



Provincial Health Services Authority

RESEARCH OVERHEAD AND INDIRECT COSTS POLICY

Summary of Changes

	NEW	Previous
BC Cancer	Transfer to new BC Cancer template and update of clinical trial overhead rate; revised April 26, 2023 and approved May 12, 2023.	Created and approved August 2009; Revised 2017

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RESEARCH OVERHEAD AND INDIRECT COSTS POLICY

1. Introduction

BC Cancer has strategic interests aligned with its mandate to achieve better cancer control and [Overhead](#) charged as part of research funding agreements is directed to help support these interests.

Research at BC Cancer is supported through funding from philanthropy, government and peer reviewed grants and industry partnerships. Overhead charged against some of these funding sources represents a key element in the support of BC Cancer's strategic interests.

1.1. Purpose

The purpose of this policy is to:

- Describe the foundation of the guiding principles of BC Cancer [Overhead](#)
- Outline the responsibilities for those within scope of this Policy; and
- To ensure compliance with adhering to these standards set by this policy.

1.2. Scope

This Policy applies to any [Principal Investigator](#) involved in and/or conducting [Research Projects](#) using BC Cancer infrastructure.

1.3. Exceptions

This Policy will apply in all cases except for Research Projects funded by:

- a. Granting agencies or funding organizations with specific policy(ies) relating to allowed overhead; and
- b. Third party organization(s) in which a different amount is negotiated as part of an overall strategy that conforms to the above Purpose.

2. Policy

The Guiding principles of this policy are:

1. [Overhead](#) rates will be applied whenever possible. Consideration of Overhead charges to recover infrastructure costs (not including operating funds), forms part of all research agreements.
2. The process used for negotiating overhead ensures consistency of approach with regard to legal, ethical and business standards.
3. Distribution of Overhead funds takes into account the needs of BC Cancer as well as the division, department, group or individuals.
4. The origin and disposition of all Overhead funds are accounted for in a transparent way.

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2.1. Research Overhead and Indirect Costs

In general, [Overhead](#) rates will be charged on the [Direct Costs](#) applicable to the [Research Project](#) and/or [Clinical Trials](#) for all funded research grants, contracts (service contracts, sponsored research, collaborative research) and agreements where permitted by the funding organization.

The Overhead rate for:

- a. 25% on all non-industry funded [Research Projects](#) (including government and non-profits); or
 - b. 40% on all industry funded Research Projects and Clinical Trials.
- 1) In determining the distribution of Overhead funds and authority for their use, consideration will be given to directing Overhead funds towards strategic interests that relate to research at BC Cancer.
 - 2) In order to ensure clarity, accountability and transparency with respect to the disposition of Overhead funds, the following priorities will be included in the decision process:
 - a. The need to cover infrastructure costs of conducting research and providing research related analysis and technical support (i.e. space, human resources, finance, information technology services), salaries and administration support; and
 - b. The need to address institutional strategic and operational research initiatives.
 - 3) Overhead funds collected and distributed will be reported to the BC Cancer Executive upon request. Overhead financial reports will be broken out in detail so that the origin and disposition of funds can be clearly traced. These financial reports will be easily accessible to appropriate staff.

3. Responsibilities and Compliance

3.1. Responsibilities

The Technology Development Office (TDO) will be the single portal for negotiating terms and conditions for Overhead in all research contracts and agreements, in collaboration with appropriately **designated leaders(s) from the relevant portfolios**.

BC Cancer Senior Executive Director of Research will implement procedures for the distribution of Overhead funds received.

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3.2. Compliance

All Principal Investigators are responsible for adhering to this Policy. Failure by a Principal Investigators to comply with this Policy may result in disciplinary action up to and including, without limitation:

- 1) Payment of Overhead from the Research Project or another source of funding controlled by the applicable Principle Investigator;
- 2) Withholding access to existing funding until compliance is achieved;
- 3) Designated leaders withholding sign off on any funding applications and/or research related agreements; and/or
- 4) The possibility of actions deemed necessary, leading up to termination of employment or severance of the contractual relationship.

4. Definitions

Clinical Trial: A research study that prospectively assigns human subjects to one of more health related interventions to evaluate the effects on health outcomes.

Direct Costs: Costs that are identified as directly attributable to a Research Project. Direct Costs include but are not limited to the costs of:

- i. Salaries and related benefits of Research Project personnel, pro rata if the individuals are working on multiple projects;
- ii. Equipment
- iii. Capital costs
- iv. Consumables
- v. Travel

Indirect Costs: Infrastructure costs of conducting research and providing research-related analysis and technical support which BC Cancer incurs to support research and other operations. Indirect Costs include but are not limited to the costs of:

- i. Space, heat, light and water
- ii. Cleaning
- iii. General liability, property damage and other insurance
- iv. Departmental administrative support
- v. Research services
- vi. Legal and financial administration
- vii. Environmental health and safety services
- viii. IT services
- ix. Building maintenance services
- x. Libraries and library services

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Overhead: The amount required to be set out in a Research Project's budget as a contribution towards Indirect Costs in accordance with the Research Overhead Indirect Costs Policy.

Principal Investigator: The individual who has primary responsibility for the design, execution and management of a Research Project.

Research Project: Research or research-related activities, including research-related analysis and technical services, for which the Principal Investigator, on behalf of BC Cancer, receives funds from sources other than BC Cancer. A Research Project does not include Clinical Trials.

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Approving Body:	BC Cancer Executive Committee		
Final Sign Off:	Name	Title	Date Signed
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	Dr. Francois Bernard	New template	