Works and Government Services Canada
65% for work being conducted on campus and 30% for work being conducted off campus
 - 4.1.4.2.** Canadian International Development Agency (CIDA)
12% of total direct costs
 - 4.1.4.3.** Other federal departments and agencies
15% of total direct costs (minimum)
- 4.1.5** Research funded by provincial government (with the exception of those that pay indirect costs annually)
40% of total direct costs
- 4.1.6** Clinical trials
30% of total direct costs
- 4.1.7** Industry and other research contracts
35% of total direct costs
- 4.1.8** Foundations
10% of total direct costs (minimum)
- 4.1.9** If a service is provided to a research sponsor who is paying with funds on which an overhead charge (including indirect cost) has already been paid to Laurentian University, the overhead may be waived (“Double dipping clause”).
- 4.1.10** Any other arrangement must be approved in writing by the Vice-President, Francophone Affairs, Research and Graduate Studies.

5. Allocation of research overhead within Laurentian University

5.1 Revenues generated from overhead charges should be distributed in order to encourage research and support researchers who are contributing to the projects.

Recipient	No research centre is involved	On Campus Research Centre is involved	Off-Campus Research Centre is involved ¹
Central Administration	33%	33%	20%
Research, Development and Creativity Office	33%	33%	33%
Research Centre	0%	34% ²	47% ³
Principal Investigator(s)	34%	0%	0%

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¹ If the Principal Investigator(s) is (are) acting on behalf of a research centre that is off campus (i.e. not utilising any Laurentian University equipment or premises)

² An a priori agreement shall be in place to describe the distribution once the funds are allocated. If the Centre wishes to share the overhead with the PI(s), this shall be negotiated and recorded in writing prior to sending the proposal for approval by the RDC Office and recorded on the RPAF.

³ If any equipment or facilities of Laurentian University is used, this allocation can change in consequence. To do so, an a priori agreement shall be in place to describe the distribution once the funds are allocated. If the Centre wishes to share the overhead with the PI(s), this shall be negotiated and recorded in writing prior to sending the proposal for approval by the RDC Office and recorded on the RPAF.