



TO: Committee on Academic Policy and Programs

SPONSOR: R. Paul Young, Vice-President, Research and Innovation
Contact: Judith Chadwick, Assistant Vice-President,
Research Services and Portfolio Operations

DATE: March 28, 2013

AGENDA ITEM: 3

ITEM IDENTIFICATION:

Proposed University of Toronto *Research Administration Policy*

JURISDICTIONAL INFORMATION:

The Committee on Academic Policy and Programs reviews research policies on behalf of the Academic Board. The Academic Board is required by its terms of reference to consider research policies and forward recommendations to the Governing Council.

HIGHLIGHTS:

The proposed *Research Administration Policy* (and associated Guidelines) is intended to replace the University of Toronto *Policy on Research Agreements and the Recovery of Indirect Costs of Research*, the most recent revision of which was approved by Governing Council on April 26, 2007. The process leading to this proposed new policy included consultation with the Research Advisory Board, P&D, PDADC and the University of Toronto Faculty Association.

Key objectives of the new *Policy* include:

- greater policy and procedural accessibility and transparency for the University research community;
- clarification of roles and responsibilities to enhance accountability and reduce risk;
- heightened emphasis on the importance of indirect cost recovery;
- definitional and procedural differentiation between research agreements and other types of agreements (donations to research, service agreements).

RECOMMENDATION:

Be it Recommended

THAT the proposed *Research Administration Policy* be approved, replacing the University of Toronto *Policy on Research Agreements and the Recovery of Indirect Costs of Research*, the most recent revision of which was approved by Governing Council on April 26, 2007.

RESEARCH ADMINISTRATION POLICY

DRAFT – March 1, 2013

Preamble

The University of Toronto is committed to excellence in research and the administration of funds provided in support of that research. Under the *Policy on Approval and Execution of Contracts and Documents*, research agreements conforming to relevant University policies may be approved and signed by the President, the Vice-President, Research and Innovation, an Assistant or Associate Vice-President within that Vice-President's portfolio, or designate thereof.

The purpose of this Policy to establish general principles and procedures for the development, approval and administration of research projects conducted at the University of Toronto.

1. Definitions

The following capitalized terms, whether used in the singular or plural, have the following meanings in this Policy:

1.1 **“Administering Unit”** means the academic division, department or unit in which the Principal Investigator holds an appointment that accepts (and is eligible to accept under the University's applicable policies and procedures) administrative responsibility for a Sponsored Research project.

1.2 **“Direct Costs”** means the costs of a project that can easily and accurately be identified as such. Examples include but are not limited to salaries, wages and benefits of research personnel, materials and supplies, travel, equipment and rental of space.

1.3 **“Indirect Costs”** means the costs of a project that cannot be directly attributed to it, usually because they are incurred for objectives common to multiple projects, multiple researchers or multiple functions of the University. Examples include but are not limited to building use and depreciation, equipment depreciation, physical plant and maintenance (including utilities, hazardous waste disposal, and security), insurance, financial administration (including purchasing and accounting) and libraries.

1.4 **“Principal Investigator”** means the individual responsible for the intellectual leadership of a Research project.

1.5 **“Research”** means investigation or experimentation aimed at the discovery or interpretation of knowledge, the systematic collection or revision of knowledge in light of new facts or theories, the development and application of methodologies to increase knowledge and the practical application of knowledge to specific problems or circumstances, as may be more particularly described in any guidelines issued pursuant to this Policy.

1.6 **“Research Agreement”** means an agreement entered into or proposed to be entered into by the University in respect of Research and includes any Sponsored Research agreement and agreement to provide or receive materials, information or data, or any other tools to facilitate Research.

1.7 “**Sponsored Research**” means Research undertaken or proposed to be undertaken using financial and/or other (e.g. in-kind) support, whether by participation in a competition, call for proposals, or pursuant to an agreement of any kind.

2. Proposals for Sponsored Research

2.1 Any eligible member of the academic staff of the University who wishes the University to secure financial or other support for Research shall prepare a proposal which includes, at a minimum, the following information: a statement of work, identification of the individuals who would undertake the work, the facilities to be used, and a budget for the project, including provision for the recovery of the full costs incurred in support of the proposed Research.

2.2 Individuals must meet the published guidelines of the University and of the Research sponsor to be considered eligible to act as a Principal Investigator.

2.3 All such proposals must be approved by the Principal Investigator and the appropriate officials in the Administering Unit and/or the academic division housing the Administering Unit, and then submitted to the appropriate unit of the office of the Vice-President, Research and Innovation for institutional review and approval before being sent to the sponsoring organization.

