

**External Research  
Funding Agreements**

**University Policy No:** RH8200  
**Classification:** Research  
**Approving authority:** Board of Governors  
**Effective date:** January 2010  
**Supersedes:** June 2002  
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**Mandated review:** January 2017

**Associated Procedures**

[Procedures for Approval of External Research Funding Agreements](#)

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**PURPOSE**

- 1.00 The purpose of this policy is to set out the criteria for the approval of external Research Funding Agreements and to establish conditions for the remuneration of faculty and university employees under Research Funding Agreements.

**DEFINITIONS**

- 2.00 Research Funding Agreement means funding provided through an agreement with the university to be used for research purposes, whether the agreement would be considered a grant, contract, contribution agreement, or whether the agreement takes any other form, and whether it is legally enforceable or not.

**JURISDICTION/SCOPE**

- 3.00 This policy applies to research supported by external funds, but does not apply to research carried out under a personal services contract. Such personal services are subject to conflict of commitment guidelines contained in the Framework Agreement.

**POLICY**

- 4.00 The university encourages researchers to seek and enter into arrangements which provide external financial support for research in which university infrastructure is used, providing that such arrangements are compatible with the university's mission and its policies and regulations.
- 5.00 Research Funding Agreements are agreements between the University of Victoria and the contracting agency and must not be written in the name of an individual, a department, centre, institute, school or faculty.

**Criteria for Approval of Research Funding Agreements**

- 6.00 Under signing authority delegated by the Board of Governors in accordance with *Signing Authority* policy FM 5100, the Vice-President Research will normally approve Research Funding Agreements that meet the following criteria:
- (a) Have the support and approval of the requisite director, chair and faculty dean.

- (b) The research is not deemed secret or classified.
- (c) The Research Funding Agreement is determined to be of overall benefit to the university, providing resources, research equipment, or infrastructure not otherwise available from university funds, or academic benefits to staff, or educational opportunities for students extra to normal programs.
- (d) The Office of the Vice-President Research and Innovation Development Corporation have carried out or supervised Research Funding Agreement negotiations, consulting with the Principal Investigator or Co-investigators throughout, to ensure the most favourable terms possible are obtained and that the funding agreement complies with university policies. The consent and signature of the Principal Investigator or the Co-investigator(s) is required as a prerequisite to approving any Research Funding Agreement.
- (e) The academic, ethical, and financial interests of all parties, including the public, are considered to be reasonably protected.
- (f) The required ethics, safety, and regulatory approvals will be obtained from the relevant committees.
- (g) Intellectual property, publication, and confidentiality provisions have been reviewed by the Office of the Vice-President Research and signatures of researcher(s), and any graduate students working for researcher(s), on a Research Funding Agreement have been obtained as required. The preference of the university is that all efforts should be made to provide for the reservation of intellectual property and academic publication rights to the investigator(s) (if they so wish).
- (h) Normal teaching and service duties or other responsibilities of the researcher will not be affected adversely, or acceptable adjustments to these duties have been made and budgeted for in the proposal, and as appropriate in the related departmental budget. Adjustment to teaching or service commitment must be approved by the appropriate director or chair and dean, in accordance with the Procedures for Approval of External Research Funding Agreements.
- (i) There is no restriction in a Research Funding Agreement which unnecessarily prohibits or delays the use of research results by graduate students for theses or other academic purposes related to the completion of their graduate degree. Delays in publication at the request of a funder are permissible in order to protect patentable material pending application, or where immediate commercialization may be jeopardized. Delays in excess of six months, require approval of both the Vice-President Research and the Dean of Graduate Studies.
- (j) University infrastructure will not be unduly burdened, or, needed modifications have been budgeted for in the proposal.

- (k) All direct and indirect costs have been considered and included as appropriate in the proposed budget, in accordance with the *Indirect Costs of Research* Policy FM5400 and the *Procedures for the Approval of External Research Funding Agreements*.
- (l) The university acts as paymaster for Research Funding Agreements where the Principal Investigator is a faculty or university employee, unless otherwise agreed to by the parties and the Vice-President Research. Normally, only members of the continuing regular staff may hold UVic research accounts, and the grantee is responsible for the proper management of all funds held in that account.

### **Remuneration from Research Funding Agreements to Faculty and University Employees**

7.00 Remuneration to faculty and university employees is allowable from Research Funding Agreements under all of the following conditions:

- (a) the university will receive appropriate indirect costs, where indirects are an eligible expense; and
- (b) either the person to whom the remuneration will be paid will be able to properly discharge all normal employment responsibilities, or suitable alternative arrangements to fulfill these responsibilities have been approved by the requisite Dean; and
- (c) there is no perceived or apparent conflict of interest or commitment.

