

<b>University of Prince Edward Island</b>	<b>Policy No.</b> admordgnl0006	<b>Revision no.</b> 1
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<b>Authority:</b> Board of Governors	<b>Responsibility:</b> VP Research & Development and VP Finance & Facilities	<b>Access:</b> W

## 1. Purpose

- 1.1. The purpose of this policy is to govern the administration of research contracts performed by University employees or students, on or off University premises, involving University personnel, resources, services, facilities and/or equipment, and sponsored wholly or in part by an external party.

## 2. Scope

- 2.1. This policy applies to all sponsored research contracts and contracts for research services associated with research projects, which involve the use of University of Prince Edward Island facilities, resources or services.
- 2.2. This policy does not apply to any service agreement that is not associated with research.

## 3. Responsibilities

- 3.1. Responsibility for establishment and amendment of this policy rests with the Senior Management Group.
- 3.2. Responsibility for enforcement of this policy within each Faculty/School rests with the Dean of that Faculty/School.
- 3.3. General responsibility for enforcement of this policy rests with the Vice-President, Research and Development and the Vice-President, Finance and Facilities.
- 3.4. Responsibility for initiating review of this policy rests with the Vice-President, Research and Development. The policy is to be reviewed every three years.

## 4. Definitions

- 4.1 Sponsor (also known as Contractor):  
The organization that funds the contract research..
- 4.2 University:  
The University of Prince Edward Island..

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#### 4.3 Research Contract:

A Research Contract is a specific written, legal agreement between the University and a sponsoring external party, subject to the laws of the province in which the contract is awarded. A research contract normally includes clauses or statements pertaining to specific "deliverables" or output from the research project; a schedule and date(s) for the completion of work, including progress reports and a final report; funds payable to the University and the schedule for payment, often in response to invoices sent to the sponsoring party for expenses incurred; the ownership of intellectual property resulting from the project; and publication and disclosure.

#### 4.4 Research Grant:

Research agreements under which a public or private organization provides funding to pay for all or part of the direct costs of a research project. Payment is not conditional on the researcher delivering to the sponsor a pre-determined set of research outcomes, and the researcher and University retain full rights to any project generated intellectual property.

#### 4.5 Direct Costs:

The costs attributable to a specific research project. These include, for example, staff and student salaries and benefits, backfill costs, laboratory expendables, supplies, travel and field support, equipment, applicable fees (e.g. animal housing per diems, equipment maintenance, etc.), dissemination costs and so forth.

#### 4.6 Indirect Costs (also known as Overhead):

Indirect costs of the research contract to the University for conducting research include, for example, property maintenance; the provision and maintenance of space and equipment; insurance; utilities; facility upkeep; administrative services such as Accounting, Payroll, Procurement Services, Research Development; and Library, Computer Services, and staff services not charged directly to the project.

#### 4.6 Registered Charitable Organization:

A charitable organization registered under the Income Tax Act.

## 5. Policy

5.1 The following sections of this policy describe the process of administration of the UPEI research contracts. Included in this process is the required calculation for indirect cost/overhead amount and the procedure for their distribution.

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## 6. Types of Research Contract Agreements

6.1 Research Project Agreement: A research project agreement is usually one in which an outside party requests that UPEI perform research on its behalf. Research may be collaborative between a sponsor and UPEI. In such agreements the:

- 6.1.1 Research outcomes (deliverables) are addressed in the research agreement (in general through a Statement of Work)
- 6.1.2 Sponsor usually obtains certain rights - in the form of an option or license - to intellectual property developed pursuant to the agreement. NOTE: Government contracts often request assignment of rights to such intellectual property. This issue is of particular concern if the contract involves graduate or undergraduate students.
- 6.1.3 Publication of the results of the research may be temporarily restricted within clearly defined limits (usually not to exceed ninety (90) days) in order for the sponsor to check the material to be published for confidential information and patentable subject matter. NOTE: This issue is of particular importance if graduate or undergraduate students are involved, as they must be free to publish their theses and defend their results.
- 6.1.4 Sponsors may provide principal investigators with proprietary data that must be kept confidential for a certain time period. This restriction is generally subject to certain exceptions, which are stated in the agreement.
- 6.1.5 Liability and indemnity of parties are usually defined.
- 6.1.6 Standard University overhead charges apply.

