

Policy Name	<b>Recovery of Indirect Costs of Applied Research</b>		
Policy #	<b>1104</b>	Category	<b>Research and Scholarly Activity</b>
Policy Sponsor(s)	<b>Associate Vice-President, Applied Research and Innovation</b>	Previous Revision Date	<b>Not Applicable</b>
Policy Approved by	<b>President &amp; CEO</b>	Revision Date	<b>January 5, 2018</b>
Procedures Approved by	<b>Provost and Vice-President, Academic</b>	Review Date	<b>See Policy Review Date or As Needed</b>

See the related [POLICY](#).

## DEFINITIONS

**Academic Home:** means the school, division, department, centre or unit in which the Principal Investigator holds their Saskatchewan Polytechnic appointment.

**Applied Research:** a systematic study to gain the knowledge or understanding necessary to determine the means by which a recognized and specific need may be met.

**Applied Research Project:** Applied Research undertaken with an intended inquiry, examination, defined question or hypothesis, start and end dates, deliverables, and budget (if applicable).

**Direct Costs of Applied Research:** Costs that can be directly attributed to the research itself including items such as materials and supplies, salaries for research assistants, technicians, professionals and faculty members. Other direct costs include specific equipment and research or dissemination related travel.

**Funder:** is defined as any organizational unit internal or external to Saskatchewan Polytechnic which provides funding for the purposes of pursuing Applied Research.

**Indirect Costs of Applied Research (ICAR):** referred to as “indirect costs of research” by the Tri-Agencies or “overhead” by some other agencies and institutions, means Saskatchewan Polytechnic expenditures incurred to benefit and support Applied Research and for which it may not be possible to provide an exact itemization of the cost attributable to an individual Applied Research Project. Indirect Costs of Applied Research are real costs to Saskatchewan Polytechnic, and include, without limitation, building use and depreciation, utilities, maintenance and upgrade of library resources, computer and network support, management and administration of Applied Research, financial services (including purchasing, financial reporting and accounting), legal services, human resource services, risk management services, technology transfer services, regulatory and Applied Research compliance (including research ethics, human ethics, animal ethics, and biohazard certification), hazardous waste disposal, controlled goods, radiation safety, occupational safety, campus security and liability insurance.

**Principal Investigator:** means the individual responsible for the intellectual leadership of an Applied Research Project.

**Saskatchewan Polytechnic Community:** The Saskatchewan Polytechnic Community is comprised of anyone who may be impacted by Policy or is expected to comply with Policies. The community includes the board of directors, staff, faculty, students and student associations, volunteers, and third-party tenants or contractors.

**Tri-Agencies:** Means the Natural Sciences and Engineering Research Council (NSERC), the Social Sciences and Humanities Research Council (SSHRC) and the Canadian Institutes of Health Research (CIHR), together with the Tri-Agency Institutional Programs Secretariat (TIPS)

## PROCEDURES

### A. General

#### 1. Availability of Indirect Costs Recovery

- i. Where a Funder does not allow for indirect costs to be recovered, Saskatchewan Polytechnic must assess whether to make provision for indirect cost recovery by subsidizing the indirect cost through base funding. Many charitable organizations and foundations have formal rules against paying for indirect costs while others have guidelines allowing for some but not all indirect costs. Applications for funding where the Funder does not allow for indirect costs of research to be recovered, or where the rate of recovery is less than that required under these Procedures shall only be made following approval by the Dean of the School in which the Principal Researcher is located, together with the approval of the Office of Applied Research and Innovation (OARI).

### B. Collection of Costs of Research – Direct and Indirect

#### 1. Procedures

- i. Principal Investigators undertaking preparation of Research proposals, applications and budget development for Applied Research Projects must reasonably anticipate and include all direct and indirect costs of the Applied Research to be undertaken, bearing in mind that allowance for indirect costs or administrative overhead cannot exceed the Funder's defined, published limits which are applied by them to all research institutions.
- ii. The Indirect Costs of Applied Research (ICAR) recovery rate is a minimum of twenty percent (20%) of the direct costs. In the event that a Funder has a maximum indirect costs recovery rate which is in excess of 20%, the Funder's maximum rate will be included in budget development or application.
- iii. ICAR may be identified as a separate budget item or expressed as a function of the total cost, but shall comply with Funder requirements.
- iv. All direct costs must be itemized in the project funding application. Direct costs typically include personnel, capital and supplies directly related to the performance of Applied Research Project responsibilities and activities.

#### 2. Exceptions to Procedures

Exceptions to the Procedures provided herein must be documented by the Principal Investigator and formally submitted to the Associate Vice-President, Applied Research and Innovation (AVP-ARI) for approval. Requests for such exceptions must include:

- The nature of the exception;
- A reasonable explanation for why the procedure exception is required;

- Confirmation of the total amount that would be waived in the event of approval of the exception request;
- Any risks created by the procedure exception and how they will be managed significant changes in practice; and
- Approval of the Dean who could receive a portion of recovered ICAR, which shall include a confirmation that they have been provided with all of the information listed herein. Such approval shall be in writing or by email.

## **C. Distribution of Recovered Indirect Costs of Research**

### **1. Indirect Costs from Tri-Agencies and Government Funders**

- i. ICAR which are recovered from Tri-Agency Funders, together with all federal, provincial and municipal government or government established Funders will be documented by and shall be paid to the OARI, to be used by such office to advance the research goals of Saskatchewan Polytechnic.

### **2. Other Indirect Costs**

- i. ICAR which are recovered from Funders other than the Tri-Agencies, federal, provincial or municipal governments or government established entities will be documented by OARI, and are subject to a division between OARI and the Dean overseeing the Academic Home through which the Principal Investigator is paid. Such division shall be an equal split, with one half of the recovered ICAR being provided to OARI for use as described in Procedure C1 above. The second half will be allocated by the Dean overseeing the Academic Home described above, to provide for research being done in the locations they oversee. In the event that an Applied Research Project involves researchers from multiple Academic Homes that will involve more than one Dean, the equal share of recovered ICAR being allocated to a Dean's use may be further divided between multiple Deans in such manner as the Deans shall agree, or as is determined by the AVP-ARI.
- ii. The share of recovered ICAR which is allocated to the use of Dean or Deans (as provided above) will be held by the OARI in a separate account (Org Code) for such Dean(s). At the direction of the Dean in question, such separate account may be used to fund (in whole or in part) Applied Research Projects involving the locations under the administration of the Dean, or may be used to provide benefits to that Dean's programs which support Applied Research.

## **RELATED POLICIES/DOCUMENTS**

Applied Research Administration Policy  
Applied Research Administration Procedures