7.01 Remuneration to any other individual must be explicitly stated in the Research Funding Agreement and approved by the requisite Dean.

### **Research Funding Agreement Management and Financial Accountability**

8.00 Research account deficits after the end of a Research Funding Agreement are not permitted. The Principal Investigator(s) is responsible for the sound management of funds to ensure that these funds are not over-expended at the end of the term of the Research Funding Agreement. Refer to the *Signing Authority* Policy FM5400 (1002) and the procedures for external research funding agreement management and financial accountability (under development) for detailed information.

### **AUTHORITIES AND OFFICERS**

- i) Approving Authority: Board of Governors
- ii) Designated Executive Officer: Vice-President Research
- iii) Procedural Authority: Vice-President Research
- iv) Procedural Officer: Director, Office of Research Services

### **RELEVANT LEGISLATION**

*University Act*

### **RELATED POLICIES AND DOCUMENTS**

Research Policy RH8100

Indirect Costs of Research Policy FM5400

Conflict of Interest and Confidentiality Policy GV0210

Signing Authority Policy FM5100  
Procedures for Approval of External Research Funding Agreements  
Framework Agreement  
Intellectual Property Policy GV0215  
Procedures for External Research Funding Agreement Management and Financial Accountability (under development)

## PROCEDURES FOR THE APPROVAL OF EXTERNAL RESEARCH FUNDING AGREEMENTS

**Procedural Authority:** Vice-President Research  
**Procedural Officer:** Director, Office of Research Services  
**Parent Policy:** External Research Funding Agreements  
RH8200

**Effective Date:** January 2010  
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### PURPOSE

- 1.00 The purpose of these procedures is to set out the appropriate process for applying for and receiving research grants and negotiating and signing research contracts – known collectively as external Research Funding Agreements.

### DEFINITIONS

- 2.00 Research Funding Agreements means an agreement with the university to provide funding for research purposes, whether the agreement would be considered a grant, contract, contribution agreement, or whether the agreement takes any other form, and whether it is legally enforceable or not.
- 3.00 Research means the intentional process of study and creative expression that explores and extends human knowledge and experience.
- 4.00 University Resources include, but are not limited to, university infrastructure, personnel (including students) and support services.
- 5.00 Indirect Costs of Research include, but are not limited to those costs associated with:
- the operation and maintenance of facilities that support Research;
  - the management of the entire Research process (from providing seed funds and supporting the preparation of grant applications through the commercialization and the dissemination of results); and
  - regulation and safety compliance (including human research ethics, animal care and environmental assessment).

## PROCEDURES FOR THE APPROVAL OF EXTERNAL RESEARCH FUNDING AGREEMENTS

### Application/Proposal Stage

- 6.00 In accordance with section 69.4 of the university's *Framework Agreement*, any university member who directly participates in the conduct of funded research activity as an applicant for funds, a principal investigator or a co-investigator must, prior to the commencement of his or her participation in the research, submit a written statement (Disclosure Statement) to the university member's next level of authority. The Disclosure Statement must identify any real or potential conflict of interest that might reasonably affect or be perceived to affect the university member's participation in the research or state that no such conflicts exist. The Disclosure Statement must be updated if any material change has occurred in the matters disclosed in it and, in any event, on the annual anniversary date of the original Disclosure Statement, as long

as the university member's participation in the research continues. The Disclosure Statement can be found on the [Office of Research Services](#) website.

- 7.00 In accordance with the *Framework Agreement*, at the time of applying for any research funding, a member must include with the material submitted for the application to Research Services a certification that the member has submitted a Disclosure Statement within the past 12 months and that there have been no material changes after that time or that, immediately before or concurrent with the application, the member has submitted a Disclosure Statement to his or her next level of authority. This certification must be signed by both the member and his or her next level of authority.
- 8.00 To ensure compliance with the *External Research Funding Agreements Policy* RH8200, before submission to an external research funder, every application or proposal for externally sponsored research must be approved internally. Internal approval requires that:
- (i) the application or proposal be signed in accordance with any applicable requirements; and
  - (ii) the [Research Application Summary Form](#) (RASF) be completed and signed by the individuals listed below (see section 10.00 (i)-(v) and, as applicable, section 15.00).
- 9.00 All research proposals must include a project description and a budget. With the exception of Tri-Council grant proposals, budgets should be presented as a total "price" to the funder with the indirect cost built into each budget line item, unless a funder requires the indirect recovery charge to be presented as a separate line item. The indirect cost recovery will be automatically deducted from research accounts.
- 10.00 To the extent possible, signatures should be obtained in the order set out below and the document(s) should then be submitted to the Office of Research Services, who will obtain any other signatures required. The signatures required by this section must be obtained prior to submission of the document for signature by the Director of the Office of Research Services.
- (i) *The Principal Investigator or Co-applicant(s)*  
The principal investigator is required to complete the RASF to:
- confirm his/her acceptance and willingness to carry out the work within the proposed budget and the availability and sufficiency of the internal and external resources identified in the project description; and
  - identify any regulatory approvals required to carry out the proposed research.

