



# Application and Administration of External Research Grants and Contracts

**Category:** Research;

**Jurisdiction:** Vice President, Research and Innovation;

**Approval Authority:** Executive Team;

**Established on:** October 1, 1992;

**Amendments:** October 1997; September 2002; November 2005; January 2006.

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## 1.0 Preamble

In the tradition of academic research in Canadian universities, faculty and professional staff at Lakehead University are encouraged to seek research support from external agencies such as governments at all levels, industry and other elements of the private sector, philanthropic foundations, and other organizations that share the University's academic or social visions.

## 2.0 Purpose

The purpose of this internal research policy is to govern the administration of research performed using University facilities or resources, where such research involves internal or external financial support.

## 3.0 Definitions

- **3.1 Research Grants:** Refers to funds that are awarded to the recipient to enable the performance of self-directed research, where there is no contractual obligation on specific research outcomes. The following characteristics are normally also present.
  - objectives are defined in a general fashion
  - no limitations or restrictions on publication

- no specific transfer of results to grantor; however a final report stating the results of the research is usually submitted to the grantor
  - payment to the university is generally made in advance of expenditures
  - high level of research trainee involvement
  - no direct remuneration to principal investigator or co-investigator
- **3.2 Research Contracts:** Refers to funds that are assigned for research purposes through a legally enforceable agreement which may include conditions setting forth specific terms 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 other restrictions required by the research. Some or all of the following characteristics are normally present:
    - scope and nature of research is specifically defined
    - set time period for the activity
    - ownership of intellectual property, patent rights and licensing arrangements are established
    - deliverables are strictly defined
    - provision for confidentiality of information supplied and created
    - limitations on publication, perhaps prior review of material for publication to check for confidentiality or patent issues
    - budget approvals and payment schedules
    - acceptance and termination clauses
    - limit liability of participants (hold harmless and indemnity clauses)
    - possible remuneration to principal investigator
- **3.3 Donation:** A donation is defined by Canada Revenue Agency as a voluntary transfer of cash or property to the University that is made without acceptance of any benefit of any kind accruing to the donor or any individual or organization designated by the donor. Donations may include: cash; assets and tangible property (real estate, artworks, jewellery); securities (bonds, stocks, annuities, insurance policies); bequests and grants. A donation is eligible for an official charitable donation receipt. Research

grants, government grants and the like do not conform to Canada Revenue Agency's definition of a donation or charitable gift for income tax purposes.

- **3.4 Analytic and Testing Services:** Refers to a measurement or a characterization of a substance using a scientific instrument or a process.

#### 4.0 Applicability

- 4.1 The University will administer research grants and contracts only on behalf of Faculty Members, Professor Emeriti and Adjunct Professors. In some cases, members of non-academic staff who have been given permission by their supervisor and by the Vice-President (Research) to undertake research may be permitted to hold external research funds in their own name.
- 4.2 This policy applies to research activities which involve the use of Lakehead University's facilities, resources, services and/or corporate name and is not intended to cover research performed under personal contract outside the University. The University is not responsible for research performed under personal contract.
- 4.3 Personal contracts for research and other services negotiated between an individual and an external agency and signed by that individual will not be accepted for administration by the University, nor may University facilities be used for work carried out under such contracts. Faculty members should note that personnel receiving funds out of "personal consulting contracts" are not acting as employees of Lakehead University and therefore are not covered under the Workplace Safety and Insurance Board(WSIB) Plan or any other benefit plans. Faculty members are also advised to refer to the Collective Agreement between the Board of Governors of Lakehead University and the Lakehead University Faculty Association, Article 27: Outside Professional Activities.
- 4.4 Exemptions to this policy may be approved by the Vice-President (Research), which includes analytical or testing services to external agencies or companies through the Lakehead University Centre for Analytical Services.

