

UNIVERSITY OF MANITOBA POLICY

Policy:	INSTITUTIONAL COSTS OF RESEARCH: RECOVERY AND DISTRIBUTION
Effective Date:	May 22, 2012
Revised Date:	January 29, 2019
Review Date:	January 29, 2029
Approving Body:	Board of Governors
Authority:	
Responsible Executive Officer:	President
Delegate:	Vice-President (Research and International)
Contact:	Director, Office of Research Services
Application:	External Parties: Research Sponsors; Employees: Faculty, Adjunct Appointments, Nil-Salaried Appointments, GFTs, Department Heads, Deans and Directors

Part I Reason for Policy

- 1.1 To acknowledge that Institutional Costs are attributable to all research conducted at the University; and to provide a mechanism for the University to recover these Institutional Costs through clearly established Institutional Cost rates.
- 1.2 To establish a consistent distribution of Institutional Costs revenue in a manner that reflects an appropriate recognition of the costs of conducting research.

Part II Policy Content

Introduction and Scope

- 2.1 The cost of conducting research at the University includes not only the Direct Costs of the research project, but also the Institutional Costs, which indirectly support the research of University researchers, but are often not included in the budgeting process. Institutional Costs cannot be attributed directly or easily to a

research project, but are real costs incurred by the University to provide the infrastructure and support required for the conduct of research. If Institutional Costs are not recovered in research project funding, the University must cover these costs from other revenue sources, which can negatively affect other University operations. It is therefore important when requesting research funding from sponsors to include Institutional Costs in the Budget unless they are explicitly deemed ineligible by the sponsor.

- 2.2 This Policy applies to all Agreements and Research Grants (as defined in subsections 2.3(b) and 2.3(h) except:
- (a) Research Grants from the Tri-Agencies (Canadian Institutes of Health Research, Natural Sciences and Engineering Research Council, Social Sciences and Humanities Research Council); and
 - (b) the associated annual allocations provided by the Tri-Agencies towards the indirect costs of research through the Research Support Fund because of its unique eligibility and reporting requirements.

Definitions

- 2.3 The following terms have the following defined meanings for the purpose of this Policy and its Procedures.
- (a) **Academic Unit** means any University faculty or school, with the exception of schools or colleges within a faculty; such schools or colleges shall be treated as a department for the purposes of this Policy.
 - (b) **Agreement** means, collectively, a Clinical Trial Agreement, Research Agreement, and Technical Services Agreement.
 - (c) **Budget** means the detailed statement submitted to the sponsor outlining the estimated research project costs to support sponsored research.
 - (d) **Clinical Trial Agreement** means an agreement between the University and a sponsor to perform, on behalf of the sponsor and in exchange for payment of costs, prospective biomedical assessments on human subjects, predominantly patients, designed to answer specific questions about biomedical or behavioral interventions.
 - (e) **Direct Costs** means the budgeted expenditures for carrying out a research project at the University except, normally, for the salary of the researcher(s). Direct Costs may include per diem payments to the researcher, the salaries of research assistants and stipends for graduate students, equipment and supplies costs, travel and publication costs and other costs allowed by the sponsor.

- (f) **Institutional Costs** means University expenditures incurred to benefit and support research for which it is not possible to provide an exact itemization of the cost attributable to an individual research project. Institutional Costs are real costs to the University, and include, without limitation, building use and depreciation, utilities, maintenance and upgrade of library resources, computer and network support, management and administration of research, financial services (including purchasing and accounting), legal services, human resource services, technology transfer office services, regulatory and research compliance (including research ethics, human ethics, animal ethics, and biohazard certification), hazardous waste disposal, controlled goods, radiation safety, occupational safety, campus security and liability insurance.
- (g) **Research Agreement** means an agreement between the University and a sponsor to perform research and research-related activities on behalf of the sponsor, in exchange for payment of costs. For the purpose of the Policy, Research Agreements do not include Clinical Trial Agreements, which are addressed separately.
- (h) **Research Grant** means funds that are awarded by a sponsor to perform research and research-related activities without contractual terms or obligations.
- (i) **Technical Services Agreement** (also known as a Fee-for-Service Agreement) means an agreement that does not involve the undertaking of research but rather the use of existing knowledge, skills or expertise to provide a service for a sponsor.

