



CFC RESEARCH OVERHEAD POLICY

VERSION 1.0

Background

Chicken Farmers of Canada (CFC) is a national farmer-run organization funded through levies that producers pay according to the amount of chicken marketed. CFC's main responsibility is to represent the interests of our ~2,800 chicken farmers and the Canadian chicken industry and to guarantee that Canada produces the right amount of fresh, safe, high-quality chicken to meet consumer needs.

CFC is committed to promoting chicken health and welfare and recognizes that scientific research plays a crucial role in advancing the health, safety, and overall well-being of chicken. By supporting and funding scientific studies, CFC aims to foster innovations that improve animal care practices, enhance farming sustainability, and ensure Canadian farmers are producing safe and healthy chicken.

Emphasizing the importance of evidence-based practices, CFC advocates for research that bridges the gap between ethical responsibility and scientific progress, ultimately leading to better outcomes for animals, farmers, and society as a whole. Through on-farm programs such as the animal care program, the food safety program, biosecurity initiatives, and research advancement, CFC works closely with government partners and industry stakeholders to keep the industry innovative and responsive.

Chicken Farmers of Canada is a proud founding member of the Canadian Poultry Research Council (CPRC) which enhances poultry research in Canada. In addition to financially supporting CPRC's activities, CFC invests annually in research projects to address priority questions for the broiler sector.

Policy Purpose

To establish a clear rule for all funding recipients regarding the recouping of indirect (overhead) costs from funds received from CFC. This policy applies to all research funding allocated by CFC.

Definitions

- Direct Costs: Expenses that can be clearly attributed to a specific research project (e.g., personnel, equipment, travel, materials).
- Overhead Costs (Indirect Costs): General administrative and facility-related costs that support research but cannot be directly attributed to a specific project (e.g., utilities, financial administration, IT support).
- Overhead Rate: A percentage applied to eligible direct costs to calculate the total allowable indirect cost.

Principles

- In addition to the direct costs of research (e.g. time, equipment, consumables etc.), there is a range of indirect costs borne by the recipient organization. These are costs not attributable to an identifiable project but are incurred when providing goods or services to the benefit or support of research. They are variously called indirect costs, overhead costs, administrative costs, institutional costs, or core costs, but amount to the same thing: they are the costs of office space, backroom services like finance, insurance, waste disposal, etc. Organizations may attempt to recoup these costs by claiming a percentage of funds received from third parties.
- Overhead rates must be reasonable, justifiable, and in line with industry norms.
- Overhead allowances should not unduly reduce funds available for direct research activities.

- Overhead costs may only be claimed on direct costs, excluding:
 - Sub-grants or sub-awards (unless approved)
 - Equipment purchases above \$2,500 per item
 - Scholarships or fellowships
- Most of the funding provided by CFC to support research projects is in the form of research contributions and grants. In some circumstances, CFC may award research contracts without public calls for proposals; this policy provides for different treatment of indirect costs in these instances. **Appendix 1** highlights the different characteristics of what CFC considers research contributions, grants, and contracts.

Application and Negotiation

- All applicants must declare their requested overhead rate during the proposal submission stage.
- If the requested rate exceeds CFC's policy, justification and supporting documentation must be provided.

Exceptions

Exceptions to this policy require written approval by CFC's Director of Research based on specific considerations and unusual circumstances.

Appendix 1. Funding allocation characteristics.

Category	Funding Allocation		
	Research Contribution	Research Grant	Research Contract
Research specification	Objectives, goals, or purpose are defined. Generic description of deliverables, with some flexibility in content and timing. CFC's contribution is in relation to its position as a member in a funding organization (e.g., CPRC projects)	Objectives, goals, or purpose are defined. Generic description of deliverables, with some flexibility in content and timing. CFC's funding to the project is independent of other funders (e.g., CFC RFP)	Scope and nature of the research are defined. Specific deliverables with timelines. CFC's allocation of funds is made directly to a specific entity as part of direct agreement (e.g., an independent researcher or consultant completing a literature review for CFC)
Payment	Payment fully committed and made to the funding organization	Payment could be: 1) by instalment on completion of deliverables or milestones; or 2) fully committed at time of signing the agreement (e.g., project administered by CPRC)	Payment by instalment on completion of deliverables or milestones; possible penalty clause
HQP/Students	HQP involvement is expected	HQP involvement is typical	HQP involvement optional
Payment directly to researcher	None	None	Potential for salary remuneration
Publication/ dissemination of results	No limitation or restriction on publication and encouragement of wide dissemination	No limitation or restriction on publication and encouragement of wide dissemination	Possible limitation on publication and possible review of material for publication to check for confidentiality or IP issues
Intellectual property	CFC does not claim ownership interest in results but may have rights of use. IP owned by the researcher and/or their organization according to their arrangement	CFC does not claim ownership interest in results but may have rights of use. IP owned by the researcher and/or their organization according to their arrangement	CFC claims ownership on results; IP rights are negotiated
Maximum overhead paid	Up to 25%	Up to 25%	0-5% (evaluated on a case-by-case basis)