

Cape Breton University

Indirect Costs of Research 2014-15

What are Indirect Costs of Research?

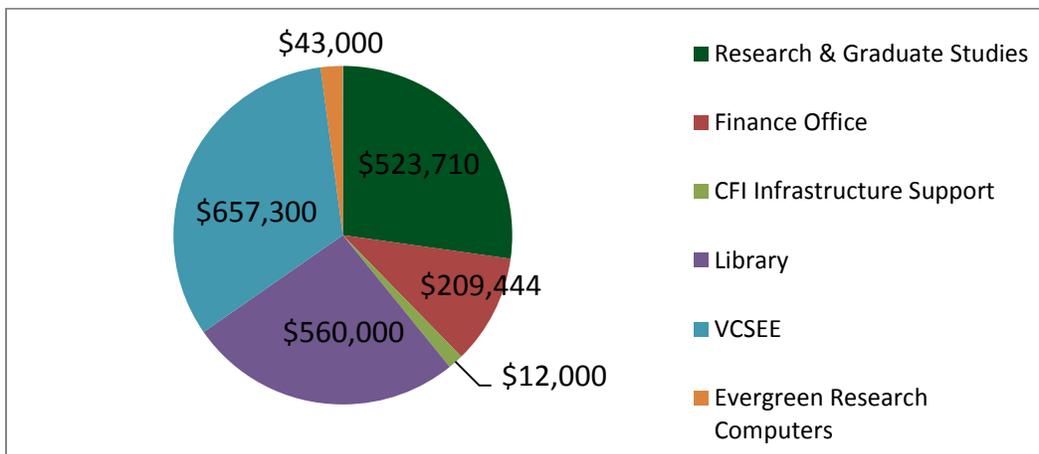
The term “indirect costs” refers to the central and departmental administrative costs that institutions incur to support research which are not attributable to specific research projects. In other words, the costs institutions must cover to allow research activities to take place.

Indirect Costs can be divided into five general categories:

1. Research Facilities
Such as: renovation, maintenance, upgrades, operating costs, technical support
2. Research resources
Such as: library holdings, information resources, library operating costs
3. Management and administration of an institution's research enterprise
Such as: research office operating costs, research personnel training costs, HR/payroll, finance office, research planning and promotion
4. Regulatory requirements and accreditation
Such as: Research Ethics Board, Animal Care Committee
5. Intellectual property
Such as: legal fees, staff

What are CBU's Indirect Costs?

The total indirect cost of research is very difficult to assess and track, but annually the cost of supporting research is in excess of \$1.9 million. What is illustrated below are some of the more easily traceable costs that are connected with supporting research. These are not the total costs of those offices or departments, but a reasonable estimate of the portion that supports research. Eligible indirect costs that are **NOT** included in the following summary are: Utilities, Facilities Management staff time, HR staff time, IT support staff time, Development staff time.



How does CBU fund the Indirect Costs of Research?

The indirect costs of research are funded through three general categories: 1) CBU Operating Budget, 2) [Indirect Costs Program](#), 3) CFI [Infrastructure Operating Fund](#), and 4) Overhead charged on external research contracts (see [Research Proposals and Agreements](#) for more details on overhead charged on external grants).

What is the Indirect Costs Program?

The Indirect Costs Program funded by the Government of Canada helps Canadian postsecondary institutions with the hidden costs of research. The Government of Canada introduced the Indirect Costs Program (ICP) in 2003. This permanent program provides Canadian universities and colleges with an annual grant to help pay for a portion of their indirect costs of research.

How is the Indirect Costs Grant calculated?

Allocations are awarded annually and Indirect Costs grants are based on the funding received by researchers from the three granting agencies — CIHR, NSERC and SSHRC — in the three most recent years for which data is available. * For the 2014-15 fiscal year, for example, calculations are based on the research funding received and the Networks of Centres of Excellence (NCE) funds spent in fiscal years 2010-11, 2011-12, and 2012-13.

Funding Formula

The value of each grant is calculated as a percentage of the institution's total federal research funding based on the following formula:

Average revenues from CIHR, NSERC and SSHRC research grants	Funding for indirect costs*
First \$100,000	80%
Next \$900,000	50%
Next \$6 million	40%
Balance	approximately 20%.

What is CBU's Indirect Costs Grant?

Since the program's inception, CBU's annual allocation is given in the table below.