A co-applicant on a research funding proposal should also complete the RASF if the principal investigator is not a university faculty member and there are resource commitments from the university and/or funding being allocated to the university.

(ii) *Department Chair(s)*

The signature of the department chair(s) on a RASF acknowledges that they have reviewed the proposal and the availability in their respective department(s) of University Resources required to carry out the project, and acknowledges the proposed time commitment by the principal investigator and/or co-applicant(s) to the project including approval of any course release.

The signature also confirms that the department chair has on file a current *Disclosure Statement* for the principal investigator and/or any of the co-applicants in their respective department(s).

(iii) *Research Centre Director(s) or Dean(s) of the Faculty*

Where the proposed research uses facilities or resources which are part of a research centre, the director of the research centre must sign the application. The signature of the dean of the faculty confirms the dean's approval regarding allocation of infrastructure or other resources within the faculty for performance of the proposed research and any course release. If applicable, the signatures will also confirm approval of distribution of indirect costs between the dean and research centre director according to section 32.00 of these procedures. Deans and research centre directors have the option to develop a standing agreement on the distribution of indirect costs. The agreement will be held on record in the Office of Research Services and will be subject to annual review and renewal.

(iv) *Director of the Office of Research Services (as designate of the Vice-President Research)*

In general, the signature of the Director of the Office of Research Services indicates that the university will support the undertaking of the proposed research to the extent that available facilities and resources permit, and that the university is prepared to administer funds received on behalf of the grantee.

(v) *Vice-President Research*

The approval of the Vice-President Research is required if indirect costs are less than 25% unless the rate proposed has been approved as an exception for the funder or the program under the university's *Indirect Costs of Research* Policy FM5400 in accordance with sections 22.00-27.00.

11.00 All research applications and proposals will be forwarded to the Office of Research Services with the RASF for review and final approval.

12.00 All research applications must include indirect costs in accordance with the *Indirect Costs of Research* Policy FM5400. In the event that a research centre is involved in a research project, the allocation of indirect costs between the research centre and the faculty involved must be approved in accordance with sections 10.00 (iii) and 32.00.

### **Negotiation Stage**

- 13.00 Research contracts are agreements between the University of Victoria and the contracting agency and must not be written in the name of an individual, a department, centre, institute, school or faculty.
- 14.00 If a research agreement or contract is required, the negotiation of such agreements or contracts (including those resulting from a grant application) is co-ordinated by the contracts staff in the Office of Research Services working with the Principal Investigator and funder. The process of review and approval may involve several different units in the university administration including research accounting and risk management, and the Innovation and Development Corporation. All procurement (e.g., equipment purchases) should be coordinated directly with purchasing in accordance with university policy. Agreements for consulting, subcontracting and professional services under a research contract are subject to the university's *Purchasing Services Policy* FM5105 and should be coordinated through the Office of Research Services contracts staff who will work with purchasing to ensure compliance with the terms of the applicable research agreement. The principal investigator and co-applicants are advised on progress and consulted on any decisions that affect the research proposal. Before an agreement or contract can be submitted for execution, the principal investigator will be given the opportunity to agree with the terms and conditions of the agreement or contract and assume the responsibilities of principal investigator for the project. The principal investigator will also be responsible for advising the university members (including students) of the terms and conditions of the agreement or contract applicable to such members and obtaining any necessary signatures. For example, if a research contract or agreement requires the assignment of intellectual property to the university or to a funder, assignment agreements from those working on the project may be required.

### **Signature Stage**

- 15.00 The Office of Research Services staff co-ordinate the signature process on behalf of the university. An external Research Funding Agreement must be executed in accordance with the university's *Signing Authority* policy FM5100. In certain circumstances, an additional signature may need to be obtained from the Vice-President Finance and Operations (or designate). The Vice-President Finance and Operations is responsible for co-signing external research funding agreements with a total budget of over \$500,000 in accordance with the university's *Signing Authority* policy FM5100 or where there is an identified risk or resource commitment requiring this approval process (e.g., health and safety of employees, environmental impact and institutional risk, etc.)
- 16.00 Once an agreement has been fully executed, Office of Research Services staff will provide the principal investigator with a FAST account number and, in the case of contracts, with a copy of the fully executed agreement.

