

**TITLE**  
**Recovery of Indirect Costs of Research**

**DOCUMENT NO.**  
1092-PR

**PARENT POLICY**  
Recovery of Indirect Costs of Research

**INITIAL APPROVAL DATE**  
16-May-2023

**APPROVAL LEVEL**  
VP ACADEMIC AND PROVOST

**EFFECTIVE DATE**  
16-May-2023

**OVERSIGHT OFFICE**  
VP ACADEMIC AND PROVOST

**NEXT REVIEW**  
16-May-2023

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

The most up-to-date versions of the University's policies and procedures are posted on the policy and procedure website. If you've printed this procedure, 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 document is to outline the administration associated with the recovery of the **indirect costs of research**.

## PROCEDURE

### 1. General

- 1.1 Researchers and project leads must budget indirect costs, or eligible costs in lieu of indirect costs, into applications for funding using the **indirect cost recovery rate** indicated in the accompanying policy and may not negotiate indirect cost recovery rates with funders. Any negotiation of rates or discussion of exceptions should be undertaken with Research Services.
- 1.2 Any exceptions to the indirect cost recovery rate not specified in the accompanying policy require the approval of the Vice-President Research and International (VP R&I). Approvals will be based on a clear rationale for the exception.
- 1.3 Researchers are responsible for including **indirect costs** in project budgets. Budgets should be presented as a total amount to the sponsoring agency with the indirect cost built into each budget line item, unless a sponsoring agency requires the indirect recovery charge to be presented as a separate line item.
- 1.4 Research Services will coordinate with Financial Services to recover the indirect cost amount.

### 2. Distribution

- 2.1 Funds collected through the recovery of the indirect costs of research will normally be used to offset the indirect costs of research incurred by the university. See the definition of the indirect costs of research for examples. The indirect costs recovered pursuant to this policy will be distributed to central administration.

### 3. Contingency fund

- 3.1 Royal Roads University will establish a research contingency fund which will be managed by Research Services.
- 3.2 If research contingency funds are needed for exceptional, unforeseen expenses related to funded projects (e.g., unanticipated salary increases of staff; changes to currency or tax rates, etc.), researchers will make a request to the VP R&I.

- 3.3 Researchers must provide evidence that no other funds are available (e.g., internal grant funds, external funds, personal professional development funds).
- 3.4 Research Services will report on an annual basis funds recovered and the use thereof.
- 3.5 Requests that exceed the funds available will be considered through established financial processes.
- 3.6 The use of this fund and the allocation breakdown will be reviewed in three years.

**COMPLIANCE**

Compliance with this procedure extends to all **university members** and to all **externally funded research activities**. Exceptions are noted in the accompanying policy.

**DEFINITIONS**

For the purposes of this procedure:

**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, accounting, payroll, human resources, student support, library, information technology services, communications, grants and contract administration, ethics, and equipment replacement. For the purposes of this policy and procedures, indirect costs of research and overhead mean the same thing.

**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 (policy)
- Academic Integrity and Misconduct in Research and Scholarship (policy and procedure)
- Research (policy)
- Tri-Agency research support fund program
- Restricted Research Funds (procedures)

**Review, Revision and Approval History**

<u>Date</u>	<u>Activity</u>
2023-May-16	Approved by VP Academic and Provost; first implementation
2026-May-16	Next Review