

Frequently Asked Questions - Research Overhead Policy

1. What is different about this new policy compared to the Old and/or Interim policies?

A detailed comparison of the Overhead recovery rates between the Original, Interim, and new policies is provided in the **Overhead Rate Comparison Table**. Other differences between the different policy versions are outlined immediately below.

- A preamble section was added to provide context and clarity for the new policy.
- **Section 1: Purpose and Principles** has been expanded to further support the above goal.
- **Section 2: Definitions** has been expanded to provide further clarity and was moved to an Appendix (**Appendix A**) to streamline the flow of the main body of the policy.
- **Section 3: Applicability** has been revised and expanded.
- **Section 4: Responsibility** has been added in its entirety from the Old policy (it was referenced in the Interim policy).
- **Section 5: Recovery** has been renamed (from Application in the Interim policy and Implementation in the Old policy), and the table of rates has been revised to:
 - Provide greater clarity overall and ensure standard practices are spelled out in the policy.
 - Categorize grant and contract activity based on the type of agency (or funder), rather than type of agreement.
 - Provide greater clarity concerning which rates are prescribed specifically by the agency (or funder) and which are governed by UNB:
 - In the Interim policy, the private sector rate was a flat rate of 40% on total direct costs to simplify UNB's policy and have it be consistent with Canadian practice. Now, the Private Sector rates are graduated as a function of contract value to a maximum of 40%.
 - Non-profit rate has been set at 15%, which is consistent with Canadian practice.
 - GNB rate has been changed to 30% (from 40%), however this will be used infrequently as many provincial departments set their own rates.
 - Grant funding for the sole purpose to support a graduate student thesis is not subject to overheads.
 - Flexibility with respect to exceptions has been clarified:
 - The generating unit will take responsibility for exceptions.
- **Section 6: Distribution** has been renamed for clarity (from Implementation in the Old policy):
 - Proposed distribution is 40/40/20, versus the former 50/50 split, where 40% is directed to Central, 40% to the generating unit, and 20% to the VPR to support UNB research initiatives and graduate training programs.

- Generating unit will take responsibility if the standard distribution is affected by exceptions.
- **Section 7: Annual Report** has been added in its entirety.
- **Appendix A: Definitions** has been added in its entirety.
- **Appendix B** and **Appendix C** are both new and provide direction in the use of funds returned to generating units and the VPR, respectively.

2. When does the new policy go into effect?

The new policy will go into effect as of July 1, 2019. All existing grants and contracts will fall under the Interim policy; with the exception of renewals and amendments for extensions. No-cost extensions would follow the original approved budget and overhead rate. There will be a grace period until December 31, 2019 for the overhead recovery rates, during which the Interim policy may still be followed. As of January 1, 2020, all new grants and contracts must follow the new policy, both for the recovery of overhead and the distribution of overhead.

3. Where can I find copies of the Interim and Old policies?

The Interim and Old policies have been removed from the university's policy repository. If you require a copy of either, please contact the Office of Research Services at ors@unb.ca.

4. Who set the overhead recovery rates that are to be used?

Most public agencies and some private industries have established overhead rates. For rates not established by these outside organizations, the university has set default rates that are comparable to CAUBO (Canadian Association of University Business Offices) rates.

5. What happens if I already have grants and contracts in place?

If your grants and contracts were signed prior to July 1, 2019, they will fall under the Interim policy for the duration of the grant and contract; with the exception of renewals and amendments for extensions. No-cost extensions would follow the original approved budget and overhead rate.

6. What happens after July 1, 2019, if I have been awarded a new grant or contract based on a proposal / application submitted prior to July 1, 2019?

Although the new policy will go into effect immediately, we are aware that research opportunities have been developed based on the Interim policy. These will fall under the Interim policy for the duration of the grant and contract; with the exception of renewals and amendments for extensions. No-cost extensions would follow the original approved budget and overhead rate.

7. Do the new distribution rates apply to existing grants and contracts?

If grants and contracts are already signed, they will fall under the Interim policy for the duration of the grant and contract, with the exception of renewals and amendments for extensions. No-cost extensions would follow the original approved budget and overhead rate.

8. Can we still ask for exceptions to the posted rates?

Exceptions that deviate from the published (default and funders') rates can be requested by the principal investigator. If an exception to an overhead recovery rate requires a written request as per the policy, the principle investigator will complete a "Request for Exception" form, which will require a signature from their Chair or Dean and must be submitted to the Vice-President (Research) and/or Executive Director of the Office of Research Services. This is not applicable to requests made by funders to deviate from the published rates. Any reduction in overhead rates will be borne by the generating unit. The distribution to the applicable campus and to the research initiatives and graduate training programs will remain as if the published rates were applied.

For the exceptions that do not require a written request, they are specific to student salary. Exception 5.3.1 applies to only grant funding which is to be used entirely for support of graduate student GAA's or GRA's. The award must state that this is the purpose of the funding.

Constituted Centres and Institutes can request an exemption to the distribution rates using the "Request for Exemption" form. Again, this will require a signature from the Chair or Dean and must be submitted to the Vice-President (Research) with final approval by the Vice-President (Administration and Finance).

9. What if I don't want to include overhead?

With the exception of Tri-Agency funding and unless it is written in the funders' policy, no grant or contract should proceed without including overhead. That said, exceptions are allowed – please refer to Question No. 8 above. Any reduction in overhead rates requested by the principal investigator will be borne by the generating unit. The distribution to the applicable campus and to the research initiatives and graduate training programs will remain as if the published university rates were applied. This is not applicable to request made by funders to deviate from the published rates.

10. What will the new research initiatives and graduate training support be, and when will these funds be available?

The funds are intended to be used to support activities such as, but not limited to, faculty start-up funds, matching funds for grants, seed money for new research initiatives, and graduate student stipends, conferences, and/or research travel. We anticipate that some time will be required to build up the fund; more details on the use of these funds are under development.

11. Do I need to include overhead if we are providing testing services only? We are only providing the analytical results, not actually conducting research.

There are indirect costs associated with testing services as university resources are being utilized. Therefore, a minimum of 10% overhead should be applied to the individual testing rates.

12. Does this policy apply to charitable donations that come in through UNB Development and Donor Relations (DDR)?

Charitable donations are excluded from this policy.

13. Does this policy apply to funds that are received and used to match other funding programs?

Industry (private sector) funds being used as a match to Tri-Agency partnership grants should follow the 15% rate detailed in the overhead recovery rates table of the policy. Private sector and non-profit funds being used as matching for other federal and provincial partnership grants and contributions are not subject to overhead.

14. If the funds originally intended for matching do not end up being matched, what rate applies?

If the funds are not successfully matched (not awarded), and the partner continues with a research contract, grant or contribution then the existing applicable rate will be applied as per Question 13. If the funds are not used for matching due to a decision by the researcher or partner, and the partner continues with a research contract, grant or contribution, the rates should follow the rates in the overhead recovery rates table in the policy. The researcher would either adjust the budget accordingly or cover the shortfall amount through other sources.

15. Does this policy apply to membership agreements for constituted centres and institutes?

Memberships are considered collaborative relationships, and have been covered by collaborative research agreements, and therefore, fall under this policy.

16. What rate should be used for a sub-contract?

Overhead rates for sub-contracts are dependent on this policy and the policies of the prime funders. Please contact ors@unb.ca to determine the appropriate overhead rate.