## **INDIRECT COST OF RESEARCH RATES SCHEDULE**

### **University of Victoria Indirect Cost of Research Rate**

- 17.00 The university has established a flat minimum rate of 25% calculated on the value of external research funding agreements which does not include in-kind contributions. Alternate rates have been established for certain organizations and certain programs. These alternative rates apply to certain contracts or awards from these funders and to sub-contracts or sub-awards under a



prime contract or prime award from these funders. In instances where the university is in receipt of a sub-award or sub-contract, unless a provisional rate has been approved pursuant to section 25.00, the indirect rate applicable will be the greater of the university rate set for the prime contract or prime award funder or the indirect cost rate received by the recipient of the prime contract or prime award.

18.00 The indirect costs rates for contracts or awards from specific funding agencies and organizations (“Indirects Rates Schedule”) are available on the [forms page](#) of the Office of Research Services website.

**Awards made Directly to Students**

19.00 Indirect costs do not apply to awards made directly to a student or post doctoral fellow in a competitive process (e.g., scholarships such as the NSERC Industrial Post Graduate Scholarship or fellowships). Additionally, certain programs will have standing indirect rates below 25% or at 0% (see sections 22.00-26.00). Indirect costs will apply to student salaries and stipends paid pursuant to an external Research Funding Agreement subject to any negotiated rates applicable to the program or funder.

**Tri-Council Funding**

20.00 Indirect costs of research funded by the following organizations (the “Tri-Council Funders”) are partially recovered through the federal Indirect Cost Program. Indirect costs cannot, therefore, be included in grant applications to the following agencies:

- The Canadian Institutes of Health Research (CIHR)
- The National Sciences and Engineering Research Council of Canada (NSERC)
- The Social Sciences and Humanities Research Council (SSHRC)

21.00 In instances where industry funding is being matched by the above organizations, indirect costs should be charged on the industry contribution (to the extent permitted by the program) portion but this portion will not be matched by the Tri-Council Funders. See the following example:

<b>Research Budget (Direct Costs)</b>	<b>\$300,000</b>
Industry Cash Contribution	\$100,000 toward direct costs \$25,000 toward indirect costs (@25%) TOTAL Industry Contribution \$125,000
Industry in-kind Contribution	\$100,000
NSERC Matching Contribution	\$100,000 to match industry cash contribution \$100,000 to match industry in-kind contribution TOTAL NSERC matching contribution \$200,000

In this example, NSERC contributes to the university’s indirect costs of research through the Federal Indirect Costs Program Contribution which is based on the total awards to the university from the Tri-Council funders.

### **Negotiated or Approved Indirect Cost Rates**

22.00 A research grant or contract including indirect costs at less than the approved rate for a funder or, in the case of a funder without an established rate, at a rate less than 25% must be approved by the Director of the Office of Research Services, on behalf of the Vice-President Research, prior to any application or binding obligation being assumed by the university with respect to such a research project. Such approval may take one of the following forms:

- (i) **A Standing Indirect Costs Rate** which will remain in place until revised or revoked by the Office of Research Services on behalf of the Vice-President Research. New approvals will not be required for projects with this funder at the indirect costs rate established provided as such a standing rate continues to be consistently applied by the funder to all universities or, in the case of non-Canadian funders, to all non-domestic universities. Such a standing rate may be limited to specific programs if a funder has different indirect rates for different programs.
- (ii) **A Provisional Indirect Costs Rate** which will be applicable to a specified research project with a funder. Unlike a standing rate, any additional research at this indirect costs rate with this funder will require a new approval.

### **Procedure for Determining Standing Indirect Cost Rates**

23.00 In order to expedite the establishment of a standing indirect cost rate, the following information must be provided to the Office of Research Services for consideration:

- (i) Confirmation of the status of the funder as a not-for-profit organization, including governmental agencies, universities, international organizations and charitable foundations.
- (ii) Evidence that the rate proposed is a *bona fide* established indirect costs rate of the funder which is consistently applied to all universities or, in the case of non-Canadian funders, to all non-domestic universities. Such evidence might be the statute, regulation or program terms published by the funder. Alternatively, written confirmation from the funder may suffice provided such communication identifies the indirect rate and the funder agrees to certify, as part of the contracting process, that the rate is *bona fide* rate established by the funder and consistently applied to all universities or, in the case of non-Canadian funders, to all non-domestic universities.
- (iii) For program-specific standing rate exceptions, the same information must be provided, with the inclusion of the program limitation as appropriate.