3. Negotiation and Signature

3.1 All proposed Research Agreements must be submitted to the appropriate unit of the office of the Vice-President, Research and Innovation, which will ensure that the terms and conditions are consistent with all applicable University policies, regulations and procedures as may be, from time to time, enacted and amended.

3.2 The contracting party for a Research Agreement shall be identified as “The Governing Council of the University of Toronto”.

3.3 A Principal Investigator is not authorized to sign a Research Agreement on behalf of the University. No Research Agreement or proposal for Sponsored Research shall be binding on the University unless it is signed or otherwise approved by the Vice-President, Research and Innovation (or designate) or another officer authorized to do so under the *Policy on Approval and Execution of Contracts and Documents*. In cases where the agreement is to be executed under the University’s seal, the agreement must also be countersigned by another officer authorized by the *Policy on Approval and Execution of Contracts and Documents* to execute documents under seal.

4. Roles and Responsibilities

4.1 The Principal Investigator is responsible for:

- preparing the proposal for the project, including its budget and statement of work;
- submitting the proposal to the sponsor once it has been endorsed by the University in accordance with this Policy, except in instances where submission by the University is specified by the sponsor;
- carrying out the work as stated in the proposal or as otherwise stated in the Research Agreement;

- ensuring that all persons working on the project, whether paid or unpaid, are fully informed of and agree to comply with all applicable terms of the Research Agreement or sponsor's funding terms;
- ensuring that all obligations with respect to intellectual property, whether pursuant to the Research Agreement, sponsor's funding terms, or University policies, are met;
- maintaining scholarly or scientific records and data in accordance with the Research Agreement, sponsor's funding terms, University policies, and best practices of the Principal Investigator's academic discipline, whichever is more rigorous;
- submitting (and retaining at least one copy of) reports and other deliverables in the form and by the dates specified in the Research Agreement or sponsor's funding terms;
- authorizing all expenditures in accordance with the Research Agreement or sponsor's funding terms and the policies and procedures of the University;
- following all relevant laws, regulations, and University policies and procedures in the conduct of the project; and
- informing the Administering Unit and the office of the Vice-President, Research and Innovation as soon as possible if the Principal Investigator becomes aware of any circumstances that could prevent satisfactory completion of the project or compliance with any terms and conditions of the Research Agreement or sponsor's funding terms.

4.2 The Administering Unit is responsible for:

- providing the necessary support for the project (including administrative support, financial support and space as indicated in the proposal) and ensuring the sustained operation of the research infrastructure and assets funded by the sponsor by including related operating and maintenance costs into planning and budget processes and documents;
- processing authorized expenditures in accordance with the Research Agreement or sponsor's funding terms and the policies and procedures of the University;
- maintaining financial records in relation to the project in accordance with the Research Agreement or sponsor's funding terms and the policies and procedures of the University, whichever is more rigorous; and,
- absorbing all financial shortfalls associated with the project, whether occasioned by failure to comply with the Research Agreement or sponsor's funding terms, overspending, or shortfalls in revenue.

4.3 The office of the Vice-President, Research and Innovation is responsible for:

- approving proposals for Sponsored Research on behalf of the University, unless otherwise expressly delegated;
- negotiating and executing Research Agreements on behalf of the University;
- overseeing the administration of Sponsored Research funds in a restricted research fund throughout the term of the Research Agreement or sponsor's award;
- providing financial reports to the sponsor in accordance with the Research Agreement or sponsor's funding terms;
- informing the Principal Investigator and the Administering Unit as soon as possible if the office of the Vice-President, Research and Innovation becomes aware of any significant adverse matter in respect of the project.

5. Full Cost Recovery in Research

5.1 The University is committed to the principle of recovering the full costs incurred in support of Research. Costs include the Direct and Indirect Costs of Research unless the Research is subject to more restrictive formal, publicized terms or policies regarding cost recovery associated with a sponsor.

6. Application and Administration

6.1 This Policy applies to all Research conducted or proposed to be conducted at, or under the auspices of, the University using University personnel, students, premises, resources, services, facilities, or equipment. Guidelines issued under this Policy shall be followed to determine whether an activity or proposed activity is Research for the purposes of this Policy.

6.2 The Vice-President, Research and Innovation is responsible for the administration of this Policy, is authorized to approve guidelines, regulations and procedures pursuant to this Policy and may, in unusual circumstances, approve modifications to the application of this Policy if she/he is satisfied that it is in the best interests of the University to do so. Such modifications shall be reported annually to the Planning and Budget Committee of the Governing Council. The Vice-President, Research and Innovation (or designate) is also authorized to execute such agreements and other documents as may be necessary or desirable to implement this Policy on behalf of the University.

