

Indirect Costs Policy

Formally known as the Policy on Overhead Charges for Research

Category: Research Policy

Approval: Senate and Board of Governors

Responsibility: Office of Research and Innovation

Date of Approval: September 2004; revised March 22, 2024

Preamble

This policy applies to all research grants and contracts entered into by Trent University. The purpose of this policy is to ensure that the professional, operational, and physical infrastructure that supports research at the university is appropriately funded for the institution's current and future needs.

Indirect costs of research are those expenses that are incurred during research activities, but are not directly attributed with a particular research project. These costs include the cost of utilities in areas designated as research spaces, an appropriate share of staffing costs associated with finance, personnel and maintenance, as well as the costs associated with managing the legal, financial and operational aspects of securing and managing research income.

Definitions

The following definitions are intended as a guide to some of the terms used in this document. Inevitably, there will be situations which do not neatly align with one distinction or another. Guidance in these cases is available from the Office of Research and Innovation (ORI).

Direct costs: Costs of a research project which are directly related to conducting the research, including the salaries and benefits for research personnel, materials and supplies, travel, equipment and facilities purchased or rented during the lifecycle of the project, and the direct costs of dissemination and knowledge transfer such as printing, project web development, publication fees, room and equipment hire for events, etc.

Indirect costs: Costs that cannot be directly associated with an individual research product, function or activity, but which are required in order for the research to take place. Examples might include that maintenance university spaces, infrastructure and equipment; the salary costs of professional services staff in payroll, finance, HR, communications, and research administration; ORI costs associated with securing and managing the grant and other applications whether successful or not, and an appropriate share of subscription and library costs.

Research Grants/Contracts: While there will be differences between individual situations, in general, grants will share some or all of the following characteristics:

- The work primarily advances the PI's own program of research, and the PI is the prime mover in the design and oversight of the knowledge-creation and dissemination process(es);
- The PI is largely free to discuss the work with colleagues, and to publish their findings and the interpretations of them – although sometimes in consultation with the funder;
- The funds cannot be retracted as a function of research performance;

- Equipment purchased belongs to the university upon completion of the research;
- There is no direct or indirect remuneration to the principal investigator or co-investigators;
- The PI and/or the university will usually own the intellectual property arising from the project, although they may choose to share this with the funder or other project collaborators;
- Payment to the university is made in advance of expenditures or in regular instalments;
- The university retains the right to use the research results in the theses and dissertations of students;
- Research trainees may often be involved to a considerable degree.

Research Service Contracts/Agreements: While there will be differences between individual situations, in general, contracts will share some or all of the following characteristics:

- The deliverables, scope and nature of the research is specifically defined in whole or in large part by the funder;
- The time period for the conduct of the research and/or the audience for findings and deliverables is wholly or in large part defined by the funder;
- The funder restricts or strictly defines the permissible publication of findings, ownership of the IP, or the use of findings and resulting analysis in teaching;
- Each stage of payments may be reviewable on the basis of ongoing funder approval, or the publication of findings may require the agreement of the funder after they have reviewed the results of the research;
- May involve direct financial remuneration to the researcher as a consultant or in other retained or advisory role;
- The use of research findings or outputs in teaching, theses and dissertations may be restricted.

Submission of Requests for Research Support:

All research agreements – contracts, grant applications, memos of understanding, or similar arrangements – must be made through the Office of Research and Innovation. Legally, such agreements can only be signed by an ‘officer of the board’ (President, Vice-President or designate) and it is a requirement of that process that the ORI should be given sufficient time to meaningfully assess and, where necessary, renegotiate the terms of any such agreement.

Indirect Costs

Unless the university has a prior written agreement with a funding agency or a contractor, all research funding agreements must include an indirect costs component, except in cases where:

- Funding comes from a federal tri-council (i.e. NSERC, SSHRC, CIHR) grant program that generates financial support to the university from the federal Research Support Fund (RSF) program;
- Funding is used only to provide direct financial support for a research trainee (for example a stipend or research scholarship for a Highly Qualified Personnel, including but not limited to undergraduate or graduate students, and post-doctoral fellowships);
- Situations where the funder stipulates a maximum overhead charge, in which circumstance the maximum allowable should usually be sought;

In all other cases, indirect costs will usually be calculated at a rate of 25% of direct costs for research grants/contracts, and 40% of direct costs for research contracts/agreements.

Distribution of Funding for Indirect Costs

Revenues from overhead charges for research grants and contracts will be distributed on the following basis:

- 50% to the Office of Research and Innovation (for institutional distribution)

- 40% to the Principal Investigator or recognized Research Centre (where applicable),
- 10% to an institutionally-recognized, student-facing research organization (see policy on research organizations) and/or an academic unit. This latter 10% will be apportioned at the discretion of the Principal Investigator.

The Office of Research and Innovation will provide an annual report to the Research Policy Committee and Senate on indirect costs. The Research Policy Committee will provide guidance on the institutional priorities for use of overhead revenues.

Non-Financial Contributions

The University may consider in-kind, non-financial contributions instead of cash in certain circumstances. These could include, but would not be limited to, providing a valuable piece of equipment for use on the research project, which would normally be a permanent donation to the university after the duration of the project; providing services that would otherwise be paid for via indirect costs or access to equipment from within their own organization that relieves the university of a cost in relation to the project in question, or offers an additional and comparable benefit such as support in commercializing a resulting product or allowing student access to equipment for educational purposes; an agreement to return to the university a share of revenue generated from the commercialization of research.

Contact Officer:

- Senior Director, Research and Innovation

Date for Next Review

- March 2029

Related Policies, Procedures & Guidelines

- External Research Activities Policy
- External Research Activities Procedure
- Contract Research Policy
- Commercialization of Research Policy
- Funded Research Agreements Policy
- Research Organizations at Trent - Policy