

OCAD UNIVERSITY'S POLICY ON RESEARCH ADMINISTRATION

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Policy #5.1

In conjunction with its move to university status, OCAD University has embraced a research mandate and acknowledges that sponsored research has a significant role to play in further advancing opportunities for excellence in studio-based and liberal studies education in art and design at the undergraduate and graduate levels and to support teaching, research and professional practice in these fields. The object of OCAD University's Policy on Research Administration is to provide a solid framework for all processes surrounding externally sponsored research at OCAD University.

OCAD University has earned a place among Canada's top 50 Research Universities and ranks among the top two dozen institutions in terms of research intensity expressed as research dollars per full-time faculty member.¹ Concomitant with this increase in external funding is the increase in the potential liability to the institution. It is therefore imperative that OCAD University establish and adhere to robust procedures and policies to minimize the risk to the institution.

This policy was developed in consultation with the Research Advisory Committee and is intended to provide guidance to faculty members in the administration of research funds and activities at the University. The Research Office serves the faculty of the University by providing information on sources of research funds, approves all requests for research funds whether grants or contractual agreements and ensures that funds received by the University are appropriately administered. The Research Services Office also ensures that the University adheres to all the requirements of the Memorandum of Understanding between the University and the Tri-Councils in terms of research activities.

A. General Policies

1. All research activities at the University shall be performed subject to the research policies established by the University including the Research Ethics Policy, the Integrity, Research and Scholarship Policy and policies contained herein.
2. All funds received in support of research which utilizes University facilities are administered on behalf of Researchers by the University.
3. Payments for research must be payable to the OCAD University, NOT to the individual Researcher.
4. Capital equipment purchased from research funds belongs to the University unless otherwise specified.
5. All applications for external funding, irrespective of the sponsor's requirements, must be signed by the Institution. Institutional signing authority for research applications is delegated to the Associate Vice-President, Research and Dean, Graduate Studies. Applications for funding above \$300,000 will require the signature of both the AVP, Research and Dean, Graduate Studies, as well as the President.

¹ *Canada's University Innovation Leaders: Canada's Top 50 Research Universities 2010*, Research Inforsource, Inc.

6. All agreements must be approved by the Dean. Institutional signing authority for research agreements is delegated to the Associate Vice-President Research and Graduate Studies. Agreements for funding above \$300,000 require the signature of both the AVP, Research and Dean, Graduate Studies, as well as the President. Copies of all Agreements are provided to Finance.
7. All applications for funding require Dean approval before submission. Sign off will be facilitated through the Grants Authorisation Form which will be available on the Research Office's Web page. (see Appendix 1).
8. All agreements containing clauses regarding ownership of Intellectual Property will be interpreted in light of the Memorandum of Understanding, Appendix, "OCAD University Policy on Intellectual Property Rights".

B. Indirect and Direct Costs

1. Indirect costs (overheads) are those University expenditures incurred in the conduct of research for which it is not possible to provide an accurate itemization of the cost of performing a specific research activity. Indirect costs are real costs to the University , including but not limited to items such as
 - Building operating costs (including heating, cooling, power, cleaning, maintenance and landscaping);
 - Faculty and departmental services (such as machine and electrical shops, secretarial and office assistance, purchasing, shared equipment);
 - Academic services (such as Library and Computing Service);
 - University-provided administrative support (Purchasing, Finance, and Human Resources, as well as the University administration itself, President's Office, Deans, Department Chairs and administrative staff); and
 - Research and contract administration & support such as Office of Research Services or Research accounting.
2. Direct costs are all budgeted expenditures for carrying out a research project at the University except, normally, the salary of the Researcher(s). Direct costs may include *per diem* payments to the Researcher, the salaries of research assistants and graduate students, equipment and supplies costs, travel and publication costs and other costs allowed by the sponsor. Any payment to a faculty member from an externally funded research contract is paid as T4 income.
3. In principle, funding for research projects should cover all the costs of doing the research at the University except, normally, for the Researcher's salary. Since the total cost of a research project is made up of both the direct and indirect costs, a project budget should account for both sets of costs.
4. It is the policy of the University to be recompensed for all the direct and indirect costs of all research contracts/research agreements (see definition below). A number of agencies which provide grants for research at the University will not pay for indirect costs. However, where permitted by the policy of the granting agency, the University seeks to recover indirect costs in the interest of supporting the research infrastructure of the University . Any indirect costs not recovered from sponsoring agencies are supported by the general operating funds of the University.