6.3 This Policy replaces the *Policy on Research Agreements and the Recovery of Indirect Costs of Research* (April 26, 2007) and amends the *Policy on Approval and Execution of Contracts and Documents* (November 17, 2008) by revising Paragraph D(1)(e) thereof to read as follows:

“Research Agreements (as defined under the Research Administration Policy) conforming to relevant University policies may be approved and signed the President, the Vice-President, Research and Innovation, an Assistant or Associate Vice-President within that Vice-President’s portfolio, or a designate thereof.”

DRAFT – March 1, 2013.

Approved MONTH, DAY, 201X.

Guideline on Full Cost Recovery in Research

This Guideline is issued by the Vice-President, Research and Innovation under the University of Toronto *Research Administration Policy* (the “Policy”) to assist Principal Investigators to recover the full costs of Research whenever possible.

Capitalized terms used in these Guidelines have the meanings prescribed by the Policy.

1. Principle of Full Cost Recovery in Research

1.1 The University is committed to full cost recovery in Research. Therefore, Research projects should recover the maximum amount of their Indirect Costs and Direct Costs.

1.2 In compiling a budget for a Sponsored Research project or proposal, the rates for cost recoveries and basis of calculation set out in these Guidelines apply unless an alternate rate and/or basis of calculation is:

- (a) specified in the published terms or policies of the sponsor available at the time of proposal submission; or,
- (b) otherwise requested by a Principal Investigator;

and the head of the academic division housing the Administering Unit (or designate) has so approved.

1.3 The Principal Investigator is responsible for obtaining any approvals required by section 1.2 above before submitting a proposal for Sponsored Research to the Office of the Vice-President, Research and Innovation for institutional review and approval.

2. Indirect Cost Rates

2.1 Standard rate:

not less than 40% of total Direct Costs

2.2 In certain cases, sponsors have formal, published policies and specify, in particular, maximum rates for recovery of Indirect Costs. Examples include:

- (a) Government of Canada, excluding its agencies CIHR, NSERC and SSHRC:

- 65% of on-campus salaries, wages and benefits
 - 30% of off-campus salaries, wages and benefits
 - 2% of travel and living expenses

- (b) United States government:

- i. National Institutes of Health:

- 8% of total Direct Costs

- ii. all other United States Federal Government:

44.3% of total Direct Costs, excluding capital expenditures and subcontract amounts in excess of \$25,000 each

This rate is established by periodic negotiation between the U.S. Federal Government and the University, as represented by the office of the Vice-President, Research and Innovation.

3. Administration

3.1 The recovery of Indirect Costs from sponsors is administered by the office of the Vice-President, Research and Innovation. The distribution of the recovery to academic divisions is administered by Planning and Budget. Academic divisions are encouraged to recognize and incent academic units and Principal Investigators in the application of Indirect Costs.

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Research Administration Guideline

The University of Toronto enters into a variety of contractual relationships with external governmental, commercial and non-commercial entities. Specific officers named in the University's *Policy on Execution of Contracts and Documents* and the *Research Administration Policy* (the "Policy") are delegated authority to conclude such relationships on behalf of the University, acting within the scope of authority set out in those policies and in accordance with all other applicable University policies and procedures.

While general authority to enter into agreements with respect to Research rests with the Vice-President, Research and Innovation, there may be other opportunities to enter into other contractual relationships with respect to the provision of services where these relationships are consistent with the mission of the University.

As outlined in the Policy, Research involves the "investigation or experimentation aimed at the discovery or interpretation of knowledge, the systematic collection or revision of knowledge in light of new facts or theories, the development and application of methodologies to increase knowledge and the practical application of knowledge to specific problems or circumstances."

This Guideline is issued under the Policy to assist individuals to distinguish Research activities within the scope of the Policy from other contractual engagements.

Capitalized terms used in this Guideline have the meanings prescribed by the Policy.

1. Research

1.1 The Principal Investigator who proposes to initiate an activity must determine whether it is a Research activity before committing to perform the activity, and this determination should be confirmed by the head of the academic division of the Administering Unit (or designate). Should there be any uncertainty, a final determination of whether a proposed activity would constitute a Research project is the responsibility of the Vice-President, Research and Innovation (or designate).

1.2 Further to the definition provided in the Policy, it is anticipated that Research possesses all of the following characteristics:

- (a) the primary goal of the activity is to advance general knowledge in the academic, scientific or professional community;
- (b) the scope of work and experimental design are determined by the Principal Investigator, or jointly with the sponsor; and,
- (c) the activities are intended to lead to scientific or scholarly findings.

