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## RESEARCH OVERHEAD COST RECOVERY

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| <b>Approval Authority</b>             | President                                                                                               |
| <b>Responsible Executive</b>          | CFO & VP Admin/AVP Research, Engagement and Grad Studies                                                |
| <b>Related Policies / Legislation</b> | Procedures for Research Overhead Cost Recovery<br>Board policy direction Financial Management (BPD-205) |

### PURPOSE

The purpose of the policy is to ensure that the university takes into account the resources, expenditures and infrastructure required for conducting and supporting the research activities of the University. The costs of conducting research at the University of the Fraser Valley include not only the direct costs of the project but also the indirect overhead costs.

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### SCOPE

The policy applies to all faculty members, staff, students and all other research personnel associated with UFV.

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### DEFINITIONS

Contract or agreement: an agreement between legal entities, namely the sponsor and the University, to provide financial support to perform research-related services within the specific stipulations and conditions of a contract or agreement.

Overhead fees: include but not limited to the provision of space, maintenance of buildings, utilities, accounting, payroll, human resources, student support, library, information technology services, grants and contract administration, and equipment replacement. This term means the same thing as “indirect costs” and is used interchangeably.

Research grant: is financial support for an investigator or investigators, or group or centre or institute conducting research in a particular subject area or field, with a described focus within that subject and/or a described methodology.

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### POLICY

The University requires an overhead fee to be included in all applications or proposals for research, research contracts and projects, prior to any commitment of University resources. Any exceptions require the approval of the appropriate administrator as per the procedures outlined in the following pages. Overhead fees are calculated and distributed at the rate specified in the following procedures.

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### REGULATIONS

#### PROCEDURES FOR RESEARCH OVERHEAD COST RECOVERY

Except where expressly prohibited by the funding organization, the University requires the inclusion of overhead fee recoveries in all proposals, applications, contracts, and agreements. The University may refuse to authorize activities where indirect costs are not recoverable.

All applications, contracts, and agreements must be approved and signed in accordance with the University's signing authority policy as well as in compliance with any other laws or regulations (*Policy # BRP-205.02*).

It is the responsibility of the senior administrator or signatory to cover activity deficits including any deficit resulting from overhead fees incurred. Any surplus in excess of the overhead fee will be retained by the division.

## **RESEARCH**

Researchers and project leads must budget overhead costs, or eligible costs *in lieu* of overhead, into applications for funding using the rates indicated and **may not** negotiate overhead with funding sponsors. Any negotiation of overhead with sponsors should be undertaken by the Office of Research Services.

Funding received directly from Tri-council for projects (SSHRC, NSERC, and CIHR) is **exempt** from overhead charges as an Indirect Costs grant is provided to the University each year based on funding received over the prior three years.

In exceptional cases, the Provost may consider written appeals for exceptions or variations concerning the minimum amount of overhead charged. All exceptions to this policy require prior written approval from the Provost (or designate). A Research Overhead Cost Recovery Waiver form must be completed and approved if the overhead charge is to be waived (form is available at [www.ufv.ca/research/forms](http://www.ufv.ca/research/forms)).

**Overhead fees will be deducted at the rate of 25%, calculated as a percentage of total direct costs of the project.**

All funds received and allocated will be distributed through the University's central accounting system

Overhead recoveries will be distributed as follows:

- 50% to Central Administration
- 35% to Office of Research Services
- 15% to Faculty Division