

 BRANDON UNIVERSITY <small>Founded 1899</small>	Research Contract and Overhead Policy		<i>First Approved:</i> <i>July 16, 1987</i>
			<i>Updated:</i> <i>April 20, 2013</i>
<i>Board of Governors Policy</i>	<i>Approved by</i> <i>Administered by</i>	<i>Board of Governors</i> <i>Vice-President</i> <i>(Academic and Provost)</i>	<i>Reviewed:</i> <i>April 20, 2013</i>

1. PURPOSE

The *Brandon University Research Contract and Overhead Policy* shall govern the negotiation and administration of research contracts and contribution agreements undertaken by Brandon University faculty for parties external to the University.

Note: Generally, grants are not subject to overhead. Where an external funder allows for overhead or an administrative fee to be charged to a research grant, this policy shall apply.

2. SCOPE

This policy applies to research contracts entered into by the University for research carried out by University faculty that involve use of the University name, University facilities (equipment, space, services, etc.), University-supported time, University-supported personnel, or the University accounting system related to a *contract* as defined below. Research contracts must be approved by the Office of the Vice-President (Academic & Provost), and are subject to overhead charges.

Note: Personal contracts or private consultancies for research and similar services negotiated between an employee of the University and an external individual or organization, but not approved by the Vice-President (Academic & Provost) **will not** be accepted for administration by the University, nor may the University name, University facilities, staff, resources, or time be used for work carried out under such contracts, unless explicitly authorized in advance by the Vice-President (Academic & Provost).

3. DEFINITIONS

Contract: Refers to a legally binding and enforceable agreement to perform research on behalf of an external sponsor. The agreement generally includes terms and conditions: governing the conduct, direction and scheduling of the tasks to be performed within a specific time frame; designating ownership of proprietary rights to the research results; outlining the financial regimen to be followed; and placing other restrictions on the research. All or most of the following characteristics will normally be present in a contract:

- a. Outline of the scope and nature of the work;
- b. A set time period for the activity;
- c. Ownership of intellectual property, patent rights and licensing arrangements Deliverables or milestones defined;
- d. Provision for the confidentiality of information supplied and/or created;
- e. Limitations on publication, including the right to prior review of material for publication

- to check for confidentiality or intellectual property issues;
- f. Contract price;
- g. Budget approvals and payment schedules;
- h. Contribution to the indirect costs incurred by the University via overhead;
- i. Acceptance, renewal, and termination clauses;
- j. Limits to the liability of parties (hold harmless and indemnity clauses); and
- k. Reporting requirements, both research and financial.

Grant: Refers to funds that are awarded to enable the performance of self-directed research, where there is no contractual obligation for prescribed outcomes. The following characteristics will normally be present:

- a. The project is initiated and directed by the principal investigator;
- b. Any project protocol is designed by the principal investigator and can be changed without further approval of the sponsor;
- c. The funds are not attached to a specific performance outcome and cannot be retracted on the basis of level of performance;
- d. The principal investigator may publish findings with no approval process or time delay involving the sponsor;
- e. Any intellectual property arising from the work belongs to the principal investigator or to the University, and not to the sponsor;
- f. There is no honorarium or other similar payment to the principal investigator;
- g. The project is open, with no proprietary data owned by the sponsor or other contractual commitment regarding intellectual property, and no transfer of data or results to the sponsor;
- h. The funds are provided in advance of expenditures and not in arrears;
- i. Capital equipment purchased from the funds is the property of the University;
- j. Student involvement where possible; and
- k. Results are intended for public dissemination.

Direct Costs: Direct costs are all costs that are directly attributed to or identified with the research project. Contract research incurs direct costs to the University, which must be supported by appropriate documentation, and included, in full, in the contract proposal budget. These costs may include, but are not limited to: salaries, benefits, and payroll tax for research support and technical staff; materials and supplies; equipment (purchase, rental, maintenance, taxes and installation); travel and subsistence; printing and duplicating; postage; office supplies; telephone and telecommunication; renovations; freight and delivery charges; rental of space; and administrative support.