1.3 Research projects must be conducted in accordance with the University's policies and procedures with respect to Research.

1.4 For the purposes of the Policy, Sponsored Research includes funding provided to the University by the Canadian federal or provincial government for the support of research

infrastructure and assets (e.g. Canada Foundation for Innovation) or the further development or commercialization of research outcomes.

2. Restricted Research Funds

2.1 Funds received in support of Research will be recorded in a restricted research fund administered by the office of the Vice-President, Research and Innovation (“OVPRI”) if they are described by any of the following three categories:

A	B	C
<p>The activities financed by the funds meet the definition of Research and all of the following are present:</p> <ul style="list-style-type: none"> • the funds are expendable (i.e. are not provided to establish an endowment); • the funds were received from a third party as a result of an application, competition or proposal, or agreement; and, • reporting to the third party is required with respect to the attainment of identified milestones or deliverables, specific outcomes from research activities, or actual expenditures according to types or classification or budgets. 	<p>The funds are for the recovery of eligible costs associated with Sponsored Research activities, including capital asset or infrastructure operating costs.</p>	<p>The funds are a donation used to match funds provided under a Sponsored Research Agreement, where the terms of the Sponsored Research Agreement specify that the donation cannot be used for another purpose.</p>

2.2 If the funds are an endowed or expendable donation for Research and are not specifically directed by the donor to a particular academic unit within the University, or directed for use on a narrow topic normally undertaken by a particular academic unit, the donation will be brought to the attention of OVPRI for a determination of the appropriate disposition of the funds in accordance with the donor’s wishes.

3. Other Donations in Support of Research

3.1 Donations in support of Research that are not administered by OVPRI under sections 2.1 or 2.2 above are administered by the Trust Accounting group of Financial Services (“Trust Accounting”) as trust funds.

3.2 Where the academic unit or narrow Research purpose is specified, the expenditures from endowed or expendable donations will be under the relevant academic division’s oversight and

administration, and will be allocated by that academic division to individual Research projects in accordance to the donor's wishes through mechanisms established between the Administering Unit and Trust Accounting, and in a manner that ensures that these funds can be identified and reported by the University as funds provided in support of Research.

4. Service Contracts

4.1 In this section, "Service" is defined as activities having the following characteristics:

- (a) the primary goal of the activity is to apply existing knowledge to solve a particular identified problem or generate data of limited general application;
- (b) the scope of work and project design is determined by client/customer;
- (c) the application of established publicly-known or proprietary testing protocol or existing research tools (without material modification) or specific expertise aimed at achieving a client/customer driven outcome;
- (d) there is no expectation of outcomes that would be publishable in peer-reviewed journals;
- (e) there is no expectation that the activity will generate patentable inventions;
- (f) a trainee may participate provided the work does not detract from, nor form the basis of the trainee's academic program.

4.2 Where the activities meet the definition of Service, the contract will be recorded within the operating funds of academic division undertaking the activity.

4.3 All activities under Service contracts must be undertaken in compliance with all applicable University policies and procedures, including without limitation those with respect to the use of human participants, animals and hazardous materials, and signing authority. The University's *Policy on Approval and Execution of Contracts and Documents* provides as follows:

Agreements in the normal course of business for the sale of goods or services by a budget unit that conform to relevant University policies may be approved and signed by the Principal, Dean, Vice-Dean, Associate Dean, Director, Chair or other head of the budget unit or by their designate given written authority to authorize such sales by the Principal, Dean, Vice-Dean, Associate Dean, Director, Chair or other head of the budget unit, provided: (i) that the general class of such sales has been approved by the Vice-President, Assistant Vice-President, Deputy Provost or Vice-Provost responsible for the budget unit, and (ii) that the form of the agreement has been approved by the Vice-President, Assistant Vice-President, Deputy Provost or Vice-Provost responsible for the budget unit. [s. D(1)(c)]

5. Administration

5.1 If the activity proposed to be undertaken is determined to be Research, please follow the processes and procedures outlined on the OVPRI website at www.research.utoronto.ca.

5.2 If the activity proposed to be undertaken is not determined to be Research, please contact the Principal, Dean, Vice-Dean, Associate Dean, Director, Chair or other head of the budget unit

in which the work would be performed. Divisions are encouraged to develop guidelines with respect to the review, approval and administration of service and donation agreements within the scope of their authority. A resource to assist the responsible signing officer with the review of the terms and conditions of Service contracts will be available in the Innovations and Partnerships Office of OVPRI and additional guidelines, templates and other central resources may be developed in cooperation with the Office of the Vice-President and Provost, as appropriate.

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