

Indirect Costs of Research and Overhead at UBC

Overview of recommended
changes based on VPR Task
Force



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Full Costs of University Research

Direct costs = directly attributable to a specific research project

Indirect costs = real costs associated with university research enterprise, but difficult to attribute to specific research project.



Indirect Costs of Research

Examples:

- lab utilities
- animal care
- ethics review
- technician support (IT, shops, ...)
- research library
- tech transfer office
- res. accounting support
- shipping/receiving/ordering

Indirect costs of research covered by: UBC Central, Faculty, Department, Investigator....



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At UBC, we use different terms for the indirect costs of research:

Indirect costs – Federal funding for Tri-council grants, commonly referred to as ICR (indirect cost research)

Overhead – non-Tri-council grants/contracts. We currently charge industry “contracts” overhead, but not industry “grants”.

Building Occupancy Costs – Heat, light, security, housekeeping... ICR do not cover.



What are the real “indirect” costs of university research?

In the United States

- Each university independently negotiates the “Facilities & Administrative” costs of research.
- Almost all research universities have approved F&A rates of 40-60%.
- Major effort, subject to detailed audits



Canada – ICR and Overhead

- 2002 Federal ICR programme
Currently ICR = 26% of Tri-council funding
(N.B. larger universities receive less, UBC ~20%)
- Overhead rates vary by institution.
- Most charge 40% overhead on indust/govt *contracts*
- Overhead on indust/govt *grants* varies:
 - Toronto = 20% (moving to 40%)
 - Western = 40%, Calgary = 15-25%
 - Alberta = 15%, **UBC = 0%**



Current UBC ICR/Overhead Distribution Pt-Grey Campus

Before 2006 ICR (Tri-council):

88% retained UBC Central

approx 12% to FoM (\$566K since 2002)

(50% to Research 50% FoM RO)

Overhead (Non-tri-council):

50% retained Centrally

12% to Faculty (FoM received \$170K in 07-08)

38% to Departments (\$540K in 07-08)



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Current UBC ICR/Overhead Distribution **Health Authority Campuses**

ICR (Tri-council)*:

50% retained UBC Central (to 2007, over 2007 0%)

50 - 100% Health Authority Research Institute
(HARI)

Overhead (Non-tri-council):

20% retained Centrally

80% HARI

HARI distribution differs by campus

*Clinical Trials 20% UBC 80% HARI



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New Overhead Charges

Tri-council grants – NO change, except ICR will be distributed to Departments and Investigators on Pt Grey

All other grants and contracts will be subject to 25% overhead, this includes BC Provincial Govt RESEARCH contracts (not MSFHR, Genome BC)
(Health Charities apply for exemption so no charge)

US Funding Agencies overhead of 37.2%
(excludes NIH & NSF)



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Proposed UBC ICR/Overhead Distribution for PT-Grey Campus

Same Distribution algorithm to be used for both ICR (Tri-council) *and* Overhead (Non-tri-council):

25% Central

25% VP-Research

20% to Faculties

20% to Departments

10% to Investigators

Will require several years to phase in.

*Note **DISTRIBUTION** changes **ONLY** affect Pt-Grey campus



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Benefits

- All Faculties & Departments (and investigators) should receive more funds to defray the indirect costs of research
- ICR/Overhead will be proportional to research funding
- Eliminate confusion and tensions related to research grants vs. research contracts
- Potentially provide seed funding for research
- May eliminate need for Departments to “tax” research grants to defray indirect costs

