



## **Research Overhead:**

- 1. Contract Research Overhead**
- 2. Infrastructure Operating Funds**
- 3. Research Support Fund**

# 1. Contract Research Overhead

## Purpose of the funds

Contract Research overhead is charged to all other sponsor organization other than tri-council and CFI such as provincial governments, private and not-for-profit organizations, that provide funding for research. Some specific examples include Research and Innovation Ontario-Ministry of Research, Innovation and Science, Cincinnati Children's Hospital, Open Society Institute - New York, and Harvard University. Eligibility of costs are guided by each individual sponsor organization. The key guidelines are summarized here <https://research.utoronto.ca/manage-funding/manage-funding>

## How is the amount of funds calculated?

Not all research grant sponsors allow for recovery of overhead costs. Further information can be found here <https://research.utoronto.ca/media/108/download> If sponsors allow for recovery of overhead costs a fund is set-up in in the research information system with a restricted budget line for overhead costs. The overhead costs are charged to the research funds 1) through monthly automated postings and 2) quarterly manual postings completed by the VPRI Office.

# 1. Contract Research Overhead (continued)

## Funding allocation process

The overhead charges are consolidated centrally and annually redistributed to UofT divisions that administer the funded research projects. UTM receives its distribution in the annual target budget letter and the amount is based on funded research projects from the *previous* calendar year.

The allocation process is as follows:

### **Step 1:**

- 25% approximately is repaid to U of T for University-Wide Costs (including central research support, actual percentage varies each year) and the University Fund as per the normal approach to revenues across U of T
- 75% allocated to UTM

### **Step 2:**

#### Portion that goes to UTM:

- 25% to home departments of the funded research initiatives in the base budget.
- 25% to the PI's of the funded research initiatives – in July of each year.
- 2.5 % to the UTM VP Research office in base budget.
- 47.5% to support other indirect costs of research at UTM including utilities and other space costs, research support and the VP Research Office

For more information see <http://finance.utoronto.ca/policies/gtfm/restricted-funds/research--funding/indirect-costs-overhead-recoveries-accounting-distribution-and-reporting/>

## 2. Infrastructure Operating Fund (IOF)

### Purpose of the funds

IOF funds are provided by Canada Foundation for Innovation to cover a portion of the operating and maintenance costs of a CFI-funded project to ensure optimal use of the infrastructure. Most infrastructure projects approved and funded by CFI are eligible to receive IOF. For further information see <https://www.innovation.ca/awards/infrastructure-operating-fund>. Eligible projects usually generate an IOF allocation of **30 percent** of the maximum CFI amount approved at award finalization stage. The IOF funding request is part of the original CFI infrastructure project application. These funds can be spent on operating and maintaining CFI funded infrastructure that is already completed (e.g. construction is finished). The infrastructure must be being used for research. Eligible costs of operating and maintaining CFI-funded infrastructure must meet following conditions:

- a. the infrastructure item to which it relates must have been funded by the CFI (i.e. it appears on the proposal or updated budget and/or the final financial report);
- b. the CFI-funded infrastructure project to which it relates must have been approved after July 1, 2001. However, projects funded under the Canada Research Chairs Infrastructure Fund and the international funds are not eligible for IOF;
- c. the CFI-funded infrastructure project to which it relates must have passed the stage of award finalization. An Award agreement is thus in place for the project;
- d. the operating and maintenance activities are needed to ensure the infrastructure can be used to carry out the proposed research;
- e. the infrastructure must still be used for research purposes. There is no maximum number of years for which the IOF can be claimed, if the infrastructure is still being used for research purposes during the period claimed.

Examples of eligible costs include maintenance & repairs, salaries of highly qualified personnel directly involved in operation and maintenance, replacement parts, extended warranties and/or services, electricity, security. For a list of eligible and non-eligible IOF costs see section 4.7. of the CFI policy and program guide here: [https://www.innovation.ca/sites/default/files/file\\_uploads/guide\\_patch\\_2019\\_en.pdf](https://www.innovation.ca/sites/default/files/file_uploads/guide_patch_2019_en.pdf)

## 2. Infrastructure Operating Fund (IOF) (Continued)

### How is the amount of funds calculated?

30 percent of the maximum CFI amount approved at award finalization stage

### Funding allocation process

CFI requires U of T to submit a request for the release of the IOF by June 15 each year as part of IOF annual report. The university (not individual departments or principal investigators) submits an annual request. The University (VPRI) has the flexibility to decide how the IOF is distributed among eligible CFI projects. U of T can distribute the IOF funds based on actual operating and maintenance costs as opposed to allocating the exact amount to the project that generated it. Normally the University receives the full 30% of the CFI approved and allocates 100% of the amount received to the division. Funds received by UTM are allocated 100% to the PIs for both IF and JELFs, as they're best positioned to make decisions for how their CFI-funded equipment should be supported by the IOF money.