6.2 Research Service Agreements: Research Service Agreements are contracts for work of a routine nature that are associated with a research project where the:

- 6.2.1 outside party is requesting that UPEI perform a service;
- 6.2.2 party is requesting analytical, testing or other services requiring little or no original intellectual input;
- 6.2.3 rights to intellectual property (e.g., compound to be tested) remain with the sponsor;

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6.2.4 rights to testing process, etc., used to complete the service remain with the researcher and University; and

6.2.5 standard University overhead charges apply.

6.3 Confidentiality Agreement/Non-Disclosure Agreement: Confidentiality agreements are generally agreements to transfer confidential information between the parties. In general, they contain elements that:

6.3.1 specify terms under which confidential information is transferred.

6.3.2 provide exemptions where information is already known by the recipient, or where information is required to be disclosed by law, administration, court order, etc.

6.3.3 may include testing procedures, formulae, test data, know-how, software, business information, trade secrets, etc.

6.3.4 make important distinctions between information provided by the sponsor and information that arises from UPEI-performed research, the results of which must be publishable.

## 7. **Publication Rights and Intellectual Property**

7.1 UPEI expects that its research agreements will allow for the publication of research results, based on the following guidelines:

7.1.1 Undergraduate and graduate students and postdoctoral fellows will be free to disseminate results and defend theses.

7.1.2 Where protecting intellectual property requires time, delays in disseminating research results will normally not exceed six (6) months and shall not be longer than 12 months.

7.1.3 UPEI and its researchers will retain reasonable freedom to use the knowledge generated by their research in teaching, in future research, and in the practice of their professions, as agreed to by the researcher and the University.

7.1.4 Confidential information belonging to a contractor needs to be protected from unauthorized, inadvertent, or untimely disclosure.

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7.1.5 Unless otherwise negotiated, researchers retain the rights to disseminate results.

## 8. Signing Contracts

8.1 The Vice-President, Research & Development is authorized to sign research contracts on behalf of the University in accordance with the UPEI Signing Authority Policy. Research contracts must be between the University and the sponsor, and shall not be written in the name of an individual, Department, Institute, School or Faculty.

8.2 All contracts must have appropriate academic endorsement before being submitted to the Vice-President, Research & Development for signature. A completed Administrative Approvals Form, with appropriate signatures, shall be included with all contracts. Signatures of the researcher(s), Department Chair (in Departmentalized Faculties) and Dean (or designate) shall be obtained.

8.2.1 The researcher's signature indicates that the research is consistent with the mission of the University and the academic unit; that the research can be completed successfully with existing facilities and resources and those obtained as part of the contract; that the contract research will not conflict with the responsibilities to the University of the faculty, staff or students involved in the project, and that the research will be conducted in accordance with Agreement/Sponsor guidelines and University of Prince Edward Island Policies.

8.2.2 The signature of the Department Chair confirms the availability in the department of facilities, space, and resources required to carry out the project and acknowledges the proposed time commitment by the principal investigator and other employees to the project.

8.2.3 The signature of the Dean of the Faculty (or designate) indicates his/her approval regarding allocation of space or resources within the Faculty for performance of the research, and the contract budget, including in-kind contributions and overhead rate. In non-departmentalized Faculties/Schools, the Dean's signature also confirms the availability in the department of facilities, space, and resources required to carry out the project, acknowledges the proposed time commitment by the principal investigator and other employees to the project, and confirms budget and overhead.

8.2.4 The signature of the Vice-President, Research & Development indicates that the University will administer the project in accordance with terms

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and conditions of the agreement's/sponsor's guidelines and University guidelines and policies.

## 9. Negotiation and Budget Formulation

9.1 Following initial contact by a university employee (or representative) with an external sponsor regarding a potential research contract, the Office of Research Development must be notified and be engaged in the negotiations of the research contract.

9.2 In accord with Faculty/School procedures, it is the responsibility of all researchers to consult with the Department Chair, and/or Dean (or designate) regarding this policy prior to budgetary discussions with sponsors.

9.2.1 **Direct Costs:** All costs which are directly attributable to or identified with the research project must be charged to the project.

9.2.2 **In-kind Contributions:** Faculty members may contribute their time or some portion of their time, where the research is directly relevant to the faculty member's area of research interest, and the rights to intellectual property arising from the research remain with the University and the researchers. The full value of this and other in-kind contributions (i.e. both direct and indirect costs) made by the University must also be reflected in the budget.

9.2.3 **Indirect Cost (Overheads)** Researchers involved in discussions with external sponsors must anticipate applicable indirect costs and include them in cost estimates. Faculty and staff have an obligation and responsibility to assist the University in the negotiation of indirect costs, but do not have the right to waive indirect costs, or to establish the amount to be charged.

