

# **TORONTO METROPOLITAN UNIVERSITY**

## **POLICY OF SENATE**

### **POLICY ON THE INDIRECT COSTS ASSOCIATED WITH SCHOLARLY, RESEARCH AND CREATIVE (SRC) FUNDING**

Senate Policy Number: 143

Related Documents: N/A

Responsible Office: Vice President, Research and Innovation

Revision Approval Date: May 1, 2018

#### **1. Purpose**

Toronto Metropolitan University encourages and supports faculty, staff and students to undertake scholarly, research and creative (SRC) activity, and to apply for funds to support that SRC activity from external sponsors including the Canadian federal, provincial and municipal governments, foreign governments, foundations and community agencies, and from the private sector.

The costs of conducting SRC activities at Toronto Metropolitan includes not only the direct costs of the project but also indirect costs incurred by the University to provide the infrastructure required to allow an SRC project to proceed.

To ensure sustainability of the University's SRC enterprise, the University is committed to the principle of recovering the full costs incurred in the support of SRC activities, including both direct and indirect costs through established rates, and to provide a mechanism for the University to distribute the indirect costs within the University.

#### **2. Application and Scope**

The Vice President, Research and Innovation is responsible for the administration of this Policy, is authorized to approve guidelines, regulations and procedures pursuant to this Policy and may, in unusual circumstances, approve modifications to the application of this Policy if they are satisfied that it is in the best interests of the University to do so.

This Policy applies to all SRC activity conducted or proposed to be conducted at, or under the auspices of, the University using University personnel, students, premises, resources, services, facilities, and/or equipment.

### 3. Definitions

**"Direct Costs"** are the costs of a project that can be identified and easily attributed to a particular activity including but not limited to salaries and benefits of project personnel, student stipends, materials and supplies, equipment, travel and publication and knowledge translation costs.

**"Indirect Costs"** are those costs that are necessary for maintaining an environment and infrastructure for conducting research and are incurred at the University, Faculty and Department levels for purposes common to multiple research projects, programs, or activities of the University, but which cannot be identified and charged directly to individual projects, programs, or activities with a reasonable degree of accuracy and/or without an inordinate amount of accounting.

They include:

- building costs, maintenance and depreciation (including renovations required for specific laboratories, heating, cooling and lights);
- maintenance, upgrading and depreciation of equipment purchased that enable faculty to undertake SRC activities;
- faculty salaries and benefits, where these are not charged directly to an SRC project.
- University, Faculty and Departmental/school administration such as payroll, human resources, accounting, purchasing and accounts receivable, insurance/risk management, occupational health and safety, legal, etc.;
- library and other research resources, including maintenance of on-line search capabilities and data-bases;
- central computing services;
- financing (e.g., payment of salaries of students or research technicians, purchase of materials and supplies, prior to the billing and receipt of revenue from a sponsor);
- intellectual property assessment and advice.

**"Grant"** means mechanism for providing funding for SRC activity where the sponsor provides the funding for a specific project with minimal reporting, conditions or restrictions including any terms respecting publication of the project results, disposition of intellectual property arising from the project, indemnities or liability. In determining whether SRC funding is provided as a Grant the specific terms of the agreement must be considered regardless of the title of the agreement.

### 4. Policy

#### 4.1 Recovery of Indirect Costs of SRC Activity

1. Except in cases where the Indirect Costs of SRC activity are recovered

through an alternative program or arrangement, the budget for an externally sponsored SRC project must include Indirect Costs calculated as a percentage of Direct Costs as set out below.

2. There are no minimum or maximum values for research agreements for which Indirect Costs should be included in the budget.
3. The Indirect Cost rate applied to a specific SRC project should conform with the posted rate applicable to the particular funding program. In the absence of such a posted rate the following rates will apply:
  - a. The standard rate for a Grant will be 10%
  - b. The rate for partner (industry/not for profit) funding that is provided as a required match to government funding programs is 25%
  - c. The standard rate for all other SRC funding will be 40% of total Direct Costs

#### **4.2 Distribution of Indirect Costs**

1. Recognizing that the University, Faculties and departments/schools all incur indirect costs related to SRC activities, all Indirect Costs received by the University through SRC activity shall be distributed as follows:

University (through the Office of the Vice President, Research and Innovation):	45%
Faculty (Dean's Office):	20%
Department/School:	20%
Faculty Member (PI): (allocated to a discretionary research account and cannot be allocated as a consultancy fee)	15%

2. Notwithstanding the forgoing, Indirect Costs derived from SRC activity obtained through or associated with Faculty/departmental-based or University-approved research centres will be distributed as follows:

Faculty Based Centres:	
University (through the Office of the Vice President, Research and Innovation):	45%
Faculty (Dean's Office):	30%
Centre:	25%

University Based Centres:	
University (through the Office of the Vice President, Research and Innovation):	45%
Vice President Research and Innovation:	30%
Centre	25%

3. Indirect Costs received in respect of a project will not be distributed until all costs associated with the project are paid, all funds are received from the Sponsor, and all technical, scientific, financial or other reports have been submitted to and approved by the Sponsor as required by the funding agreement.