C. Types of Research Funding

1. **Gifts** for research are a voluntary transfer of cash and kind, from individuals, industry, foundations and other sources to the University for utilization by a Researcher for the support of research and scholarship. The funds are provided without expectation of return or consideration from the University – no direct benefit to the donor or to anyone designated by the donor is expected from the payment.
2. **Grants** for research are funds received by the University to support the research and scholarship of the Researcher. Typically, research supported by a grant is controlled and directed by the Researcher to pursue the research interests of the Researcher. In general, the granting agency does not:
 - i) specify a statement of work,
 - ii) have a detailed schedule for work,
 - iii) specify deliverables,
 - iv) require invoicing for expenditures,
 - v) require intellectual property rights or
 - vi) restrict publication in any way.

Intellectual property is subject to OCAD's policy on Intellectual Property. Grant funds are normally received in advance of performing the research and if the funds are provided in a number of payments, the subsequent payments are normally not based on results already obtained nor can further payments be withheld as a function of performance. The Researcher may be required to provide a report to the granting agency on the work performed.

3. **Research Contracts/Research Agreements** are agreements negotiated with the University to provide research on a project. Research contracts normally include a work plan, deliverables, conditions related to publication of results, clauses related to ownership of intellectual property and its commercialization. All research contracts require the approval of the Dean and institutional signature (see, section A5) prior to implementation.
4. From time to time the University enters into **Sub-agreements** with other institutions/organizations to perform research under a Research Contract where it is deemed desirable to use external expertise. Where the sub-agreement involves a company in which the Researcher has a personal interest, the University requires (a) a statement from the researcher as to why the project cannot be accomplished in-house, (b) that the sponsor be aware of the sub-contract, (c) that the University and the company enter into a contractual agreement and (d) that the company demonstrate it has third party liability insurance.

The awarding of sub-contracts must be fully compliant with OCAD's Purchasing Policy, including the solicitation of multiple quotations.

Final approval to allow a sub-agreement resides solely with the University.

5. **Specialized Services** may be provided to the external private sector and government agencies on a fee for service basis. Such services are normally associated with a major facility and the work normally involves little or no intellectual input. The results belong to the sponsor. It is the policy of the University not to carry out routine analyses, testing or product evaluation in competition with private industry or contract research agencies.

The Office of the Associate Vice-President, Research and Dean, Graduate Studies is the final arbiter on what is a research agreement and what is a service agreement and must

therefore review and sign-off on service agreements. Copies of all agreements are provided to Finance.

Where appropriate, students employed on a service agreement are required to sign a waiver regarding publication and intellectual property ownership and that the work being done is not related to any academic requirement. If the work is in fact related to an academic requirement or other educational needs, the language in the service agreement must clearly state that there are no restrictions on publications, a student's thesis work or any other educational restrictions.

6. **Private Consulting** is a private arrangement between a company or a government agency and an individual researcher. Typically, Private Consulting does not make use of University resources. However, when a Researcher's outside (consulting) activities involve the use of the University's facilities, their use shall be subject to the prior approval of the University, faculty must reimburse OCAD University for anything other than incidental use of OCAD's facilities including full overhead. The name of the University shall not be used in any related professional activity unless agreed in writing, by the Associate Vice-President, Research and Dean, Graduate Studies, although nothing shall prevent a Researcher from stating his/her employment rank and file in connection with related professional activities, provided that he/she shall not purport to represent the University or speak for it, or to have its approval unless that approval has been given in writing.