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## 5.0 General

- 5.1 All research performed by University employees, whether funded or not, must adhere to the guidelines (where applicable) set down by the Lakehead University Research Ethics Board, University Animal Care Committee and University Biosafety Committee. It is the responsibility of the Principal Investigator to ensure that the research proposed adheres to these Policies. For additional information regarding the University's Human Subject Ethics, Animal Care, and Biosafety Policies, University employees should contact the Office of Research.
- 5.2 When the conditions of a research grant or contract do not provide explicit direction, the University policy regarding the employment of relations (Human Resources Employment Practices, General Non-Academic) shall apply. In exceptional circumstances, the Principal Investigator of a Research Grant or Contract shall obtain the prior written approval of the Vice-President (Research) in order to employ any member of his/her or family under a university-administered research grant or contract. Such exceptions shall require a competitive hiring process and procedures to manage inherent conflicts of interest.
- 5.3 Where a member of faculty or staff is responsible for specifying or approving materials or services purchased from grant or contract accounts, he or she shall not derive any personal financial benefit either direct, or indirect, from the transaction. Please refer to the Financial Controls and Signing Authority Policy and Purchasing Policy for additional details.
- 5.4 Results of all research undertaken in the University shall be fully publishable at the discretion of the Principal Investigator, subject to any terms and conditions that may exist in a research contract, as in 5.5.
- 5.5 A sponsor may under the terms of a formal contractual agreement restrict the publication of research results or need to approve such publication in advance. The following constraints must be recognized:
  - I. No restriction shall unnecessarily prohibit or delay in any way the use of research results by a graduate student for his/her thesis or other academic purposes. Delays in publication at the request of a sponsor are permissible in exceptional

- cases in order to protect patentable material pending application, or where immediate commercialization may be jeopardized. Such delays require approval of the Dean of Graduate and International Studies and the involved graduate student.
- II. If under the terms of a contract, a sponsor agrees to provide data essential to the research which is designated by the sponsor as confidential, the University, Principal Investigator, Graduate Students and all contract employees will observe such confidentiality provided that the results of the research may be published without identifiable reference to the confidential data.

## 6.0 Statement of Responsibilities

- 6.1 The Vice-President (Research) is responsible for ensuring that applications for external funding conform with the requirements of the following University Policies:
  - Ethics Policy for Research on Human Subjects
  - Animal Care Policy
  - Biosafety Policy
  - Recovery of Overhead (Indirect Costs) Policy on University-Administered Research Funds
- 6.2 Other University policies related to research, but not administered by the Vice-President (Research) are:
  - Travel and Hospitality Expense Policy
  - Financial Controls and Signing Authority Policy
  - Purchasing Policy and Purchasing Card Program
  - Disposal of Equipment
  - Other financial policies
- 6.3 The Office of Research will provide the Office of Financial Services with a copy of all research contracts for review.
- 6.4 The Principal Investigator applying for grants and contracts is responsible for providing the Office of Research with a copy of his/her application prior to submission to the external funding agency, and any subsequent award notification and accompanying

materials. Any materials submitted to the Office of Research will be kept confidential and not be released without the prior written approval of the Principal Investigator.

- 6.5 The Principal Investigator is responsible for providing directly to the funding source any progress reports, final reports or other deliverables required under the conditions of the grant/contract.
- 6.6 The Office of Research maintains an inventory of funded research projects in the University and provides regular reports on sources and amounts of research funding to the President and upon request to external agencies.

## 7.0 Application Process

- **7.1 Application Forms:** Copies of application forms and guidelines for major granting agencies can be obtained through the Office of Research. Several resources exist in the Office to assist faculty members in identifying appropriate sources of funding for research.
- **7.2 Grant and Contract Budgets:** In determining the appropriate level of pay for research employees working on research grants/contracts, the Principal Investigator is advised to contact the Office of Human Resources for advice before finalizing research budget proposals. Care must be taken to account for future salary increases and to allow for the employer's share of the benefits. A guideline outlining potential research expenditures to consider when preparing research budgets is available from the Office of Research. If a faculty member wishes to build into their grant/contract research budget a full or half course "buyout", he/she must obtain approval from the Department Chair, Dean of the Faculty and Vice-President (Academic) and Provost prior to submission of the grant or contract proposal. If a faculty member wishes to include a Release Time Stipend (RTS) in an external SSHRC application (which requires the University to commit 50% of the RTS) please refer to the **Release Time Stipend Approval Form** available on the Office of Research web site. All research contract budgets must be discussed with the Office of Research during the stage of budget development. In addition, research projects that will be utilizing the services or facilities of the laboratories in the University such as (Lakehead University Centre for Analytical

Services (LUCAS), University Instrumentation Laboratory, Greenhouse, Statistical Laboratory, CARIS, Science Shop, Civil Engineering Structural Laboratory or Mechanical Engineering Machine Shop) must consult each unit's manager/director, to ensure that the direct costs associated with utilizing these services or facilities are built into research budgets prior to submitting the research application or contract proposal.