9.3 All requests for space usage must be negotiated with and recommended by the relevant Dean(s)/University Librarian and approved by the Vice-President, Finance and Facilities.

## 10. Indirect Costs / Overhead Rates

10.1 Indirect Costs will be charged at the rate of 40% of total direct costs. This rate is set to:

10.1.1 reflect the cost of provision of service.

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10.1.2 be not significantly less than that charged for equivalent work in the private sector.

10.1.3 be within the range charged at other regional universities and that provided by the Tri-Council Indirect Costs of Research Program, and

10.1.4 recognize the value of the work to the University and the external community.

#### 10.2 Exclusions:

10.2.1 No indirect costs are charged on stipends, salary or benefits paid to students enrolled in a University degree program.

10.2.2 No indirect costs are charged on equipment purchases where the equipment will be retained by the University. The standard rate of 40% applies in all other cases.

### 11. Variances

#### 11.1 Charitable Organizations and Foundations

11.1.1 An Indirect Cost rate of 20% applies for research contracts sponsored by Registered Charitable Organizations.

#### 11.2 Travel:

11.2.1 An indirect cost rate of **10%** applies to all travel costs

**12. Volume/Overall Support:** Lower rates may be negotiated by the University with sponsors, especially those who routinely support a significant volume of University research and/or provide a spectrum of significant support for research and research-related activity, students, postdoctoral fellows, equipment, and/or infrastructure.

**13. Adherence to Policy:** It is the responsibility of all researchers to consult with the Office of Research Development and the appropriate Dean(s) (or designate) regarding this policy prior to budgetary discussions with sponsors. Any budget negotiations that are finalized with sponsors without prior consultation with the Office of Research and the Deans (s) (or designate) shall

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automatically be assumed to have the appropriate indirect costs included. As such, these will be collected and distributed as per this policy.

#### **14. Distribution of Indirect Costs/Overheads**

14.1 The distribution of funds received in payment of research contract indirect costs will be as follows:

##### 14.1.1 Main Campus:

14.1.1.1 Central Distribution: 50% to central overhead recoveries including support to the Office of Research Development.

14.1.1.2 Local Distribution: 50% to the Overhead Account of the Faculty/School of the Principal Investigator(s). Each Faculty/School will establish a policy for the distribution of this revenue which provides that the lead investigator receives additional funds to support research-related activities (generally 10-15% of the Faculty/School share).

##### 14.1.2 Atlantic Veterinary College:

14.1.2.1 For AVC research contracts, total overheads remain within the Faculty of Veterinary Medicine for distribution in accord with the Faculty's policy. The effect of research contracts on University support services, including the Office of Research Development, shall be included in the annual 'AVC Facilities Costs' transfer to main campus.

14.2 Exceptions to these distribution formula exist where either the Dean (or designate) or the Office of Research Development (ORD), or both, have accepted indirect costs rates different from those outlined in this policy. If only one unit (Dean or ORD) accepts a different overhead rate, full overhead rate recovery is retained by the other unit. If both units accept the indirect cost rate variance, the overhead is distributed as per 14.1.1 or

14.2.1, as applicable.

14.3 The revenue allocated to the Office of Research will be used to offset research costs associated with the administration of contracts and to provide seed money to stimulate and enhance innovative research activities across the University, and to address other emerging research needs.

#### **15. Other Conditions:**



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- 15.1 **Publicity:** Research agreements must provide that UPEI may disclose the identity of the Sponsor, the title of the Project, the name of the Principal Investigator, and the Contract Period. The University will not publicize any research agreement without the written approval of the sponsor. The Sponsor should not publicize any research agreement without the written approval of the University.
- 15.2 **Over expenditures:** Any over expenditure of funds in a contract (including holdbacks not released by the sponsor) are to be charged to the Principal Investigator and/or the initiating Faculty Overhead Account.
- 15.3 **Bad Debts:** In the case that the contracting organization is unable or refuses to pay any part of the contracted amount for services that have been delivered under the contract, the University will attempt to recovery and collect these debts by legal action as appropriate.
- 15.4 **Acceptable Contracts:** The Vice-President, Research and Development and/or the Dean of the Faculty/School where the work will be conducted has the authority to reject any contract that may harm the reputation and integrity of UPEI, either because of the nature of work requested or the reputation of the sponsor. Contracts will not be accepted that require the work to be conducted in secret.