



Policy Name	<b><i>Recovery of Costs of Applied Research</i></b>		
Policy #	RI 9.0	Category	Research & Innovation
Policy Owner	VP Academic, Neil Fassina	Effective Date	December 16, 2015
Policy Lead	AVP Research & Innovation, Chris Dambrowitz	Review Date	December 2018
Approved by	Executive Committee	Approval Date	December 16, 2015
Related Policies and Procedures	See Section 5		

**1.0 Policy Statement**

This policy provides direction for the recovery of costs of applied research where appropriate.

The Institute, in consultation with the funding applicant (Principal Investigator), will, where appropriate, charge all costs for applied research conducted based on external funding.

**2.0 Scope**

This policy applies to all faculty, staff and researchers who are involved in applied research and are preparing grant applications or research contracts to funding agencies or industrial partners. This policy and the associated procedure is intended to assist in identifying funding components for applications.

**3.0 Definitions**

Term	Definition
<b>Indirect Costs of Research</b>	Indirect Costs of Research, referred to as “indirect costs of research” by the Tri-Agency or “overhead” by other agencies and institutions, include, but are not limited to those costs associated with: <ul style="list-style-type: none"> <li>• the operation and maintenance of facilities and processes that support Research;</li> <li>• the management of the entire Research administration process;</li> <li>• and regulation and safety compliance (including human ethics, animal care and environmental assessment).</li> </ul>
<b>Principal Investigator</b>	The researcher with overall responsibility for the direction of an applied research project or contract.

## **4.0 Guiding Principles**

### **4.1. PRINCIPLES FOR DEVELOPING BUDGET/COST PROPOSALS FOR RESEARCH**

Full recovery of all direct and indirect costs of applied research activities will be sought by NAIT in all applicable circumstances. This includes all costs directly related to the pursuit and delivery of the applied research outcomes for each project or initiative, and is not limited to total labour cost, materials and supplies, travel and accommodation, external consultants, equipment (purchase, rental, maintenance, taxes and installation), and necessary renovations and computer time. Full assessment of indirect costs will take into account the policies and processes of external funders (such as provincial and/or federal government agencies) as appropriate.

### **4.2. RESEARCH AND OTHER ACADEMIC AND SERVICE PROGRAM CONTRACTS WITH INDUSTRIAL/PRIVATE SECTOR SPONSORS**

Indirect costs may be identified as a discrete and explicit item in the budget of the initiative or may be expressed as a function of total cost. Expression of indirect costs as a discrete and explicit budget item is considered institutional best practice. Other alternative methods of costing can be considered in warranted instances.

### **4.3. VARIATIONS IN INDIRECT COST RECOVERY**

It must be recognized that the ability of the Institute to subsidize contract research or other academic and service programs through the absorption of indirect costs is limited.

### **4.4. PRINCIPLES OF IN-KIND CONTRIBUTIONS**

Some agencies require that the Institute make "contributions" to the costs of certain projects. In this case, contributions should be calculated to express the cost of the research team members' time (including associated indirect costs) where appropriate, and shown on the budget as a contribution of cost. This contribution must be approved, in advance of submission of proposal, by the Dean, AVP-Research and Innovation and Provost & Vice President, Academic.

## **5.0 Other Related Documents**

Related Policies:

- RI 1.0 Academic Freedom in Research
- RI 2.0 Academic Integrity and Responsibility in Research
- RI 3.0 Conflict of Commitment in Research
- RI 4.0 Conflict of Interest in Research
- RI 5.0 Intellectual Property in Research
- RI 6.0 Applied Research Administration
- RI 10.0 Research Involving Human Subjects
- RI 11.0 Student Rights and Responsibilities in the Conduct of Research
- RI 12.0 Use of Animals in Teaching and Research
- RI 13.0 Research Involving Bio-hazards
- RI 14.0 Research Involving Radioactive Materials

**Document History**

<i>Date</i>	<i>Action/ Change</i>
December 2015	Replaced original policy – revised content, new template
February 5, 2007	Original Policy Approval IR 9.0