UNIVERSITY OF
GUELPH

Procedures for Gift Research Agreements & Indirect Costs of Research

Determining Gift vs. Sponsored Research

To ensure appropriate administration of research funding, use the following criteria:

Refer to **Research Services Office (RSO)** if the funder (a.k.a. sponsor, donor):

- Requires deliverables (e.g., IP rights, tangible products)
- Requires return of unspent funds
- Retains right to terminate or demand return of funds
- Receives preferential treatment or economic benefit
- Retains significant oversight or control
- Represents a government agency
- Requires detailed financial or technical reporting
- Requires pre-publication review
- Retains approval rights over work, personnel, or budget
- Requires collaboration with their personnel
- Requires specific performance targets or personnel effort
- Requires line-item budgets, invoices, or audits
- Specifies a performance period

Refer to **Alumni Affairs & Development (AA&D)** if none of the above apply.

In ambiguous cases, AA&D and RSO will jointly assess and determine the appropriate pathway.

Indirect Costs (IDC) on Research Gifts

Indirect costs are essential to sustaining the infrastructure and services that support research. These costs include facilities, compliance, administration, IT, and more.

IDC Rates for Gifts:

- Gifts ≥ \$5,000: Subject to 25% IDC
- Gifts < \$5,000: Exempt from IDC
- Faculty salary/honoraria funded through approved gifts: 0% IDC

Funder-specific IDC policies will be considered if documented (e.g. published guidelines or letters) only where the funder is a non-profit/charitable organization. Funding from for-profit organizations will be subject to the Full Cost of Research.

IDC Clause for Gift Agreements:
"The Donor agrees to apply a percentage of 25% of the Gift as indirect costs. These indirect costs encompass administrative, operational, and other necessary expenses associated with facilitating and managing the research efforts funded by this Gift."

Gift Agreement Intake and Review

1. AA&D to submit the Gift Agreement Intake Form
2. AA&D to include the IDC clause for applicable gifts
3. RSO reviews all research-related funding, including gifts, to ensure alignment with institutional policies
4. AA&D facilitates signatures and agreement finalization

Account Setup and Administration

1. RSO receives signed gift agreement and complete OR-5 form from AA&D in collaboration with College Research Manager and named Principal Investigator, as applicable.
2. RSO secures final approvals, as required, and establishes the research account.
3. Research Financial Services (RFS) receives account information and coordinates with AA&D for post-award administration

Funder Communication Support

When discussing IDCs with funders:
- Emphasize that research is expensive and the true cost includes both direct and indirect expenses
- Reference U of G's 2021 study showing that indirect costs are at least 52% of direct costs

If funders express concern:
- Consult the College Dean
- Escalate to Jennifer Barrett (AA&D) or Carolyn Osborn (RSO)

Contacts for Support
- AA&D: Jennifer Barrett – strategy@uoguelph.ca
- RSO: Carolyn Osborn – cosborn@uoguelph.ca