



## **Departmental use of indirect cost revenues allocated to OVC**

*Background* (taken from University of Guelph policy on indirect costs)

Indirect costs (or overhead) are included in all research contracts according to the policy on indirect costs in research contracts. In contrast with direct costs, indirect costs are incurred for purposes common to all research projects, but which cannot be identified and charged directly to each individual research project without an inordinate amount of accounting. They include utilities, building maintenance and renovation, library, Central Administration (including Accounting, Purchasing, Personnel, Payroll, Physical Resources, Office of the President and Offices of the Vice-Presidents) and the Office of Research. University policy is to request an indirect cost payment when the research will be done under contract with the resulting increased administrative burden and greater restrictions on faculty. This payment is included in the research proposal as an additional item and not as a deduction made at the expense of direct cost items in the budget. The current rates are available are 25% for grants-in-aid and 40% for contract research projects (see document available on the Office of Research website).

*Allocation of indirect cost revenues to departments:*

The provision for indirect cost return has been established to provide departments participating in contract research with the opportunity to obtain special funds to support and enhance their departmental research activities.

*Process:*

Department chairs and administrative assistants will be informed of the amount of indirect revenue allocated to their department. The Department chair, with direction from the Chair's advisory committee, has the discretion to put together a department proposal for the indirect revenue allocations or to consider and approve individual requests from faculty for indirect funds. The department Chair will then forward the proposal/requests to the Associate Dean, Research and Innovation for review and approval. Funds are transferred when expenditures are incurred.

*Criteria for eligibility:*

- specific requests from faculty members holding contract research projects for funds to support their research programs
- stipend support for graduate students and summer research students
- support for personnel to provide release time for faculty members to do research (e.g., PDFs or CL sessionals to do teaching or service work)
- support for graduate student travel to conferences
- supplemental salary support for technicians
- seed money for new research programs and initiatives (particularly contract research)

- purchase or repair of research equipment
- meetings with industry representatives to discuss contract research partnerships
- support for scientific writing (e.g. grant and/or manuscript writing workshops)

*Not eligible:*

- funds for teaching (undergraduate or graduate)
- funds for research operating costs (e.g. supplies, reagents etc)
- funds for major renovations and infrastructure costs