

This document applies to	<input checked="" type="checkbox"/> All Horizon	<input type="checkbox"/> Fredericton Area	<input type="checkbox"/> Miramichi Area
	<input type="checkbox"/> Moncton Area	<input type="checkbox"/> Saint John Area	<input type="checkbox"/> Upper River Valley Area

Horizon Health Network Policy & Procedure Manual Research Overhead Fees

POLICY

An *overhead fee* of 30% will be applied to all *Research Contracts* approved at Horizon Health Network (Horizon). *Research Grants* will be exempted from overhead fees, unless a granting agency provides funds to cover these fees.

The rationale for overhead fees is that Horizon does not subsidize the costs associated with conducting research. Horizon will make every attempt to recover costs which may be incurred in supporting research activities.

DIRECTLY AFFECTED

Horizon

Office of Research Services employees, *Principal Investigators*/delegate(s), and Executive Management Team members/delegate(s)

Contractors

Sponsors, granting agencies and/or contractual parties associated with research activity within Horizon

PROCEDURE

The cost of conducting research at Horizon includes both direct and indirect costs. While the *direct costs* are those that are associated with a specific *research study* (e.g. salaries, services, treatment costs, etc.), indirect costs (also called “overhead fees”) are those that are not readily identified as expenditures associated with a research study, but are still incurred by Horizon.

These include, but are not limited to:

- administration of agreements
- education and training
- heating
- human resources management
- payroll
- investigator support
- office space

Invoiced fees, such as study start-up fees and archiving fees are exempt from overhead fees.

Recovery of Overhead Fees

The two methods of overhead calculation are:

- for agreements where the negotiated amount is determined by adding up all direct costs, the overhead fee is 30% of the direct cost.
- for agreements with a per patient all-inclusive rate, the overhead fee is acquired from that rate.

The Sponsor is responsible for the payment of overhead fees associated with a *Research Agreement*.

The Office of Research Services collects overhead fees at the time of each study payment.

NOTE: This is a **CONTROLLED** document. Any document appearing in paper form is not controlled and should **ALWAYS** be checked against the electronic version prior to use. Printed on: 08/08/2017

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Responsibilities of Principal Investigator

- Ensures that overhead fees are included in their research budgets.
- May seek assistance from the Office of Research Services to negotiate directly with the Sponsor to ensure that the overhead fee is included.

DEFINITIONS

Direct Costs - those costs that are directly associated with research activities at Horizon Health Network. Examples of direct costs include, but are not limited to salaries and benefits of research personnel; office supplies, materials and equipment (including maintenance) and travel expenses for the participation in meetings and conferences.

Overhead Fees - also referred to as indirect costs, are expenses incurred by Horizon Health Network for supporting the conduct of research, and which are not readily identified as direct expenses. Examples of overhead fees include the provision of research space and utilities (security, maintenance, custodial and heating), department of Financial Services (payroll, purchasing, accounting), generalized support services (computer services, library, human resources) and research support services.

Principal Investigator (PI) - the person responsible for the conduct of a research study at Horizon Health Network.

Research Agreement - a legally binding written document (e.g. Research Contract or Research Grant) between Horizon and one or more parties for the purposes of conducting research at Horizon.

Research Contract - a legally binding agreement between a researcher, Horizon Health Network and a Sponsor (e.g. a private corporation) that guarantees financial support to an Investigator to conduct research under conditions defined by the Sponsor within a Horizon facility and in accordance with agreed upon deliverables.

Research Grant - an agreement under which a public or private organization provides funding to pay for all or part of the costs of a research study. A research grant does not typically require the researcher to deliver a pre-determined set of research outcomes.

Research Study - any study that has been approved by the Horizon Health Network's Research Ethics Board.

Sponsor - an individual, company, institution, or organization that initiates, manages, has regulatory responsibility for (if applicable), and may fund (in whole or in part) a research study.

RELATED DOCUMENTS

[Administrative Oversight of Research Studies](#) (HHN-RS-004)

[Financial Management of Research Accounts](#) (HHN-RS-005)

[Research Agreements \(Contract and Grant\)](#) (HHN-RS-006)

[Research Study Sponsor's Reimbursement for Services](#) (HHN-RS-008)