

2024 Overhead Procedure Changes Internal – Researcher

July 2, 2024

Overview

As of September 1, 2024, the overhead rate for **industry-funded research projects** will be increasing **from 25% to 40%** to reflect similar rates at comparable institutions.

Under the University of Calgary Overhead Policy, the university recovers indirect costs on research projects, if permitted by the sponsor. A review of the published overhead rates charged by other U15 institutions found that UCalgary is below the national average when assessing overhead on industry-related research projects.

The [University of Toronto recently assessed](#) the indirect cost burden to be 57%, which produces a significant gap relative to the approximately 20% indirect cost coverage provided by the Federal Government Research Support Fund.

UCalgary's previous overhead rates are unsustainable at 25%. Even at the increased rate of 40%, the full indirect costs for research are not covered by charged overhead.

Who Will be Impacted?

Principal Investigators

All researchers with academic appointments (Principal Investigators) are encouraged to complete the training and quiz by September 1, 2024, in order to receive legal review for research agreements once the updated rates go into effect.

Research Staff

All research staff are encouraged to complete the training and quiz as soon as possible to support their Principal Investigators.

Deans, ADRs

Leadership are encouraged to complete the training to assist and guide research teams.

Rate Change Details

For public sector and not-for-profit payors, UCalgary will maintain its current 25% overhead rate. This recommendation is similarly based on alignment with the majority of U15 institutions.

Clinical trials remain at 30%, which is consistent with the national average.

Note: Overhead on leveraged/match funding provided through other tri-agency programs, such as the NSERC Alliance Program, is exempt at this time as UCalgary continues to explore this with other U15 institutions.

	Industry-Funded Rate	Non-Industry/ Not Profit Sponsors	Clinical Trials	Technical Service Agreements	Other
Dalhousie	40%	15%	30%	-	
McGill	40%	27%	30%	-	US Government Departments - 43.4%
McMaster	40%	25%	30%	-	
Queen's	40%	25%	30%	-	
UAlberta	30%	-	-	-	
UBC	40%	25%		-	
UCalgary	40%	25%	30%	45%	US gov't (39.8% of salary and benefits): PWGSC (65% salary and benefits, 2% travel.)
ULaval	40%	-	-	-	Foreign affairs, Trade Dev Canada - 13%
UMontreal	40%	-	-	-	
UOttawa	40%	10 - 20%	-	-	Federal, Provincial, Municipal - 25%
UToronto	40%	-	-	-	US Government Departments: On-campus 53%, Off-campus 13%
Waterloo	30%	30%	-	-	
Western	40%	-	-	-	

Training Components

Video Module

Training will be conducted through a short, self-directed video module (approx. 30 mins) to indicate they understand the importance of assessing overhead on their projects and how to budget for overhead in the proposals.

Qualtrics Quiz

Upon completion of the video module, users will complete a short, 5-question quiz to validate they have reviewed and understand the updated procedure.

Timeline

The training module is available starting July 2, 2024. Legal review of research agreements will only be conducted on research agreements where the Principal Investigator has completed the training prior to September 1, 2024, when the rates take effect.

Schedule*:

Week of July 1

- initial email announcement (July 2)
- training materials available
- information landing page available

Week of August 1

- reminder email to complete training

Week of September 1, 2024

- new rates go into effect
- email reminder about the new rates (Sept 2)

**subject to change*

Resources

[Information Landing Page](#)

[Training Video](#) and link to Quiz (requires a UCalgary email address to access)