For more information see <https://www.innovation.ca/awards/infrastructure-operating-fund> and <http://www.research.utoronto.ca/research-funding-opportunities/john-r-evans-leaders-fund-formerly-leaders-opportunity-fund-research-infrastructure-orf-ri/>

### 3. Research Support Fund (RSF)

The Research Support Fund (RSF) was formerly known as the Federal Indirect Cost Program (ICP) prior to 2014.

#### Purpose of the funds

The RSF provides partial support to universities and their affiliates for the indirect costs of research associated with eligible Tri-Council awards (i.e., NSERC, SSHRC, CIHR ). Institutions must spend their funds during the fiscal year in which they were awarded. Information on eligible and ineligible expenditures is provided here: <http://www.rsf-fsr.gc.ca/administer-administrer/depenses-eng.aspx>

#### How is the amount of funds calculated?

The value of the RSF is based on the funding that U of T received from the three federal granting agencies (CIHR, NSERC, SSHRC) in the three most recent years for which data is available. For example, the calculation for the fiscal year 2016-2017 is based on funding received in 2012-13, 2013-2014, and 2014-15.

The RSF has a fixed federal budget pool that is allocated among eligible institutions. This can lead to decreased RSF for U of T even though the amount of research grants received is increasing (for example if grants to other universities increased more than U of T's). The fixed RSF budget means that annual % increase of RSF funds awarded to U of T is not in line with the actual percentage increase of Tri-Council funding awarded to U of T. This is illustrated in the following table.

	2017/2018	2018/2019
<b>RSF \$ Received by UofT</b>		<b>45.78 M</b>

Further information on grant calculation details is provided here: <http://www.rsf-fsr.gc.ca/apply-demande/calculations-eng.aspx>.

The 2018/2019 RSF of \$45.78M represents only 18.4% of actual costs U of T incurred to support research projects eligible for RSF grant.

### 3. Research Support Fund (RSF) (Continued)

#### Funding allocation process

The grant received by UofT is based on actual tri-council awards. The total annual grant is first allocated between U of T and its affiliated hospitals which receive approximately 50%. The remainder of the UofT funds is distributed to divisions such as UTM based on actual tri-council awards.

The UTM funding from RSF was approximately \$1m in 2016-17, 2017-18 and 2018-19.

The UTM funding is allocated, approximately, as follows:

- 25% is repaid to U of T for University-Wide Costs (including central research support, actual percentage varies each year) and the University Fund as per the normal approach to revenues across U of T
- 19% (25% of the remainder of approximately 75%, or approximately 19%) is allocated to the UTM VP Research to do any of the following.
  - Maintain modern labs and equipment
  - Provide access to up-to-date knowledge resources
  - Provide research management and administrative support
  - Meet regulatory and ethical standards
  - Transfer knowledge from academia to the private, public and not-for-profit sectors, and, in so doing, helps to make Canada a world leader in research and development
- 56% the remainder which is used to support other indirect costs of research at UTM including utilities and other space costs, research support and the VP Research Office

The RSF received by U of T covers only a small part of the actual costs incurred by the university. As mentioned above the 2018/2019 RSF \$45.78M represents only **18.4%** of actual costs incurred by U of T.

The recovery of Indirect Costs from sponsors is administered by the Office of the Vice President, Research and Innovation. The distribution of the funds to academic divisions is administered by Planning and Budget. Further information can be found at <http://www.research.utoronto.ca/federal-research-support-fund/> and [http://www.rsf-fsr.gc.ca/about-au\\_sujet/index-eng.aspx](http://www.rsf-fsr.gc.ca/about-au_sujet/index-eng.aspx)