D. Reporting and Accounting Practices

I. Applying for Funding (pre-award)

1. All research funding received by the University is the responsibility of the University. Therefore, all applications for external funding should be submitted to the Research Services Office using the Grants Authorisation Form (see Appendix 1), which requires sign off by both the researcher and the Dean, (or Deans in the case of co applicants from a different faculty), accompanied by a copy of the application. All proposals must be approved by the University in advance. Prior approval expedites setting up of research accounts when proposals are successful; ensures that any special facilities and space requirements are available for the Researcher; ensures the Dean is aware of and approves of an application requesting course release, ensures that human ethics and other certifications are secured; and provides for the collection of accurate data on research activity. For grant applications which have a deadline, the University will establish an earlier internal deadline for submission of grants for internal review purposes. Grant applications, which require the signature of a University official when the application is submitted, must be signed by the Associate Vice-President, Research and Dean, Graduate Studies.
2. In the case of Research Contracts/Agreements, it is required that the Researcher submit the proposed agreement to the Dean of his/her Faculty, the Associate Vice-President, Research and Dean, Graduate Studies, and the Research Services Office for advice and assistance prior to negotiating an agreement with the sponsor. Proposals should include at a minimum a statement of work, deliverables, identification of the Researchers, the facilities to be used, and a budget for the project including direct and indirect costs. The Research Services Office, in consultation with the Researcher, should be involved in negotiations with the sponsor to ensure that the University's policies are followed and that the interests of the Researcher are protected. The final version of all Research Contracts/Agreements must be

signed by the Dean and the Associate Vice-President, Research and Dean, Graduate Studies or his/her delegate on behalf of the University.

II. Receiving Funds (post-award)

1. A Research Account Profile (RAP) will be created by the Research Office upon a confirmed award. The RAP will have two audiences: both the researcher and the research financial accountant. The RAP will be a snapshot of all high level information, such as reporting requirements, eligibility of expenses, and will be sent to both the researcher and the Dean (see Appendix 2). If a Researcher receives a cheque for support of research, he/she should send the cheque to the Research Services Office along with the appropriate documentation. For all sources of research funds, the Research Services Office ensures that the documentation is complete and requests that Finance open a research account for the Researcher. Finance provides the financial administration of the funds. The Researcher's signature on the Grants Authorisation Form constitutes an acceptance of responsibility for the conduct of the research and for ensuring that all required approvals have been obtained and that expenditures are consistent with the requirements of the funding source. Researchers are accountable to the Dean, i.e. the person to whom they report, who is, in turn, accountable to the University, through the University administrative structure, for the safe conduct of research funded from external and internal sources.
2. Gifts for research purposes should be sent first to the University Development Office which will ensure that an official charitable receipt is issued and that donors are appropriately recognized. Development will forward the funds to the Finance Department which will put the funds into a holding account until the Researcher for whom the funds are intended completes the Grants Authorisation Form and sends it to the Research Services Office for processing.
3. Notification of grant awards which are received by the Research Services Office is immediately communicated to the recipient, and if the documentation is complete, the Research Services Office requests that a research account be opened. Researchers who receive the only copy of notification of an award should forward the notification to the Research Services Office for processing and setting up of the research account.
4. Research accounts for research contracts/agreements will be established when the contract is signed by both the University and the contracting agency and a completed Grants Authorisation Form is on file with the Research Services Office.
5. Specific accounts for Specialized Services must be set up within the Faculty/Centre at the University when the total dollar value of testing performed exceeds or is expected to exceed \$3,000 per year. Funds for these services are received and managed within the Faculty/Centre and are held in this account under the control of the Dean/Director. The Dean/Director should contact the Research Services Office to establish such an account. Specialized Services which are expected to generate income of less than \$3,000 per year must be handled through a Faculty account.
6. The University has no involvement in the receipt or management of funds received by those Researchers who undertake Private Consulting.

E. Recovery of Indirect Costs (Overheads)

1. The policy on Indirect Costs related to Gifts for Research is established and administered by the Office of the Vice-President, Advancement.

