College of Engineering

Grants, Contracts and Overhead at the UofS
Grants, Contracts and Overhead

Overview

- Grants versus Contracts
- Intellectual Property
- Overhead
- Additional Notes
- Questions and Answers
U of S Research Policies

- University of Saskatchewan Policy Handbook
  - http://www.usask.ca/policies/index.htm

- 8.00 Research and Scholarly Activities
  - 8.02 Research Involving Human Subjects
  - 8.04 Care and Use of Animals in Research
  - 8.10 Publications Policy (Research)
  - 8.20 Administration of Research Grants and Contracts
    - Guidelines for Administration of Research Grants and Contracts
  - 8.22 Administration of Research Funds
    - Guidelines for Administration of Research Funds
  - 8.24 Administration of Research Overheads
    - Standard Overhead Rates and Guidelines
Grants versus Contracts
What is a grant?

- The research project is initiated by the researcher and is not influenced by the funding party.

- Payment is made by the sponsor to the University in advance.

- The researcher has control of the research project or program and may utilize the funds in the manner she/he feels is most appropriate to advance the research.

- All assets purchased for conducting the research are owned by the University.

- The budget does not include any compensation for the researcher.
What is a grant? continued...

- Publication is not restricted, nor are there provisions for review prior to release.
- Research results are intended for public dissemination.
- Ownership of all intellectual property rights is relinquished by the sponsor.
  - The sponsor does not acquire or assume any rights to the intellectual property developed during the course of the research.
- The funding source shall be acknowledged for its support.
Grants in Summary

- Unencumbered support in advance
- PI determines research program
- Timelines are loose
- No real deliverables other than a publication or report
- No restrictions on publication
- No IP rights for sponsor
- Lower or no overhead (some Foundations)
In order to ensure that this research activity is administered as required by the Company, the following information is provided:

1. **Company** will provide a total of $Amount & Currency ($Amount X # years) to cover costs associated with Dr. Name’s research. This support includes $Amount ($Amount X # years) for the indirect costs of research (15% overhead).

2. The term of this research project is from day month year to day month year.

3. In the unlikely case that there are residual funds at the end of the project, these funds may remain at the University of Saskatchewan and be used to support research activity. OR indicate if residual funds must be returned.

4. **Company** does not require any financial reporting on the use of the project funds. OR indicate otherwise if reporting is required.

5. An invoice is not required from the University of Saskatchewan. A cheque for $Amount, payable to the University of Saskatchewan, for the first year of funding for this project is being sent directly with this letter. OR

5. An invoice is required from the University of Saskatchewan in order for payment to be sent. Invoices should be directed to:

   Name
   Company
   address

It is understood by providing this grant that any intellectual property (IP) that is generated through this research project will be owned by the University of Saskatchewan and the funds will be governed according to the University’s policies and procedures.
What is a contract?

➢ A contract is an agreement between two or more parties creating enforceable obligations.

➢ Any research agreement that does not meet the terms of a grant is a contract.

➢ Relevant issues:
  • Overhead
  • Intellectual property rights
  • Publication
  • Confidential information
  • Warranties
  • Indemnification
  • Payment schedule
What is a contract? continued...

- The scope of the work is defined in the agreement.

- The agreement specifies performance obligations on the part of the University, Investigator (e.g. specific deliverables or reports) and the Sponsor.

- Payments are sometimes made in arrears (based on actual expenditures). Some portion of each payment may be withheld until a milestone is reached, or a deliverable is completed and a report is submitted and accepted.

- There may be an allowance for either or both parties to terminate the agreement.

- The agreement may make provision for the payment of a stipend, fee or honorarium to principal investigator (PI fees).
What is a contract? continued...

- The agreement specifies terms for confidentiality of information.

- The agreement specifies restrictions or limited time delays on the publication of research results.

- The assignment of intellectual property rights or copyright may be made to the sponsor or retained by the University. The sponsor may be given the rights to use results for non-commercial purposes or they may be given the option to acquire a license to use a newly developed technology.

- The agreement requires indemnification and insurance provisions for the protection of one or more parties.

- The agreement specifies warranty terms - i.e. that professional standards are to be followed but the results are not guaranteed.
Contracts in Summary

- Sponsor expects results in timely way
- Sponsor and researcher jointly plan the research project and budget
- Funds are provided on a schedule that matches progress
- Sponsor typically expects deliverables including IP rights and publication review and delay
Intellectual Property
Some Issues...

- Sponsor wants sole right to delay publication or to treat results as confidential
- Sponsor wants royalty free use of results/IP
- Sponsor wants rights for all affiliates
- Sponsor doesn’t want to pay 40% overhead
- No compete clause
- Background IP
Additional Concerns

- Exclusive versus sole license
- Reserving a right to use IP for university teaching and research
- Right of first refusal versus first offer and why the former ties our hands
- Academic researchers cannot be treated as if they were the company’s employees. They have to be free to interact with other sponsors.
NSERC - Intellectual Property Policy

- University and/or researcher ownership of IP
- Freedom to publish
- Access to IP through licensing agreement
- Emphasis on Canadian benefits
- Funding conditional on NSERC approval of IP agreement

**Important to keep in mind for CRD, SPG and other Research Partnership Programs at NSERC**
Indirect Costs of Research

 Universities have the responsibility of providing basic infrastructure for the purpose of research.