- **7.3 Completion and Submission of Applications:** Notices of upcoming internal and external deadlines may be sent to the Deans and Department Heads. It is the responsibility of these administrative heads to ensure that members of their Faculties or Departments are made aware of the deadlines. The Office of Research is available to review research applications provided that they are received at least two weeks prior to the external deadline. However, if applications are not received at least two weeks prior to the external deadline, the Principal Applicant is responsible for the photocopying and mailing of his/her completed application with all required signatures. Applications must be received in final form two working days before the external deadline in order to meet all required processes and to expedite the signing of the application by the Vice-President (Research) or the President.

## 8.0 Signing Policy for Research Proposals

- 8.1 All applications for research funds from an external source must be accompanied by a "**Research Proposal Approval Form**"
- 8.2 Every application for research funds from an external source must be signed (in the following order) by:
  - i. the applicant(s);
  - ii. the Departmental Chair;
  - iii. the Faculty Dean;
  - iv. the Vice-President (Research), or the President.

Incomplete applications will not be signed by the Vice-President (Research) or the President. The Vice-President (Research) or the President will not sign proposals unless they are received two days prior to the external deadline.

- 8.3 Note that not all application forms provide places for all these signatures. Therefore, the Research Proposal Approval Form must also be forwarded to the Office of Research, along with the original application or contract, **prior** to obtaining the signature of the Vice-President (Research) or the President Also, where the proposed research uses facilities, not covered by overhead, users must include costs/user fees as deemed appropriate for external contract users by the managers of these facilities. Facilities not covered by overhead include: Lakehead University Centre for Analytical Services (LUCAS), and its member laboratories, Lakehead University Instrumentation Laboratory, Greenhouse, Statistical Laboratory, CARIS, Science Shop, Civil Engineering Structural Laboratory or Mechanical Engineering Machine Shop and/or departmental laboratories. The manager/director of the proposed service unit must also sign the **Use of Facilities Approval Form**. The managers of these facilities must be consulted and provided a copy of the proposal at least one week prior to their authorization of access to the facilities as outlined in the proposal.
- 8.4 The Principal Investigator is required to sign a grant or a final contract in order to indicate his/her acceptance and willingness to carry out the work within the established budget. If the application form or contract does not provide a place for the Principal Investigator's signature, a signed "Research Proposal Approval Form" will suffice.
- 8.5 The signature of the faculty member's immediate supervisor on a research grant application or contract acknowledges the availability of facilities, space, and resources required to carry out the project in the Department, School or Faculty and acknowledges the proposed time commitment by the principal investigator to the project.
- 8.6 The signature of the manager/director of the proposed laboratory unit indicates that the resources and facilities of the laboratory can be made available for the proposed research and that the budget accurately reflects costs of using the laboratory facilities.
- 8.7 The signature of the Vice-President (Research) or President indicates that the proposed research adheres to applicable university policies, that the University will encourage the execution of the research to the extent available facilities and resources permit, and that the University is prepared to administer funds received on behalf of the grantee.



## 9.0 Negotiation of Research Contracts

- 9.1 The Vice-President (Research) and/or Manager, Research and International Development is responsible for the negotiation of government research contracts between the University and sponsoring agencies. The Manager, Technology Transfer, is responsible for the negotiation of contracts with the private sector. Once the "Statement of Work" and "Budget" have been established by the Principal Investigator, further negotiation should be carried on directly between the agency and the Office of Research, who will correspond with the Principal Investigator, seeking his/her advice where appropriate.
- 9.2 A standard research contract format has been developed by the Office of Research. It should be used by agencies who do not have their own format. Because the standard format was developed with a view to protecting the interests of the University and the Principal Investigator, its wording reflects the University's preferred terms of agreement in such areas as intellectual property, publication, confidentiality, termination and payment procedures.
- 9.3 Research contract budgets must include an allowance for University overhead. Refer to the Policy on "Recovery of Overhead on University-Administered Research Funds".
- 9.4 All research contracts must be signed by any two of the following four individuals or their delegates who have the authority to sign research contracts on behalf of the University: the President, Vice-President (Research), Vice-President (Academic) and Provost or the Vice-President (Administration and Finance).
- 9.5 Research contracts must be between the "Board of Governors of Lakehead University" and the contracting agency and may not be written in the name of an individual, a Department, or Faculty.