Overhead Costs: Overhead costs, also known as indirect costs, are those that cannot be directly attributed to the contract activities, but are a result of the contract activities; costs associated with administering and managing research. They include provision by the University for: space; utilities and similar services; the use of University owned equipment, repairs and maintenance, and rentals; researcher time; the proportionate share of costs such as insurance and legal services; the support personnel in such offices as Human Resources, Financial & Registration Services, Research Services; Physical Plant, Communications, Technical Services, and Library; and materials, supplies, telephone, photocopying, and postage. These costs normally approach or exceed 100% of the direct costs of research.

4. OFFICE OF THE VICE-PRESIDENT (ACADEMIC & PROVOST)

Following initial contact by a faculty member with an external contractor regarding a potential research contract, the Office of the Vice-President (Academic & Provost) must be notified and become involved early in the negotiations, if the research contract is to be administered by the University. A completed and signed Brandon University External Research Application Cover Sheet (<http://www2.brandonu.ca/administration/vpacademic/research/external/>) shall be submitted to the Office of the Vice-President (Academic & Provost) along with the **final draft** of the contract, proposal and budget, and any other accompanying documentation.

The Vice-President (Academic & Provost) is responsible for reviewing, approving, and signing all research contracts. The principal investigator is responsible for sending the signed contract to the external contractor. The principal investigator will forward the contract, **signed by all parties**, to the Office of the Vice-President (Academic & Provost) once received.

Only the University has the legal authority to enter into contract agreements and all contracts, as defined in this policy, shall be signed by authority of the Vice-President (Academic & Provost). Faculty members or other employees do not have the authority to enter into contracts on behalf of the University.

Upon receiving the original signed contract from the external contractor, the Office of the Vice-President (Academic & Provost) is responsible for its administration, including authorizing the opening of a designated account; liaising with the sponsor with regard to administrative matters and obtaining or receiving contract amendments and/or addenda; assisting all interested in understanding contractual requirements; and mediating in the case of disputes.

If a principal investigator conducting contract activities intends to leave the University before the completion of a contract, that individual shall notify the Office of the Vice-President (Academic & Provost) at least 60 days prior to leaving and the external contractor shall be notified by the Vice-President (Academic & Provost) in due course. The Vice-President (Academic & Provost) shall then be responsible for ensuring that contractual obligations are met.

Approval of a Contract shall be given only if:

- a. Consideration has been given to the reasonable protection of the interests of the University, (particularly academic and financial), the faculty member, the student, and the public;
- b. The normal teaching duties or other responsibilities of the faculty member will not be affected adversely, or acceptable adjustments to these duties have been made and budgeted for in the contract, and as appropriate in the related departmental budget;
- c. The existing University space and facilities will not be unduly burdened, or that needed additions have been budgeted for in the contract; and
- d. All direct costs and overhead charges have been considered and included as appropriate in the proposed budget.

Contracts Must Include the Following:

- a. The ownership of any donated or purchased equipment shall be specified in the contract. Any equipment or materials purchased by the University, in accordance with the contract, shall remain the property of the University unless otherwise specified;
- b. Contracts must include reasonable and appropriate mechanisms for renewal, termination

- or extension of the contract. In the case of termination, the University must be paid for all costs incurred or committed to the date of termination;
- c. Contractual obligations must be integrated into the ongoing activities and responsibilities of the individuals involved, and of those of the affected academic unit; and
 - d. No right or obligation related to research contracts shall be assigned by either party without the prior written permission of the other. The University shall not sub-contract any contract activities, except as specifically provided for in the contract, or an amendment to the contract.

Proprietary Rights

In aid of the goal to ensure integrity in the conduct and reporting of academic research, contracts shall not contain provisions that limit research activities in a manner that unduly restricts academic freedom; or prevents independent examination or review of data or results, or publication of data or results. In some cases, the University is prepared to accept some agreed upon limitations of publication of results and a distribution of other proprietary rights provided that these limitations and distributions are set out clearly in the proposal and the resultant contract and have been approved by the appropriate Faculty Dean.

Contract research activities may result in the disclosure of patentable inventions. Proprietary rights to such inventions will be governed by the terms of the contract. In cases where the University retains a right to such inventions, (see *Articles: 21 and 22 of the Brandon University Faculty Agreement*).

5. FINANCIAL & REGISTRATION SERVICES

Financial & Registration Services is responsible for overseeing the financial management of the contract. Financial & Registration Services is responsible for:

- a. Opening an account on authorization from the Office of the Vice-President (Academic & Provost);
- b. Administration of the contract: the accounting, invoicing, cash management, overhead transfer, and preparation of financial statements;
- c. Maintaining financial records and prompt submission of closing financial reports; and
- d. Transferring overhead to the appropriate accounts upon completion of the contract.

