

TITLE

Recovery of Indirect Costs of Research

POLICY CLASSIFICATION

ADMINISTRATIVE

APPROVAL LEVEL

EXECUTIVE

OVERSIGHT OFFICE

VP ACADEMIC AND PROVOST

CATEGORY

RESEARCH

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1092

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16-May-2023

EFFECTIVE DATE

16-May-2023

NEXT REVIEW DATE

16-May-2026

This policy should be interpreted in a manner consistent with applicable statutory and legal obligations, including collective agreements and terms of employment.

The most up-to-date versions of the University's policies are posted on the policy and procedure website. If you've printed this policy, please check the website to ensure you have the current version.

NOTE: The first appearance of terms in **bold** in this document (except titles) are defined terms – refer to the Definitions section.

PURPOSE

The purpose of this policy is to establish principles for recovering the indirect costs of **externally funded research activities** (“research”) at Royal Roads University (“Royal Roads” or “university”) in a consistent and transparent manner. The term indirect costs used throughout the policy refers to both indirect costs and overhead.

POLICY STATEMENT

In order to achieve the aims of its Strategic Research Plan, Royal Roads expects to seek out and secure research funding from a variety of sources. The costs of conducting research at the university include not only the **direct costs** of the project but also the indirect costs. Indirect costs occur as part of the research funding application or proposal process and continue throughout the life of the activity. CAUBO (2013) estimates the indirect costs of research for Canadian universities to be between 40% and 60% of the direct costs of research, more than the **indirect cost recover rate** of most universities. In addition, many of the indirect costs of research are incurred whether or not research funding applications or proposals are submitted or successful.

COMPLIANCE

Compliance with this policy extends to all **university members** and to externally funded research activities, except as provided for in s.2 of this policy.

PROVISIONS

1. General

- 1.1 Indirect costs of research refer to the ongoing, necessary operating expenses that are attributed to the university, or a specific department, but cannot be attributed to any one project or product. Examples include: the provision of space, maintenance of buildings, utilities, personnel in departments that support the administration of research such as financial services, payroll, human resources, research services, ethics, library, computer services, student services, the Centre for Teaching and Educational Technologies, advancement and communications. For the purposes of this policy, indirect costs of research and overhead mean the same thing.

- 1.2 External funding requests for research activity (e.g., proposals, applications, contracts and agreements) must include an indirect cost recovery rate at 25% of the direct costs unless otherwise noted by a funder, or agreed to with the VP R&I.
- 1.3 The recovered funds will be distributed to central administration.
- 1.4 The university will establish a contingency fund as outlined in the accompanying procedures.
- 1.5 The university supports research in a variety of ways including in terms of space, utilities, and through a number of departments including but not limited to those listed under s.1.1. The allocation of the indirect costs back to central administration acknowledges these university wide supports and costs.

2. Exceptions

- 2.1 Exceptions to recovery of the indirect costs of research are:
 - a) Tri-Agency grants where indirect costs are an ineligible expense;
 - b) Tri-Agency grants (e.g., NFREF) where indirect costs are supported and which are used to directly fund the operations of Research Services (e.g., staff positions);
 - c) Tri-Agency Research Support Fund Program, which is a form of indirect cost recovery with its own rules governed by Tri-Agency and directly funds the operations of Research Services (e.g., staff positions);
 - d) Funders whose published information details a different rate;
 - e) Grants, contracts, or agreements where the amount is \$5,000.00 or less;
 - f) Grants, contracts, or agreements where a different recovery rate has been agreed to by the university and the funder; and
 - g) Funding for student research.

AUTHORITIES, ROLES, AND RESPONSIBILITIES

Members of the university community are responsible for supporting the consistent and transparent recovery of the indirect costs of research.

1. Board of Governors
 - 1.1. The Board is responsible for the general oversight and governance of the university's research program.
2. Executive
 - 2.1 The President, as delegated by the Board, has accountability for the financial management of the university.
 - 2.3 The Vice-President, Finance and Operations, as delegated by the President, leads the coordination of the university's financial processes.
3. Vice-President, Academic and Provost

Administration of the recovery of indirect costs of research policy and procedure are delegated to the Vice-President, Academic and Provost who will:

 - 3.1 Arrange for reviews of the recovery of indirect costs of research policy as appropriate.
 - 3.2 Coordinate the recovery of indirect costs of research procedures.
4. Vice-President, Finance and Operations
 - 4.1 Provide guidance and advice on the recovery of the indirect costs of research.
5. Research Services is responsible for implementing good recovery of indirect costs of research practices and maintaining appropriate internal controls that support and manage the recovery of indirect costs of research and coordinating with Financial Services as appropriate.
6. University members are responsible for the areas identified the accompany procedures.

DEFINITIONS

For the purposes of this policy:

Direct costs of research means costs that are directly attributed to or identified with a research project. They include but are not limited to salaries and benefits for research assistants, materials and supplies, travel, equipment, purchase of specialized services, and subcontracts.

Indirect cost recovery rate is the rate at which the university will make a recovery toward the indirect costs of research.

Externally funded research activities mean research activities funded by grants, contracts or agreements external to university sources.

University member(s) means a Royal Roads' full-time, part-time, and casual employee or contractor, which includes, but is not limited to, faculty and associate faculty, a university graduate and undergraduate student, other non-degree student, university post-doctoral fellows, research assistants, visiting workers, visiting professors, adjunct professors, members of the Board of Governors and those otherwise affiliated with or representing the university (e.g., any staff or directors of university-affiliated research centres, entities or facilities either wholly or partly owned or controlled by Royal Roads).

RELATED DOCUMENTS

- Recovery of Indirect Costs of Research (procedure)
- Academic Integrity and Misconduct in Research and Scholarship (policy and procedure)
- Intellectual Property
- Research (policy)
- Tri agency research support fund program

Review, Revision and Approval History

<u>Date</u>	<u>Activity</u>
2023-May-16	Approved by Executive; first implementation
2026-May-16	Next Review