Principles

- 2.4 Funding for research projects must cover all of the costs of doing research, except, normally, the salary of the researcher. Since the total cost of research is made up of both Direct Costs and Institutional Costs, researchers must include in the Budget an allowance for Institutional Costs at the rates established by the University in this Policy.
- 2.5 Reducing or omitting Institutional Costs in a Budget with the expectation that the University will absorb the costs is inappropriate, since the University does not have the financial resources to subsidize sponsored research.

Institutional Cost Rates

- 2.6 Institutional Costs will be recovered at the following rates:
 - (a) Research Agreements: 30%
 - (b) Clinical Trial Agreements: 30%

- (c) Technical Services Agreements: 40%
- (d) Research Grants: 15%

Calculation of Institutional Costs

2.7 Institutional Costs are charged as a percentage of the total Direct Costs.

2.8 Exceptions:

- (a) The University will accept modified Institutional Costs rates from government and other sponsors, provided the modified rates are published and there is sufficient evidence that the modified rates are applied to all Canadian universities.
- (b) In all other instances, approval of the Vice-President (Research and International) is required for any exception to the Institutional Costs rates set out in this Policy. Requests for exceptions must be made in writing to the Director of the Office of Research Services, with support from the Dean or Director of an Academic Unit and from the Department Head for Academic Units with Departments. Requests for exceptions must include an explanation as to why the exception should be considered. The Director of the Office of Research Services or The Director of Research Contracts will in turn forward the request to the Vice-President (Research and International) for consideration.

Distribution of Institutional Costs Revenue

2.9 In order to support and promote sponsored research, and to assist Academic Units and researchers in offsetting Institutional Costs in connection with Research Agreements, Clinical Trial Agreements, and Research Grants, Institutional Costs revenue will be distributed as follows:

- (a) Academic Unit: 100% to be distributed as follows:
 - (i) Researcher: 25% of the total Institutional Costs, which funds must be used in accordance with the terms of the Agreement, where applicable, and in all cases, consistent with University finance and purchasing policies and procedures and with University policies and procedures on the responsible conduct of research.
 - (ii) Researcher's Dean or Director: 75% of the total Institutional Costs.

2.10 The full amount of the Institutional Costs revenue recovered from Technical Services Agreements shall be distributed to the researcher's Dean or Director

to be used only for the maintenance, repair and upgrade of the research infrastructure and equipment in the researcher's laboratory.

Use of University Resources for Outside Professional Activities

- 2.11 When University researchers engage in outside professional activities, such as consulting, involving the use of University facilities, supplies or services, the researcher must inform the relevant Department Head, or Dean or Director for Academic Units without departments, and enter into a written agreement to pay the University the costs of the use at prevailing rates set by the University.

Part III Accountability

- 3.1 The Office of Legal Counsel is responsible for advising the President that a formal review of this Policy is required.
- 3.2 The Vice-President (Research and International) is responsible for the implementation, administration and review of this Policy.
- 3.3 External Parties: Research Sponsors; Employees: Faculty, Adjunct Appointments, Nil-Salaried Appointments, GFTs, Department Heads, Deans and Directors are responsible for complying with this Policy.

Part IV Authority to Approve Procedures

- 4.1 The Vice-President (Research and International) may approve Procedures, if applicable, which are secondary to and comply with this Policy.

Part V Review

- 5.1 Governing Document reviews shall be conducted every ten (10) years. The next scheduled review date for this Policy is January 29, 2029.
- 5.2 In the interim, this Policy may be revised or repealed if:
- (a) the President or the Approving Body deems it necessary or desirable to do so;
 - (b) the Policy is no longer legislatively or statutorily compliant; and/or
 - (c) the Policy is now in conflict with another Governing Document.

- 5.3 If this Policy is revised or repealed all Secondary Documents, if applicable, shall be reviewed as soon as possible in order that they:
- (a) comply with the revised Policy; or
 - (b) are in turn repealed.

Part VI Effect on Previous Statements

- 6.1 This Policy supersedes all of the following:
- (a) Recovery of Indirect Costs Policy;
 - (b) Distribution of Indirect Cost Income Policy;
 - (c) all previous Board of Governors/Senate Governing Documents on the subject matter contained herein; and
 - (d) all previous Administration Governing Documents on the subject matter contained herein.

Part VII Cross References

- 7.1 This Policy should be cross referenced to the following relevant Governing Documents, legislation and/or forms:
- (a) [Research Agreements Policy](#)
 - (b) [Research Agreements Procedure](#)