## 10.0 Administration of Research Accounts

### Opening of Research Accounts

- 10.1 Grant and contract funds are held in trust by the University and are not the property of any individual.
- 10.2 Holders of Lakehead University Research Accounts must be employees of the University, Professor Emeriti or Adjunct Professors.
- 10.3 No payment may be made from any grant or contract until the opening of a "Research Account" has been authorized by the Office of Research. The Office of Financial Services will establish a research account for a Principal Investigator when:
  - 1) The Office of Research has received written notification (a letter of award for grants) from the funding agency that an award has been made (or a copy of the signed agreement if funding is through a contract) including the sponsor's written terms and conditions concerning the award; and
  - 2) The required documentation - copy of application, updated budget (if one is not included in the agreement or proposal (or if an amount awarded is less than requested), Research Proposal Approval Form and Use of Facilities Form (if applicable)- has been forwarded to the Office of Research (as well as, if applicable, copies of letters granting ethical approval for human subjects, animal care and biosafety) and
  - 3) The Office of Research has ensured that all University and sponsoring agency policies are satisfied and
  - 4) The Office of Research has notified the Office of Financial Services that conditions 1, 2, 3 above have been satisfied. An exception is made for SSHRC, NSERC and CIHR awards - the Office of Financial Services will assign account numbers directly for grants awarded through these Councils, upon confirmation from the Office of Research that any conditions on the awards have been addressed (ie. filing of Animal Care and Human Subject certificates, renewal of academic appointments, etc.).
- 10.4 For accounting and statistical records, awards from different sources ordinarily may not be placed in the same Research Account.
- 10.5 All cheques for research and other projects must be made payable to "Lakehead University". To avoid personal income tax, faculty members should not accept personal

cheques for research support. Cheques received directly by grantees or departments should be forwarded to the Office of Financial Services for deposit to the appropriate account.

### Management of Research Accounts

- 10.6 The grantee is responsible for the proper management of a "Research Account". It is the grantee's responsibility to ensure that all authorized expenditures conform with the approved budget, with all terms and conditions of the grant or contract, and with University regulations concerning payroll, purchasing and other service departments. Expenditures are subject to internal and external audit procedures of the University and periodic audits by the sponsoring agencies. Should the overall budget on a grant or contract be exceeded, it is the responsibility of the Principal Investigator to make arrangements for the payment of the over-expenditure.

### Expenditures on Research Accounts

- 10.7 **Payment of Salaries** - Payments to Graduate Students out of Research Accounts will be made by completing the "Graduate Admissions and Funding Recommendation" Form or the "Financial Support Form for Continuing Students" (for continuing Graduate Students) which can be obtained from the Office of Graduate and International Studies website under "Administrative Forms". Payments to other research employees and other technical staff will be made by completing a "Lakehead University - Staff Information" Form. Please note: employees must sign-on at Human Resources before payroll payments can begin.
- 10.8 **Benefits** - There are mandatory benefit costs that must be paid by the employer and will apply to all salary payments (except graduate scholarship payments) made from research accounts. Please refer to Appendix A: Schedule of Fringe Benefit Costs for Research Employees.
- 10.9 **Payment to Investigators** - Payments to faculty members from research contract funds may be permitted, provided: (a) such payments are allowed by the funding agency, and (b) the University is compensated for the indirect costs (overhead)

associated with the contract work. Normally, a holdback of 25% will apply to salary payments to Principal Investigators on research contracts. The holdback will be released when confirmation is received by the Office of Research that all contract deliverables have been completed and accepted by the funding agency. If the Principal Investigators wish to have salary payments made through their private consulting company, an invoice must be submitted to the Office of Research indicating: Name of Company, period covered by the Invoice, per diems and number of days worked, and an outline of the work completed. Otherwise, payments to individuals will be made through the university payroll system.