2. Grants received from sources such as charitable organizations or public foundations are not charged for indirect costs unless the program provides for indirect cost recovery. However, the University reserves the right to decline grants which do not pay for indirect costs. Grants from private sector, forprofit organizations or provincial or federal government sources will be charged an overhead rate according to the table below as a percentage of the total direct costs of performing the research.
3. The minimum indirect cost rate on Research Contract/Agreements with the private sector is 40% of the total direct costs of performing the research. Higher rates will be negotiated where warranted. For a fixed price Agreement, 40% of the total direct cost of performing the research amounts to 28.6% of the total cost of the project (i.e. when the total funding is a fixed amount, multiply the fixed amount by 28.6% to achieve an indirect cost of 40% on the actual cost of doing the research).
4. Contracts/Agreements with the Province of Ontario (other than Ontario Centres of Excellence (OCE)) are subject to an indirect cost rate of 30% on direct payroll costs including salaries and benefits, consulting fees, per diems and honoraria to Researchers and 30% on materials and supplies expenses and 2% on travel and subsistence expenses. The indirect cost rate on all OCE contracts is 35%.
5. The University prefers to use the minimum indirect cost rate of 40% of total direct cost for work performed. However, the University is willing to accept the traditional calculation of indirect costs as follows: 65% on direct payroll costs including salaries and benefits, and including consulting fees, per diems and honoraria to Researchers, 30% on payments to graduate students, including benefits if the work forms part of their thesis research and 2% on travel. If the work is not part of a student's thesis, full rates apply.
6. The recovery of indirect costs for Specialized Services will be at the rate of 40% on the total income received from external private sector and governmental users, to be calculated at the end of each fiscal year. All overhead charged to Specialized Services Accounts will be retained centrally. Departments/units which provide such services and whose income exceeds \$3,000 per year must establish a separate account for revenues and expenses related to these services. Specialized Services provided to collaborators within the University from other academic institutions will not be subject to recovery of indirect costs.
7. Exceptions to the minimum indirect cost rates may be approved when there is a substantial benefit to the University. For example, lower rates may be charged in cases where the University has an equity interest in a start-up company. Such a reduction would only apply until such time as the company has an approved IPO or at the end of five business years, whichever occurs first.

All requests for exceptions require the prior approval of the Associate Vice-President, Research and Dean, Graduate Studies and the Dean.

Summary: Minimum Indirect Cost Recovery Rates for Grants & Research Contracts / Agreements					
Funding Source	Corporate Contracts	Canadian Federal Government ⁽¹⁾	Provincial Government	Specialized Testing	Sponsored Research Grants ⁽⁵⁾
Minimum Rates	40%	65% ⁽²⁾	30% ⁽³⁾ 2% ⁽⁴⁾	40%	25%

1. If Federal Government department will not accept corporate contract rate
2. Salaries and benefits only
3. On salaries and benefits and on materials and supplies. 35% on all Ontario Centres of Excellence agreements (OCE).
4. On travel and accommodation expenses
5. On all Corporate/Federal/Provincial Sponsored Research Grants with the exception of the Tri-Council (CIHR, NSERC, SSHRC)

F. Distribution of Indirect Costs

1. Indirect costs will be distributed as per the Distribution Table below. Indirect Cost funds received by the Dean's Office shall be deposited into a Trust Account to be dedicated to the receipt of indirect costs. Indirect Costs allocated to Researcher(s) responsible for generating the indirect will be deposited into the Researcher's Special Research Account.

Distribution of Indirect Costs	
Researchers	20%
Dean's Office	10%
Central Administration	35%
AVP, Research and Dean, Graduate Studies	35%

2. In special cases the distribution of recovered indirect costs may be renegotiated to achieve a specific objective. For example, in cases where a Centre/other unit at the University has been instrumental in obtaining research funding, it is expected that a portion of the recovered indirect costs would flow to the unit. Any proposal for a change in the distribution of recovered indirect costs must be approved in advance by the Dean, the Director of the Centre/other unit and the Associate Vice-President, Research and Dean, Graduate Studies.

Appendix 1: Grants Authorisation Form (GAF)