



THE UNIVERSITY OF
WINNIPEG

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UWINNIPEG RESEARCH

OFFICE OF THE ASSOCIATE VICE-PRESIDENT
RESEARCH AND INNOVATION

**THE UNIVERSITY OF WINNIPEG
CONTRACT ADMINISTRATION POLICY**

EFFECTIVE DATE: XXX
AUTHORITY: Associate Vice-President, Research and Innovation
(Replaces the policy dated January 15, 2001.)

Purpose

To govern the administration of the increasingly important research, consulting, and scholarly activities conducted by The University of Winnipeg (*the University*), in accordance with agreements between the University and external contractors, including governments and private concerns.

Contract activities carried on by individual faculty members are eligible for recognition for career progress, i.e., merit, promotion, and tenure, as per Article 17 of The University of Winnipeg Faculty Association Collective Agreement (*the Collective Agreement*), because such activities represent the application of expertise and enhance the reputation of the researchers and the University. Such activities shall not detract from the usual course of their employment, as set out in the Collective Agreement, nor compromise University operations. It is recommended that faculty members restrict outside activities to 20% over the duties expected by the University, to a maximum of 70 days per year.

Scope

1. **Faculty:** Any activities outside of the normal teaching load and normal research, which involve use of the University name, University facilities (equipment, space, services, etc.), University-supported time, University-supported personnel, or the University accounting system, related to a “contract” as defined below, are considered contract activities. Contract activities must be approved by the Office of the Associate Vice-President, Research and Innovation and are subject to indirect cost charges. Exceptions to this policy are based on long-standing academic traditions and include the writing of works of scholarship or research for publication in traditional academic formats, creative works in the performing arts, and seminar presentations and lectures by invitation, relating generally to a faculty member’s area of academic expertise.
2. **Support:** Any support services provided to external individuals or organizations, for which financial compensation is paid, are considered contract activities and must be approved by the Associate Vice-

President, Research and Innovation or the Vice-President (Finance and Administration), as appropriate, and are administered by the latter. These activities are subject to indirect cost charges in accordance with section 5 of this policy.

3. **Centres, Institutes & Divisions:**

1. Centres, Institutes & Divisions which function as independent agencies within the University of Winnipeg, such as the Aurora Family Therapy Centre, the Collegiate, the Division of Continuing Education, and the Prairie Women's Institute of Health, and which primarily conduct projects for and offer services to external individuals or organizations, will govern their contract activities independent of, but guided by, this policy.

2. Centres, Institutes & Divisions which have a research focus and are agencies within the University will govern their contract activities according to this document. Any activities outside the normal teaching load and normal research, which involve use of the University name, University facilities (equipment, space, services etc.), University-supported time, University-supported personnel, or the University accounting system, related to a "contract" as defined below, are considered contract activities and must be approved by the Associate Vice-President, Research and Innovation. These activities are subject to indirect cost charges.

The allocation of indirect cost charges is to be determined by the business plan of each Centre, Institute or Division and be approved by the Associate Vice-President, Research and Innovation.

NOTE: Personal Contracts or Private Consultancies: Personal contracts and private consultancies for research and similar services negotiated between a faculty member of the University and an external individual or organization, but not approved by the Office of the Associate Vice-President, Research and Innovation, **will not** be accepted for administration by the University, nor may the University name, University facilities, staff, resources, or time be used for work carried out under such contracts, unless explicitly authorized in advance by the Associate Vice-President, Research and Innovation. Such activities will not be recognized for career progress within the University.

Definitions:

1. **Contract:** Refers to a legally binding and enforceable agreement for the funding of research, which may include terms and conditions governing the conduct, direction, and scheduling of the tasks to be performed; designating ownership of proprietary rights to the research results; laying out the financial regimen to be followed; and placing other restrictions on the research.

Only the University has the legal authority to enter contracts, and all contracts as defined in this policy shall be signed by authority of the Associate Vice-President, Research and Innovation. Faculty members or other employees do not have the authority to enter into contracts on behalf of the University.

