

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, [new date tbc]

1. Purpose

Toronto Metropolitan University (TMU) encourages and supports faculty, staff and students to undertake Scholarly, Research and Creative (SRC) activities, 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 the University includes not only the direct costs of the project but also indirect costs incurred by the University to provide the productive and operational infrastructure required to allow an SRC project to proceed. Indirect costs are a necessary and substantial component of support for SRC activities.

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 an equitable 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 members of the TMU community (faculty, staff including postdoctoral fellows, and graduate students and undergraduate students) conducting

and/or proposing to conduct SRC activity at, or under the auspices of, the University using University personnel, students, premises, resources, services, facilities, and/or equipment.

While all SRC funding is subject to Indirect Costs, funding received from the Tri-agencies are supported by the federal Research Support Fund and as such the Indirect cost rates indicated in this Policy should not be applied unless explicitly permitted in the relevant program. The Policy does not apply to gifts.

3. Definitions

- 3.1 **"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.
- 3.2 **"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 costs such as:

- Building costs, maintenance and depreciation (including renovations required for specific laboratories, heating, cooling and lights);
- Maintenance, operation, 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 including but not limited to SRC grant support, payroll, human resources, accounting, purchasing and accounts receivable, insurance/risk management, occupational health and safety, and legal;
- Library and other research resources, including research data management support, dissemination and translation supports, information and data resources;
- Central computing services;

- Financing (e.g., payment, prior to the billing and receipt of revenue from a sponsor, of students or research technicians salaries, or purchase of materials and supplies);
- Intellectual property assessment, management and advice.

3.3 **"Grant"** means a 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 or award must be considered regardless of the title of the agreement or award.

3.4 **"SRC Activity"** in this Policy means funded creative, scholarly, and/or knowledge-generating activities, whether fundamental or applied, whose primary objective is discovery, problem-solving, or to achieve some desired result that can be specified to a significant extent but that cannot be produced with existing knowledge. SRC Activity is undertaken in the course of an individual's role at the University, and is made, discovered or developed using the University facilities, support personnel, support services, equipment, materials or funds, or otherwise under the auspices of the University.

4. Policy

4.1 Recovery of Indirect Costs of SRC Activity

4.1.1 The Indirect Cost rate applied to a specific SRC project should conform with the following rates:

4.1.1.1 The standard rate for a Grant will be 10% of total Direct Costs

4.1.1.2 The standard rate for all other SRC funding will be 40% of total Direct Costs

4.1.1.2.1 The rate for partner (industry/not for profit) funding that is provided as a required match to government funding programs is 25% of total Direct Costs

- 4.1.1.3 Where an external partner prescribes a different recovery rate in established terms or policy, the University will normally follow those terms or policy.
- 4.1.1.4 The applicable Indirect Costs rates are set regardless of the dollar value of the research agreement, nature of the partner organization, or intended use of funds.

4.2 Distribution of Indirect Costs

4.2.1. 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 (through the principal investigator’s home Faculty/Dean’s Office):	20%
Department/School (through the principal investigator’s home Department/School):	20%
Faculty member (principal investigator) allocated to a Professional Expense Reimbursement Fund and cannot be allocated as a consultancy fee:	15%

4.2.2 Notwithstanding the forgoing, Indirect Costs derived from SRC activity obtained through or associated with Faculty or University research centres will be distributed as follows:

Faculty Research Centres	
University (through the Office of the Vice-President, Research and Innovation):	45%
Faculty (through the research	30%

centre's home Faculty/Dean's Office):	
Faculty Research Centre:	25%

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

4.2.3 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.

5. Related Documents

Policy 144: Research Centres

Professional Expense Reimbursement Fund for Members of the TFA

APPENDIX A:

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RESEARCH AND CREATIVE (SRC) FUNDING**

FREQUENTLY ASKED QUESTIONS - TBD