

## **University of Toronto**

### **Statement on Faculty Member Remuneration from Sponsored Research Projects**

#### **Preamble**

In some cases, sponsors of research projects administered by the University permit a principal or co-investigator to be compensated for services performed as part of a research project.

This statement sets out the approval process for such proposed compensation and assists division heads, faculty members and business officers to understand and administer sponsored research projects which involve the remuneration of a principal investigator or co-investigator.

This document applies only to sponsored research projects that are administered by the University (excluding standard salary recovery programs such as Canada Research Chairs, Canada Excellence Research Chairs or NSERC Industrial Research Chairs).

Cases where faculty members may be paid directly by third parties for activities not related to their University activities, remain subject to the provisions of the University's [Policy on Conflict of Interest – Academic Staff](#). Nothing outlined in this statement replaces or alters that Policy.

#### **Process**

Compensation payable to a principal or co-investigator under a sponsored research project may occur only in the form of (1) payment of a portion of the principal or co-investigator's normal 100% salary, or (2) a one-time-only payment to the principal or co-investigator over and above his or her 100% salary from the University. In both instances, such compensation must be paid as T4 income.

Any such proposed compensation arrangement must be brought forward for approval at the application stage or early in the negotiation with the research sponsor. All instances of remuneration to a faculty member through a sponsored research project must be disclosed in the appropriate section of the "My Research – Applications" (MRA) record. In all cases where remuneration to a University of Toronto faculty member is proposed, the principal investigator must complete the "Faculty Member Remuneration from Research" form.

The faculty member who is to receive the remuneration must obtain approval for the remunerative component from his or her academic unit and division heads. If any salary payment over and above the normal University salary is proposed, before approving the research application for institutional endorsement by VPRI, the academic unit and division heads must agree in writing that the payment is justified and will not have a negative impact on the faculty member's University duties. A completed "Faculty Member Remuneration from Research" form, signed by the appropriate academic unit and division heads, must be appended to the MRA record before a research fund can be established.

Before providing institutional endorsement of the sponsored research application, VPRI will determine whether the sponsor's applicable terms, policies or guidelines permit the proposed compensation. As part of this, VPRI will make the sponsor aware that faculty members at the University of Toronto are paid on a 12-month schedule.

If a sponsored research application with a faculty remuneration component is successful, the University will receive the funds for any remuneration as part of the project revenue and establish a line item within the research account through one of the following two mechanisms:

- Where the terms of the research funding agreement permit salary recovery and the academic unit and division heads have agreed, the division will recover the portion of the faculty member's salary specified in the funding agreement with the sponsor; or
- Where a payment over and above the normal University salary is proposed for a principal or co-investigator, and has been agreed, funds will be paid out to the faculty member as T4 income from the research account by the academic unit/division. Such a payment is in addition to the faculty member's normal salary payment from the University and will not be considered part of their regular salary for benefit, pension, or salary administration purposes.

## **Contacts**

- For advice on the MRA approval process including the "Faculty Member Remuneration from Research" form, faculty members may contact the staff member within the Division of the Vice-President Research and Innovation who is managing the application or resulting funded research agreement.
- Regarding review and approval of the "Faculty Member Remuneration from Research" form, faculty members should work with the head of their academic unit and their Dean's Office
- For advice on processing payments in HRIS, contact the relevant divisional Business Officer, or central Payroll Services

This statement replaces the previous procedure and form regarding Secondary Research Contracts.