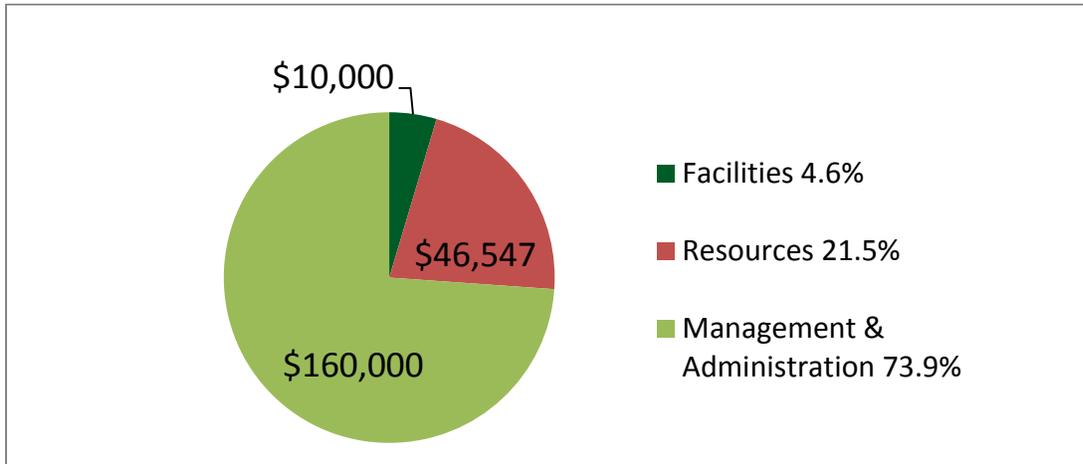
Year	ICG
2014-15	216,547
2013-14	221,104
2012-13	229,010
2011-12	241,463

Year	ICG
2010-11	251,585
2009-10	236,662
2008-09	236,787
2007-08	202,018

Year	ICG
2006-07	160,425
2005-06	166,734
2004-05	182,359
2003-04	208,278

Year	ICG
2001-02	195,708

How does CBU allocate the Indirect Costs Grant?



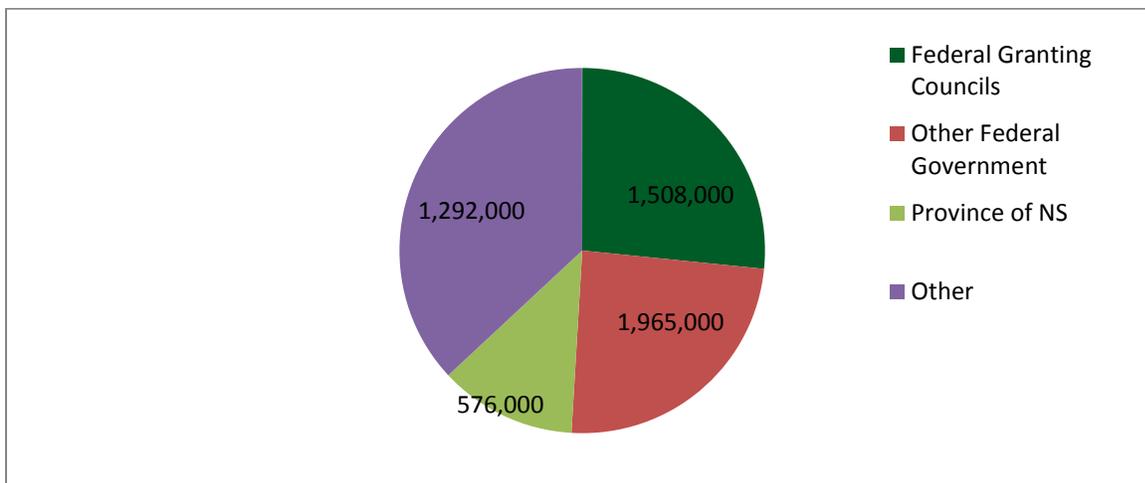
What other supports does CBU offer to Support Research?

While substantial, the Indirect Costs of Research are not the only way in which CBU supports research. In 2014-15, close to \$600,000 was used to help cover the direct costs of research through internal research grants, travel funds, and contributions to CFI/NSRIT projects and start-up research grants.

How much sponsored research is carried out at CBU?

During the 2014-2015 fiscal year, researchers at CBU conducted approximately \$5 million in externally sponsored research. The main sources of funding were:

- 1) Federal Granting Councils (CFI, CIHR, CRC, NSERC, SSRHC)
- 2) Other Government of Canada Departments and Agencies (AANDC, ECBC, FOC, IDRC)
- 3) Province of Nova Scotia (IESCF, NSPIV, NSRIT)



* Most but not all Tri-agency grants receive an allocation in the ICG, for more details see the ICP website.