6. PRINCIPAL INVESTIGATOR

The principal investigator is responsible for the overall management of the research project and reporting to the external contractor as required. It is the responsibility of the principal investigator to ensure that all charges authorized against University funds conform to the allowable expenditures within the approved budgets, with all terms and conditions of the contract, and with relevant University policies and guidelines. The principal investigator must use contract funds for expenditures as budgeted within the contract. Only expenses incurred within the term of the contract may be claimed.

7. STUDENTS

Students may participate in contractual activities under the direction of a faculty member, on the condition that they agree to applicable provisions of the contract, including confidentiality requirements, in advance of their participation. Student involvement in contract activities may include thesis work, so student rights in such work must be protected in the contract. Students may not participate in contract activities where the contract restricts or limits their right to publish their results or to defend their work in

an open academic forum, unless prior authorization has been obtained from the Vice-President (Academic & Provost). Such authorization will not normally be given.

8. OVERHEAD RATES

Budgets should build overhead into each line item or, when a government agency or organization requests, as a separate budget line item. Other alternative methods of costing can be considered provided that overhead is recovered. These methods must be approved in advance by the Vice-President (Academic & Provost).

When overhead is charged as a percentage of the direct costs associated with the proposed contract activities, the direct costs must be based on full cost recovery and must include the costs of specialized equipment, facilities or supplies; maintenance, repair and depreciation on equipment, with a value beyond that associated with the contract; space which must be acquired or assigned to the contract activities and associated utility costs; and faculty and staff time. If the contract does not provide for full recovery of overhead, (i.e. the cost of the project is to be partially born by the University and the University has agreed to do so), the contract shall specify that the contract activities are jointly sponsored by the external contractor and the University. In this case, the ownership of intellectual property and the control and distribution of the original data are vested in the University.

Provision for the payment of an honorarium or stipend to the faculty member shall be payable to the University, when contract commitments reduce the faculty member's attention to employment duties. If payable to the faculty member, the funds shall be placed in a University research account, to be used to support the faculty member's scholarly or research activities. Please note that no funds will be released until completion of the contract and salary recovery has taken place.

Overhead rates will apply based on the following:

Standard Rate: 30% of direct costs

Government of Canada: For research contracts with a Canadian Federal Government ministry or agency, the overhead specified in the agreement between the Department of Public Works and Government Services Canada and AUCC shall apply:

- 65% of direct payroll costs for on-campus work
- 30% of direct payroll costs for off-campus work
- Plus 2% for travel and subsistence

Contracts less than \$10,000: It is more appropriate to levy an administration fee of 10% rather than the full overhead rate

In exceptional circumstances, the Vice-President (Academic & Provost) has the authority to negotiate the amount of overhead charged.

Allocation of Overhead

Administrative overhead revenue from a contract will be collected at the time payment is received by the University. This revenue will not be used as base income in the budgeting process since contracts are for a limited term, and therefore it would not be appropriate to use indirect cost revenues to meet continuing financial obligations. Upon payment of a contract, overhead will be transferred to Special Purpose Accounts for the following areas:

Office of the Vice-President (Academic & Provost)	40%
Office of the Dean of Initiating Faculty or School	40%
Principal Investigator	20%

In the absence of a Faculty or School or where a research project involves more than one Faculty or School, the division of overhead shall be determined by the Vice-President (Academic & Provost) on a case-by-case basis.

Overhead funds shall be used to support research at the discretion of the above areas, and will be used to provide seed money to stimulate and enhance innovative research activities across the University for all faculties and departments. The Principal Investigator shall submit a research outline and budget to the Research Office prior to accessing the funds.

9. HUMAN ETHICS, ANIMAL CARE, AND BIOSAFETY REQUIREMENTS

All members of the University community who conduct research or teaching activities, in which human participants, vertebrate animal subjects, and/or biohazardous materials are used, must have the approval of the appropriate BU committee, as set out below.

Brandon University Animal Care Committee (BUACC): www.brandonu.ca/buacc

Brandon University Research Ethics Committee (BUREC): www.brandonu.ca/burec

Brandon University Biosafety Committee (BUBC): www.brandonu.ca/bubc