All or most of the following characteristics will normally be present in a contract:

- a. Outline of the scope and nature of the work
- b. A set time period for the activity

- c. Ownership of intellectual property, patent rights, and licensing arrangements, consistent with Article 17 of the Collective Agreement
- d. Defined deliverables and/or milestones
- e. Provision for the confidentiality of information supplied and/or created
- f. Limitations on publication, including the right to prior review of material for publication to check for confidentiality or intellectual property issues
- g. Contract Price
- h. Budget approvals and payment schedules
- i. Contribution to the indirect costs of the University (overhead)
- j. Acceptance, renewal, and termination clauses
- k. Limits to the liability of parties (hold harmless and indemnity clauses)
- l. Contractual compensation after salary recovery
- m. Reporting requirements, both research and financial

2. **Grant:** Refers to funds that are awarded to enable the performance of self-directed research, where there is no contractual obligation for prescribed outcomes. The following characteristics will normally also be present:

- a. The project is initiated and directed by the principal investigator.
- b. Any project protocol is designed by the principal investigator and can be changed without further approval of the sponsor.
- c. The funds are not attached to a specific performance outcome and cannot be retracted on the basis of level of performance.
- d. The principal investigator may publish findings with no approval process or time delay involving the sponsor.
- e. Any intellectual property arising from the work belongs to the principal investigator or to the University and not to the sponsor.
- f. There is no honorarium or similar payment to the principal investigator.
- g. The project is open, with no proprietary data owned by the sponsor or other contractual commitment regarding intellectual property and no transfer of data or results to the sponsor other than reports as outlined in the original funding agreement.
- h. The funds are provided in advance of expenditures and not in arrears.
- i. Capital equipment purchased from the funds is the property of the University.
- j. Students are involved where possible.
- k. Results are intended for public dissemination.

The University's policies governing research grants may be found in the *Research Manual: Policies and Procedures*, which is available from the Office of the Associate Vice-President, Research and Innovation.

Research Ethics:

In aid of ensuring integrity in the conduct and reporting of academic research, contracts shall not contain provisions that limit research, consulting, or scholarly activities in a manner that

unduly restricts academic freedom or prevents independent examination or review of data or results, or publication of data or results, without the consent of the external contractor.

All members of the University community who conduct research or teaching activities in which human or vertebrate animal subjects are used must have the approval of the appropriate research ethics review committees, as set out below. Complete ethics information, including policies and procedures, guidelines, and forms, may be accessed on the Research Website via the University of Winnipeg homepage at <http://www.uwinnipeg.ca/>

Animal Ethics

Research, experimentation, and teaching exercises involving non-human vertebrate animals undertaken under the aegis of the University require review and approval by the University Animal Care Committee before the project commences. Ethics protocols must be submitted by all researchers whose work involves the use of vertebrate animal subjects or cephalopods for research, experimentation, and/or teaching exercises.

Human Ethics

Research, scholarship, and teaching exercises involving living human subjects or their identifiable data (or human genes, gametes, embryos, fetuses, or tissues) undertaken under the aegis of the University require review and approval by the University of Winnipeg University Human Research Ethics Board before the project commences. Ethics protocols must be submitted by all researchers whose work involves direct contact with human subjects/participants and/or the acquisition of raw or unformulated data obtained directly from human subjects/participants either by the researcher or by a third party.

Direct Costs:

Contract research incurs direct costs to the University which must be supported by appropriate documentation and included, in full, in the contract proposal budget. These costs may include, but are not limited to: salaries, wages, benefits, and payroll tax for research, support, and technical staff; materials and supplies; equipment (purchase, rental, maintenance, taxes and installation); travel and subsistence; printing and duplicating; postage; office supplies; telephone and telecommunication; renovations; freight and delivery charges; rental of space; and administrative support.

Indirect Costs:

Indirect costs, also known as overhead costs, are those that cannot be directly attributed to the contract activities but are a result of the contract activities: costs associated with administering and managing research. They include provision by the University of space, heat, light, water, electricity, and similar services; the use of equipment already owned by the University; the proportionate share of costs such as insurance and legal services; and the time of support personnel in such departments as Human Resources, Financial Services, Payroll, Purchasing Services, the Research Office, Physical Plant Services, Communications,

Technology Solutions Centre, and the Library. These costs normally approach or exceed 100% of the direct costs of research.

Indirect Cost Rates

Indirect costs may be identified as a separate budget item or expressed as a function of the total cost. Other alternative methods of costing can be considered, provided that the indirect costs are recovered. These methods must be approved in advance by the Associate Vice-President, Research and Innovation.

When indirect costs are charged as a percentage of the direct costs associated with the proposed contract activities, the direct costs must be based on full cost recovery and must include the costs of specialized equipment, facilities, or supplies; maintenance, repair, and depreciation on equipment with a value beyond that associated with the contract; space which must be acquired or assigned to the contract activities and associated utility costs; and faculty and staff time.