- **10.10 Travel** - Travel expenses incurred in performing grant or contract research will be paid at University rates or at the funding agency's rates, if those rates are required. Normally only economy or less expensive rates of airfare may be charged to a grant or contract. If a researcher expects to be travelling he/she should apply for a Lakehead University RBC (Visa Corporate Credit Card) which can be obtained by contacting the Office of Financial Services.
- **10.11 Purchases of Supplies, Materials and Equipment** - Holders of Lakehead University Research Accounts should apply for a RBC (Visa) purchasing card for research procurement and payment of low value goods and services (under \$1,000). Purchasing cards may be obtained by application through the Office of Financial Services. Purchases which are valued over \$1,000 must be made through the University Purchasing Department, by completing an online Purchase Requisition. Title to equipment (including computers) and materials purchased with research funds vests with Lakehead University, unless the research grant or contract specifies that title to equipment purchased remains with the sponsoring agency.
- **10.12 Goods and Services Tax (GST) and Provincial Sales Tax (PST) on goods and services** - All goods and services purchased by a grantee will be subject to the GST. Please note that salaries paid to research staff such as technicians or graduate students are not subject to the tax. Hence, if the grantee is going to travel, purchase equipment, consumable supplies, pay an outside consultant (who has a GST

registration number) or pay for other services, the budget must reflect the increased cost associated with the application of the tax.

Universities constitute one portion of a sector known as the MUSH Group (Municipalities, Universities, Schools, and Hospitals), which will receive a rebate on a portion of the GST it pays. Canadian Universities have been given a refundable GST rate of 67% of the GST paid on its purchases. Therefore, when formulating a research budget, Principal Investigators are asked to remember to incorporate this additional 2% GST cost.

Equipment purchases are PST exempt if the equipment is "designed for use", and used exclusively in research. The Ontario Retail Sales Act indicates specific equipment may be PST exempt. The equipment must be "Equipment purchased by the governing body of a university that is designed for use, and used exclusively, in research or investigation and repair parts therefore, but the exemption . . . does not apply to any equipment, where that equipment is used in the instruction of students . . . or repair parts for such equipment, or the labour to install such equipment or repair parts." (R.S.O. 1990, c. R31, s. 7 (1), par. 18). PST will apply on other purchases of supplies and materials.

**Goods and Services Tax (GST) on Research or Service Contracts** - Researchers should be aware that the GST does apply on research and service contracts (not grants). This is currently the practice dictated by Revenue Canada.

## 11.0 Employment of Research Personnel

- 11.1 Once an award is made, the Principal Investigator generally becomes the supervisor of personnel funded from the grant or contract in his/her capacity as the grant holder and must comply with the Ministry of Labour's Occupational Health and Safety Act and the Ontario Workers' Compensation Act. In addition, terms and conditions of employment must adhere to the Ontario Ministry of Labour Employment

Standards Act. Additional information regarding these Legislated Employment Acts may be obtained by contacting the Office of Human Resources.

- 11.2 It is the responsibility of the University and Principal Investigator (Supervisor) to provide a safe working environment to employed personnel.

## **12.0 Leaving the University**

- 12.1 If at any time during the term for which a grant or contract has been made, the Principal Investigator ceases to be a member of the University, notification should be sent to the Office of Research and the Office of Financial Services by the investigator's Department/Faculty immediately. The Office of Research will notify the funding agency.

## **Appendix A – Schedule of Employers Fringe Benefit Costs**

Part-time Employees (employees who work less than 35 hours/week)

Employment Insurance (EI), Canada Pension Plan (CPP), Workplace Safety and Insurance Board (WSIB) benefits, Health Tax and Vacation Pay  
(15%)

Full-time Employees (employees who have a minimum term contract of at least 12 months working at least 35 hours/week)

Employment Insurance (EI), Canada Pension Plan (CPP), Workplace Safety and Insurance Board (WSIB) benefits, Health Tax, Medical, Dental and Vision Plan, Life Insurance and Long-term Disability Insurance  
(22%)

**Review Period:** 7 years;

**Date for Next Review:** 2020-2021;

**Related Policies and Procedures:** To be determined;

**Policy Superseded by this Policy:** None.

The University Secretariat manages the development of policies through an impartial, fair governance process, and in accordance with the Policy Governance Framework. Please contact the University Secretariat for additional information on University policies and procedures and/or if you require this information in another format:

Open: Monday through Friday from 8:30am to 4:30pm;

Location: University Centre, Thunder Bay Campus, Room UC2002;

Phone: 807-346-7929 or Email: [univsec@lakeheadu.ca](mailto:univsec@lakeheadu.ca).