 - renovations and expansions
 - heat and air conditioning
 - light
 - water, etc.

 Research overhead recoveries are intended to compensate the University for the general costs associated with research activities such as:

 - faculty time
 - provision of space and its maintenance and servicing (utilities)
 - the use and maintenance of equipment
Indirect Costs of Research

- Administrative Services are also covered by indirect costs:
  - Research Services
  - Insurance and Legal services
  - Financial Services Division
  - Human Resources Division
  - Purchasing Services
  - Facilities Management Division
  - Office of the Registrar
  - Library
U of S Overhead Policy
(Effective January 1, 2005)

- Policy for the purpose of outlining the practices governing the calculation and allocation of research overhead recoveries.
- Standard Overhead Rate and Guideline Schedule
- Overhead guideline document – in progress
Research Contracts
Research for the provincial government (all departments)
→ 15% of total direct costs

Research with Producer Groups
→ 15% of total direct costs

Industry and other Research Contracts
→ 40% of total direct costs

Small contracts (less than $5,000)
→ 10% administrative fee
**Standard Overhead Rates continued...**

**Research Grants**
Companies, Industry and Government Departments or Agencies
- 15% of total direct costs

Foundations
- 10% of total direct costs

Small grants (less than $5,000)
- 0% overhead

**Exemptions (grants or contracts)**
- Graduate student stipends only (based on the Tri-Council salary/stipends)

*** No overhead is applied to Tri-Council grants – already provided via indirect costs program to UofS ***
Some Overhead Issues

➡ Some grant, and even contract, sponsors do not want to pay overhead

➡ Grant sponsor is not paying for professor’s salary and benefits, research infrastructure, professor’s earlier research

➡ Some grant sponsors, like Heart and Stroke, are not prepared to share in patenting and other costs

➡ Grants have lower overhead ➡ therefore no IP rights or sharing of income for grant sponsors
Additional Notes
Contact Research Services

- Please give us a call or make an appointment with us to discuss your specific research interests.

- We are happy to help you find appropriate potential funding agencies.

- Research Facilitator can assist you with the application

- We can review your draft budget and proposal prior to discussing with a sponsor.
Please contact RS especially when you are discussing with a sponsor

- Contract or grant
- Budget
- Overhead
- IP agreement

All applications for funding should be reviewed and signed by RS on behalf of the University

Contact ILO regarding technology transfer potential

- ILO should be consulted about confidentiality/non-disclosure issues when novel research that may be patentable is likely to be discussed.
Sign up to the Listserve!

- This is the primary source of information from RS to distribute information about:
  - New opportunities
  - Deadline reminders
  - Upcoming workshops
  - Program changes, etc.

- Researchers must subscribe and unsubscribe themselves
  - Email a message to: SUBSCRIBE SCIENCE_ENGINEERING-L
  - In the body of the text type: SUBSCRIBE SCIENCE_ENGINEERING-L

- Archived postings at: http://www.usask.ca/lists/science_engineering-l/

- Also – check out www.MERX.com for government postings
Contract Contacts at RS

DEBORAH HOUSTON – Contracts Officer
966-2211
Email: deborah.houston@usask.ca

JOHN PARSONS – Contracts Officer
966-2998
Email: john.parsons@usask.ca

MAGGIE L’ARRIVEE – Contracts Assistant
966-2207
Email: maggie.larrivee@usask.ca
Grant Contacts at RS

NICOLE BENNING – Grants Officer, (CIHR and SSHRC)
966-2362
Email: nicole.benning@usask.ca

AMANDA PLANTE – Grants Officer (NSERC)
966-2207
Email: amanda.plante@usask.ca

SUSAN CRUSH – Grants Assistant
966-2239
Email: susan.crush@usask.ca
All research conducted using funds from grants and contracts must adhere to University policies and procedures.

Grant and contract research involving graduate students must also adhere to the policies and procedures of the College of Graduate Studies and Research.
Only individuals with an academic appointment can be a principal investigator on a research grant or contract held by the University.

- Faculty
- Professional research personnel
- Professor Emeriti
- Adjuncts
- Part-time faculty

Exceptions may be granted by the VP Research, subject to appropriate conditions.

Delegation of Signing Authority
Personal contracts for research and other services between an individual and an external agency will not be accepted for administration by the University, nor may University facilities be used for work carried out under such contracts, without the establishment of a contract for such services or facilities use between the individual and the University.
PI, RS and ILO Roles related to IP within Agreements

Researcher’s role:

- Define the research and budget, including OH
- Discuss above with sponsor and RS
- Carry out the research and do reports
- Where appropriate report IP to sponsor
RS Role:
- Watch for IP rights in the prof’s proposal
- Watch for and avoid verbal commitments
- IP provisions belong only in the legal contract
- Clarify any of the above through contract language
- Consult with ILO when needed

ILO Role:
- Advise RS and researcher on IP issues
- Negotiate IP provisions with sponsor when needed
- Negotiate and provide license agreements as schedules to research contracts