



# Faculty of Medicine Indirect Costs of Research (ICR) Policy

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For research activities to be sustainable, and for researchers to receive the necessary support from their faculties, departments and central administration, it is imperative that the full cost of research is recovered.

## FULL COSTS OF RESEARCH = DIRECT COSTS + INDIRECT COSTS

**Direct costs** are those that are directly attributable to an individual research project.

**Indirect costs** of research, or overhead, are real, ongoing, necessary operating expenses that support research but cannot be wholly attributed to any one research project. Many of the indirect costs are incurred whether or not research funding applications or proposals are successful.

*After May 1, 2015, all discretionary powers for the recovery rate of indirect costs (for projects not covered by the standard or published verified rates) rest with the deans of the faculties and not with the Vice President Research & International Office.*

This relinquishment of discretionary powers to individual Faculties has resulted in each Faculty developing their own modified policy on ICR rates.

This document provides the Faculty of Medicine (FoM) policy on ICR rates, as well as provides an explanation of the ICR distribution to centres, research hospital sites, Faculties, and Departments.

## FoM Indirect Costs of Research Rates

All funded research grants, contracts, and agreements in FoM are required to include indirect cost recovery. There will be no exceptions outside that outlined below.

As of April 1, 2019, the required ICR rate for all new research projects is:

- **Industry-Led Projects** the ICR rate is 40% of all direct costs on industry sponsored funding through a grant, Contract, or Collaborative Research Agreement (CRA). However, if the study involves a clinical trial, the ICR rate is 30% (even if industry-led).
- **Matching Funds** within Tri-Council or other government funding the ICR rate is 15% on the matching funds. This rate must be applied to the matching funds provided by the partner. Indirect costs should not be applied to the funds requested from the Tri-Council agency. This lower rate is intended to maximize the impact of Federal and Provincial government matching schemes for the benefit of the research program and recognizes that the University benefits from the potential additional Federal Research Support Fund.
- **Non Industry-Led Projects** the ICR rate is 25% of all direct costs for non-industry funding including: government, non-profits, charities, foundations, and investigator initiated trials without an industry sponsor.



- **Philanthropic donations for research:** investigators receiving research funding from donors need to include actual costs of research, both direct and indirect. FoM has created a budget template which can guide the costs for inclusion. The indirect costs of research can generally be expected to be 15%. The budget template can be obtained from the Faculty Development Office and should be completed for each proposed donation for research.

**The only exceptions to these rates are:**

1. Funds from any of the Tri-Council funding agencies are exempt from ICR (UBC recovers indirect costs for Tri-Council funds through the federal [Research Support Fund](#) - previously the Federal Indirect Costs Program).
2. Grant funds received under the following conditions: The grant application form clearly states that a different indirect costs recovery rate applies to all applicants; or the sponsor's indirect cost recovery rate can be verified (by UILO or ORS, as the case may be), through publicly-available documents.

If any of these conditions are met, UBC will accept the posted rate. The [Indirect Costs of Research Table of Verified Rates](#) lists many of the verified exceptions to the standard UBC rate.

**Researchers are responsible for:**

- Including the proper indirect cost recovery in project budgets.
- Indicating the amount of indirect costs on the [Research Project Information Form](#) that must accompany all research project applications and proposals.

Indirect costs will be automatically deducted from research accounts at the standard rate (or other verified rate) as expenses are incurred.

For questions pertaining to donations for research, please contact the Faculty Development Team for guidance and to ensure that the indirect costs of research are included in the budgeting.



## Distribution of Indirect Costs of Research

The distribution of indirect costs of research are dependent on whether the research primarily takes place within a Research Centre, a Health Authority, or within a Department.

### Research Conducted at FoM Approved Centres or at the University:

- If the research is conducted within FoM approved Centres, then the ICR collected will be dispersed as: 25% to UBC Central, 50% to the Centre, 25% to FoM with further departmental allocation.
- If the research is not conducted within FoM approved Centres, then the ICR collected will be dispersed as: 25% to UBC Central, 75% to FoM with further departmental allocations.

### Research Conducted at Health Authority:

- If the research being conducted at a health authority is a clinical trial then the ICR collected will be dispersed as: 20% to UBC Central and 80% to the health authority.
- If the research being conducted at a health authority is not a clinical trial, then the ICR collected will be dispersed as: 50% UBC Central and 50% to the health authority.
- The portion that is allocated to UBC Central will further be distributed as follows:
  - a. If the research is conducted within FoM approved Centres, then the ICR collected will be dispersed as: 25% to UBC Central, 50% to the Centre, 25% to FoM with further departmental allocation.
  - b. If the research is not conducted within FoM approved Centres, then the ICR collected will be dispersed as: 25% to UBC Central, 75% to FoM with further departmental allocations.

The **Research Project Information Form** is signed off by both the department head and the relevant Centre Director for all applications that include faculty who are members of Centres, using designated space and resources of the Centre. The guiding principle around ICR allocation is where the research project is being conducted.

**For questions pertaining to indirect costs of research and the FoM policy, please contact Bryan Wong ([bryan.wong@ubc.ca](mailto:bryan.wong@ubc.ca)), Grant Applications Officer, Office of Research.**