USE OF THE FEDERAL RESEARCH SUPPORT FUND
AT THE UNIVERSITY OF TORONTO

DEFINITION OF THE INDIRECT COSTS OF RESEARCH

When people think about the cost of research, for many what comes to mind are things like specialized equipment, salaries of trainees (graduate students, post-doctoral fellows and research assistants), travel costs, and so forth. These are the “direct” costs of research – budgeted expenditures for undertaking a specific research project. Less likely to be associated with the costs of research, however, are things like the building where the researcher works, the electricity used to power the specialized equipment, or the staff that provide support for research contracts/applications/oversight and compliance. These “indirect” costs are the hidden costs of research; the real dollars incurred by the University, or affiliated institutions, to support research activities. It can be difficult to assign these costs to specific projects since these necessities for conducting research are often shared. The University of Toronto has established a Research Administration Policy that provides a more specific definition of “direct” and “indirect” costs (http://www.governingcouncil.utoronto.ca/Assets/Governing+Council+Digital+Assets/Policies/Policy/resagree.pdf).

DESCRIPTION OF THE RESEARCH SUPPORT FUND PROGRAM (RSF)

The Research Support Fund program (RSF: http://www.rsf-fsr.gc.ca/home-accueil-eng.aspx) provides partial support to universities and their affiliates for the indirect costs of research associated with eligible Tri-Council (i.e., NSERC, SSHRC, CIHR) and/or Networks of Centers of Excellence (NCEs) awards. This funding helps institutions to meet the financial burden of hidden costs of research; costs such as lighting, heating, and addressing the increasingly complex oversight and compliance requirements that insure the safety of researchers, as well as their human and animal subjects. This support allows researchers to concentrate on conducting cutting-edge research.

According to its website, the “Research Support Fund assists Canadian postsecondary institutions with the costs associated with managing their research enterprise, helping them to maintain a world-class research environment. Grants can be used to:

- maintain modern labs and equipment;
- provide access to up-to-date knowledge resources;
- provide research management and administrative support;
- meet regulatory and ethical standards; or
- transfer knowledge from academia to the private, public and not-for-profit sectors”, and, in so doing, helps “to make Canada a world leader in research and development.”

LIST OF AFFILIATED INSTITUTIONS

The University of Toronto is a large, complex institution, comprised of three campuses, 18 Faculties/Divisions, 88 Departments, and 179 extra departmental units.

The University of Toronto also includes the following 9 partner hospitals, and each receives a portion of our RSF funds.

- Baycrest Health Sciences Centre for Addiction and Mental Health
- Holland Bloorview Kids Rehabilitation Hospital
- Unity Health Toronto Sunnybrook Health Sciences Centre
- Sinai Health System (Mount Sinai Hospital)
- The Hospital for Sick Children University Health Network
- Holland Bloorview Kids Rehabilitation Hospital
- Women's College Hospital

June 2020
A comprehensive list of all affiliated institutions (including primary, sub- and sub-sub-affiliates) can be found on U of T Research and Innovation’s Federal Research Support Fund page.

OVERVIEW OF HOW THE INSTITUTION ALLOCATES ITS GRANT FUNDS

Based on proportional expenditures in 2018-19, the most recent complete data available, it is projected that the 2020-21 RSF grant to the University of Toronto and its affiliates will be allocated across the five expenditure categories as shown in the following graph (affiliated institutions are included):

Each year, the University’s Planning and Budget Department undertakes a detailed analysis of the institutional costs associated with supporting the University’s research enterprise. Part of the annual exercise involves mapping U of T’s actual indirect costs into the eligible categories under the Federal Research Support Fund (RSF) for reporting purposes under that program. U of T reports annually on this analysis and its outcomes. For the most recent year, total indirect costs were allocated as follows for RSF-eligible categories of expense: Research Facilities – 37%; Research Resources – 18%; Management and Administration of the Research Enterprise – 32%; Regulatory Requirements an Accreditation – 7%; Intellectual Property – 6%.

Although the RSF provides critical indirect costs support for peer reviewed research funded by the three federal granting agencies, a significant gap remains between the true indirect cost of tri-agency funded research (57% on campus in 2018-19) and the amount provided through the RSF program (20.5% in 2018-19). This gap (36.5%) constrains our potential as an internationally competitive research powerhouse and requires the redirection of funds to indirect costs of research from other operations, including our teaching function.

The University generates a formulaic determination of each of its partner hospitals’ share of the RSF grant, and transfers that money as a sub-grant to those institutions, which then apply the money to relevant activities/initiatives. Each hospital reports to the University on their use of the grant funds, and that information is incorporated into a consolidated Outcomes Report.