In some cases, the external contractor permits payments from the contract in recognition of the faculty member's time, effort, and expertise. Payments to faculty members from contract funds may be called contractual compensation or financial compensation and may be permitted at the discretion of the Department Chair and Faculty Dean, in consultation with the Associate Vice-President, Research and Innovation. A suggested minimum per diem rate is 1/225 of the gross annual salary of the faculty member plus 15% for benefits, for a maximum of 70 days per annum. Payments will be reported as consulting income on T4A slips. Payment to principal investigators is released at the conclusion of the contract once complete payment for the work has been received from the sponsoring agency. In some cases, such payments may be released during the course of the contract if the duration of work is greater than twelve months. Such arrangements are to be discussed with the Associate Vice-President, Research and Innovation once the contract account is established.

Provision for the payment of an honorarium or stipend to the faculty member shall be payable to the University when contract commitments reduce the faculty member's attention to employment duties. If payable to the faculty member, the funds shall be placed in a University research account to be used to support the faculty member's scholarly or research activities. Please note that no funds will be released until completion of the contract and salary recovery has taken place.

Indirect cost rates will apply based on the following guidelines:

Federal Government: For research contracts with a Canadian Federal Government ministry or agency, indirect costs are to be charged at:

- 65% of payroll costs and/or contract value for on-campus work
- 30% of contract value for off-campus work
- 2% for travel and subsistence

* Some federal agencies, such as CIDA and IDRC, have a pre-determined overhead charge. The University will accommodate these amounts.

Provincial/Municipal Government: For research contracts with a Provincial/Municipal Government ministry or agency, indirect costs are to be charged at:

- 40% of contract value for on-campus work
- 20% of contract value for off-campus work

Industry: For research contracts with industry, indirect costs are to be charged at:

- 30% of contract value for on-campus work
- 15% of contract value for off-campus work

Foundations: For research contracts with foundations, indirect costs are to be charged at:

- 20% of contract value for on-campus and/or off-campus work

Non-Canadian Government: For research *contracts* with a Non-Canadian government ministry or agency, indirect costs are to be charged at:

- 50% of contract value for on-campus work
- 30% of contract value for off-campus work

Non-Canadian Government: For research *grants* with a Non-Canadian government ministry or agency, indirect costs are to be charged at:

- 30% of contract value for on-campus work
- 15% of contract value for off-campus work

* Some Non-Canadian Government agencies, such as NIH, have a pre-determined overhead charge. The University will accommodate these amounts.

Contracts, regardless of sponsor type, which are \$10,000 or less have no overhead obligation

In exceptional circumstances, the Associate Vice-President, Research and Innovation has the authority to negotiate the amount of indirect costs charged.

If the contract does not provide for full recovery of indirect costs, (i.e. the cost of the project is to be partially born by the University and the University has agreed to do so), the contract shall specify that the contract activities are jointly sponsored by the external contractor and the University. In this case, the ownership of intellectual property and the control and distribution of the original data are vested in the University; however, access to the intellectual property by the external contractor can be provided, subject to negotiation of a license agreement.

Allocation of Administrative Overhead

Administrative overhead revenue from a specific contract will be collected at the time each payment is received by the University and deposited to the Research Administrative Overhead Account. This revenue will not be used as base income in the budgeting process,

since contracts are for a limited term; therefore, it would not be appropriate to use indirect cost revenues to meet continuing financial obligations.

Revenue allocated to the Research Office will be used to offset research costs associated with the administration of contracts to provide seed money to stimulate and enhance innovative research activities across the University for all faculties and departments. The revenue allocation of research contracts shall be:

- 40% to Central University Administration Account
- 40% to Research Administrative Overhead Account
- 20% to Faculty Dean Administration Account

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Responsibility

Office of Associate Vice-President, Research and Innovation

Following initial contact by a faculty member with an external contractor regarding a potential research contract, the Associate Vice-President, Research and Innovation must be notified and become involved early in the negotiations if the research contract is to be administered by the University. A completed and authorized Contract Approval Application shall be submitted to the Research Office along with the proposal and budget.

Approval of a Contract Approval Application shall be given only if:

- A. Consideration has been given to the reasonable protection of the interests of the University, particularly academic and financial, and of the faculty member and of the public;
- B. The normal teaching duties or other responsibilities of the faculty member will not be affected adversely, or acceptable adjustments to these duties have been made and budgeted for in the application and as appropriate in the related departmental budget;
- C. The existing University space and facilities will not be unduly burdened, or any needed additions to these have been budgeted for in the application; and
- D. All direct costs and indirect cost charges have been approved and included as appropriate in the proposed budget.

