

# Revision of Overhead Distribution Policy

## Faculty of Science

March 11, 2009

At present 45% of overheads go to central administration and 55% to the Faculty. This apportionment is not changing. The distribution within a Faculty can be determined by the Faculty. For the Faculty of Science, it has been distributed according to the default scheme as follows:

OLD DISTRIBUTION:	Faculty of Science	30%
	Department	12.5%
	Principal Investigator(s)	12.5%

However, there are several factors that point to a change in the distribution within the Faculty. There is an increasing level of research activity emanating from and primarily based in units other than Departments (specifically Centres, Institutes, Research Groups, and Interdisciplinary Initiatives). All indications are that this trend is very likely to continue. In cases of contracts held primarily in non-traditional units, the researcher(s) may nevertheless conduct a portion of the work in the academic home unit, leading to the home unit having a legitimate claim on some of the overhead funds. There is no way to handle this situation (or its reverse) under the current model. Another important consideration is that the current policy has no provision to ameliorate situations resulting in delayed completion, failure to complete, or to provide all of the deliverables. Examples are cost overruns on a contract, and unanticipated events (e.g. acute equipment failure). Another situation that can arise is the need for up-front acquisition of a piece of equipment that would enable a series of contracts to be awarded. Under the current model there is no pre-planned way of handling any of these situations and resort is usually made to urgent, unanticipated, and undocumented requests to the Department and/or the Faculty for bailout money which may or may not be available. The way to handle any of the situations described above will be to create a contingency fund as follows:

<b>NEW DISTRIBUTION:</b>	<b>Faculty of Science</b>	<b>25%</b>
	<b>Unit*</b>	<b>10%</b>
	<b>PI</b>	<b>10%</b>
	<b>Contingency fund</b>	<b>10%</b>

\* Here unit is the Department, Centre, Institute, group, or equivalent which is the principal home of the contract project.

The contingency fund will be held in an account controlled by the Faculty of Science. Eligible expenditures will include:

- some coverage of cost overruns on contracts (possibly shared with PI),
- contribution to emergency repair/replacement of critical equipment needed to complete a contract
- assistance with acquisition of new/updated equipment required to undertake a series of new contracts; provision of some overhead to the secondary unit(s)
- assistance with RISF eligible expenses within the Faculty, normally in the broad area within which the contract is held

The contingency fund will be administered as follows:

- Those wishing to access it must make a compelling case in a written proposal
- Applications will be approved by a committee consisting of the Associate Dean Research, the Associate Dean Administration, and the Dean who will consult others and seek expert advice as necessary

**The revised policy described herein will be in effect for the three-year period, April 1, 2009 to March 31, 2012 and may be renewed in the same or revised form at the end of this period. The revised policy applies only to contracts with contract start dates on or after April 1, 2009.**