### **Procedure for Determining Provisional Indirect Cost Rates**

24.00 A provisional indirect cost rate exception should be pursued when the funder does not have an established rate for indirect costs which meets the requirements set out in section 23.00(ii) above. These exceptions will be considered and approved by the Director of the Office for Research Services, on behalf of the Vice-President Research. A provisional indirect cost rate below 25% will only be considered in the following circumstances:

- (i) the funder has demonstrated an inability to pay indirect costs at a rate higher than that sought; and

- (ii) the funder is not paying higher indirect rates to other organizations or institutions for comparable research projects; and
- (iii) the proposed research project will benefit the university and/or community in a demonstrable way for example providing: resources, research equipment, or infrastructure not otherwise available from university funds; academic benefits to staff; or education opportunities for students extra to normal programs.

25.00 Provisional rate exceptions may also be granted for sub-awards and sub-contracts to allow for the acceptance of rates less than as required by the Indirects Rate Schedule (section 18.00) provided it is fair and equitable given the roles of the parties in the project. The recommendation of Research Accounting will be a significant consideration in whether to approve this provisional rate.

26.00 Indirect costs may be distributed to a sub-contractor or collaborator on the research funding they receive from the university as the prime award or prime contract holder. If the university is distributing more than 50% of the total funding (e.g., 50% or more of the indirect costs associated with a grant or contract are to be distributed to another party) then the arrangement must be approved in advance by the Director of the Office of Research Services, on behalf of the Vice-President Research. The Director of Research Services will consider the recommendation of Research Accounting as part of the decision making process to ensure that the distribution of indirect costs fairly reflects the university's reporting and contracting responsibilities as the holder of the prime award or prime contract and the structure of the project. Distribution of indirects to a sub-contractor or collaborator at a rate higher than that provided in the prime award or prime contract will not be allowed unless special arrangements have been made in advance to cover the shortfall.

27.00 Research projects which limit publication or transfer ownership in intellectual property to the funder will not be eligible for this exception except in extraordinary circumstances.

#### **Administration of Rates Schedule Procedures**

28.00 The indirect cost of research rates schedule will be maintained by the Office of Research Services. The rate schedule will be reviewed and updated annually at a minimum. New rates or other relevant information received before the annual review will be updated upon receipt.

29.00 The review of provisional indirect rates and procedures will be performed by the Office of Research Services with a view to ensuring the following:

- consistency in their application;
- compliance with existing policies and procedures;
- editorial and rate accuracy; and
- rates remain consistent between British Columbia research universities.

30.00 The flat minimum rate will be set and adjusted periodically by the Vice-President Research, under delegation by the Board of Governors. The Vice-President Research will benchmark the flat minimum rate against comparable indicators from other institutions.

### **ACCOUNTING PROCEDURES**

#### **Allocation of Indirect Costs**

31.00 Allocations for indirect costs will be expensed to accounts on an annual basis at the beginning of the fiscal year for ongoing accounts; or in the case of new accounts, at the time the account is opened. Allocations will be for the current fiscal year only and calculations for the amount(s) expensed will be based on the approved budget for the fiscal year. Any adjustments required will be made at year end.

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

32.00 In accordance with the *Indirect Costs of Research* policy FM5400, 40% of indirect costs collected from a funded research project will be distributed to the faculty and/or research centre supporting such a research project. The actual distribution will be determined by the dean and research centre director taking into account the features of the research project. This distribution must be agreed upon between the relevant dean and research centre director prior to the university approving the research proposal and the signature of the dean and research centre director on the RASF or grant application will be treated as evidence of such approval without further confirmation. Funds that are distributed must be used to cover the indirect costs of research and not the direct costs of research.

33.00 In order to ensure that the correct amounts are distributed, the distribution of indirect cost revenues to faculties and research centres will be made to indirect cost operating accounts under the authority of the Vice-President Research during the fiscal year following the year in which the original expense was allocated.

#### **Interpretation and Application of Procedures**

34.00 Questions of interpretation and application of these procedures shall be referred to the Vice-President Research whose decision shall be final.

### **AUTHORITIES AND OFFICERS**

- i) Procedural Authority: Vice-President Research
- ii) Procedural Officer: Director, Office of Research Services

### **RELEVANT LEGISLATION**

*University Act*

### **RELATED POLICIES AND DOCUMENTS**

Research Policy RH8100

Indirect Costs of Research Policy FM5400

External Research Funding Agreements Policy RH8200

Signing Authority Policy FM5100

Framework Agreement