The Research and Innovation Office is responsible for reviewing, approving, and sending the signed contract to the external contractor for signature. The Research and Innovation Office will also forward copies of the signed contract to the faculty member and to Financial Services and will retain the original for its records.

All contracts require a minimum of one University-authorized signatory. Contracts over \$25,000 require two University-authorized signatories. A list of authorized signatories is available for consultation.

Upon receiving the original signed contract, the Office of the Associate Vice-President, Research and Innovation is responsible for its administration, including: authorizing the opening of a designated account; liaising with the sponsor with regard to administrative matters and obtaining or receiving contract amendments and/or addenda; assisting all interested parties in understanding contractual requirements, and arranging appropriate mediation in the case of disputes.

If a faculty member conducting contract activities intends to leave the University before the completion of a contract, that individual shall notify the Research Office at least 60 days prior to leaving and the external contractor shall be notified by the Research Office. The Associate Vice-President, Research and Innovation shall then be responsible for ensuring that contractual obligations are met.

Mandatory Contract Provisions

- A. The ownership of any donated or purchased equipment shall be specified in the contract. Any equipment or materials purchased by the University, in accordance with the contract, shall remain the property of the University unless otherwise specified.
- B. Contracts must include reasonable and appropriate mechanisms for renewal, termination, or extension of the contract. In the case of termination, the University must be paid for all costs incurred or committed to the date of termination.
- C. Contractual obligations must be integrated into the ongoing activities and responsibilities of the individuals involved, and into those of the affected academic unit.
- D. No right or obligation related to research contracts shall be assigned by either party without the prior written permission of the other. The University shall not sub-contract any contract activities, except as specifically provided for in the contract or in an amendment to the contract.

Financial Services

Financial Services is responsible for overseeing the financial management of the contract. Responsibilities are as follows:

- A. Opens an account only on authorization from the Associate Vice-President, Research and Innovation.
- B. During the course of the contract, is responsible for accounting, invoicing, cash management, indirect cost transfer, and preparation of financial statements.
- C. Maintains financial records, promptly submits closing financial reports, and transfers administrative overheads to the Research Administrative Overhead Account.

Students

Students may participate in contractual activities under the direction of a faculty member, on the condition that they agree to applicable provisions of the contract, including confidentiality requirements, in advance of their participation. Student involvement in contract activities may include thesis work, so student rights in such work must be protected in the contract. Students may not participate in contract activities where the contract restricts or limits their right to publish their results or to defend their work in an open academic forum unless prior authorization has been obtained from the Associate Vice-President, Research and Innovation. Such authorization will not normally be given.

Appendix 1 – Indirect Cost Rates Chart

| Type of Contractor | Percentage for On-Campus Work | Percentage for Off-Campus Work | Travel and Subsistence |
|--|--------------------------------------|---------------------------------------|-------------------------------|
| Canadian Federal Government Contract | 65% | 30% | 2% |
| Provincial/Municipal Government Contract | 40% | 20% | N/A |
| Industry Contract | 30% | 15% | N/A |
| Foundation Contract | 20% | 20% | N/A |
| Non-Canadian Government Contract | 50% | 30% | N/A |
| Non-Canadian Government Grant | 30% | 15% | N/A |

University of Winnipeg Contract Approval Application

Principal Investigator: _____ Department: _____

Co-Investigator(s): _____

Funding Agency/Sponsor: _____

Project Title: _____

Project Period: Start Date: _____ End Date: _____ Project Cost: \$ _____

Ethics Review Required: Yes ____ No ____ Review Type: Human ____ Animal ____

Approval # (if approved): _____

Special Requirements: Include any additional requirements needed for this contract, including incremental requirements, required of the UW. IE – space requirements, equipment, services, facilities, research time stipend, renovations and any other UW commitments.

Note: Contract Approval Application is to be accompanied by a copy of the proposal and budget. Budget should detail **both** direct and indirect costs such as: salary/wages, benefits, equipment, travel, supplies, TSC, printing, freight/delivery, administrative support, and overhead.

SIGNATURES

It is the responsibility of the PI to obtain the appropriate signatures and submit the form along with the proposal, budget and all accompanying documentation.

Principal Investigator

Date

Co-Investigator

Date

Department Chair (if applicable)

Date

Dean

Date

Associate Vice-President, Research and Innovation

Date