

# AGRICULTURAL, LIFE & ENVIRONMENTAL SCIENCES (ALES) IN-KIND POLICY FOR FACULTY MEMBERS

Implementation March 1, 2023

Developed by the ALES Associate Dean (Research) Team

## NEW Guidelines for Valuing In-Kind Contributions for Faculty of ALES Researchers

In many research applications, researchers will be asked to include a budget amount for the 'in-kind' contributions of the researchers conducting the research. The Faculty of ALES in-kind consists of the cost of Academic Faculty members' time (salary and benefits) and facility costs that are not covered by overhead or included as user fees in the budget.

\*\*\*The ALES In-kind calculator is [available here](#) for easy calculations\*\*\*

- 1) **Researcher time** is based on the average salary + 23.4% benefits of the position, the percentage of time dedicated to research (according to the Faculty agreement) and the portion of the research time spent on the project. Calculations are based on the following average salary rates\* (23.4% benefits are included):
  - Assistant Professor: \$115,712/year
  - Associate Professor: \$140,807/year
  - Professor: \$170,135/year

*\*Based of rates effective July 1, 2020 to March 31, 2023. Rates may be updated when new rates become available.*

*Example: for an Associate Professor who dedicates 40% of their annual time to research and spends 30% of their annual research time on project activities: Annual in-kind = \$140,807 x 40% (annual time dedicated to research) x 30% (percentage of research time dedicated to the proposed project) = **\$16,897/year.***

- 2) **Facility costs** (utilities, maintenance, security, insurance) are calculated in the form of overhead not covered by the funding agency. To calculate, multiply the direct cost that would be coming to the Faculty of ALES (before any overhead charges are applied) by the difference between the standard University of Alberta Overhead (30%) and the overhead paid by the funding agency.

*Example: for a funding agency that pays 15% overhead, the 15% not covered (using 30% institutional overhead as the full amount) would constitute a Faculty in-kind contribution. For a direct cost of \$300,000, of which \$250,000 is coming to the Faculty of ALES, the in-kind amount would be \$250,000 x 15% = **\$37,500.** If necessary, this can be calculated on a per year basis.*

Include the following **budget commentary** in the budget justification: "The ALES in-kind, calculated according to the ALES in-kind policy, consists of a portion of the average salary and benefit costs of an Assistant/Associate/Full Professor in the Faculty of ALES dedicating X% of their research time to the

*proposed research activities, and facility costs not covered by overhead, using 30% of direct costs as the full University of Alberta overhead rate.”*

**Notes:**

- 1) Facility costs of ALES research facilities must be included in the proposal as user fees. Any use of ALES facilities that is not budgeted for, will constitute an ALES in-kind contribution and will require written approval from the Dean at the time of application. Inclusion of user fees for use of researchers’ labs is strongly encouraged.
- 2) The principal applicant should consult the sponsor’s guidelines and policies to determine whether the in-kind contributions are eligible. For example, the policy should not be used for Tri-council funding.
- 3) The in-kind contributions as calculated above are not deemed auditable. However, if a funder requires an auditable in-kind contribution, only the salary + benefits component of the ALES in-kind calculation should be included in the proposal.
- 4) In certain situations, researchers may wish to use their actual salary and benefit rates instead of the average rates. In these cases, the **budget commentary** should state the following:  
*“The ALES in-kind, as calculated according to the ALES in-kind policy, consists of a portion of Dr. XXX’s salary and benefit costs, who is an Assistant/Associate/Full Professor in the Faculty of ALES, dedicating X% of their research time to the proposed research activities, and facility costs not covered by overhead, using 30% as full University of Alberta overhead.”*

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## BACKGROUND

The **ALES in-kind policy** that has been used in recent years was developed to allow researchers to assign a monetary value to their time contributions on projects in proposals that require in-kind contributions from applicants and participating organizations. The Faculty of ALES calculated a standard in-kind amount of \$385,000 per year for Faculty of ALES researchers with an embedded value for facility costs (ie: overhead).

The current policy states that:

- 1) The amount indicated in proposals should be proportionate to the time spent on the project, using \$385,000 as the 100 % time. *[[If a researcher spends 10 % of his/her time on a project, list \$38,500 per year under Government In-Kind. If a researcher spends 20 % of his/her time, list \$77,000 per year]].*
- 2) The following commentary should be included in the budget justification:

*The in-kind support of \$385,000 (or portion) is the average cost per faculty member to conduct research in the Faculty of ALES, University of Alberta, for a year. This amount includes faculty salary and benefits and facility costs (utilities, maintenance, security, insurance) that are not covered by overhead or direct research charges.*

Since the introduction of this policy, it has been widely used in research applications, most frequently in application to the Alberta Agriculture Funding Consortium (AFC) and more recently RDAR, as well as other programs.

When the policy was originally introduced, AFC did not pay any overhead, therefore it was appropriate to include the full amount of facility costs as in-kind. Since AFC and RDAR now pay overhead at 15%, it is no longer appropriate to include an embedded value reflecting the full charge of facilities in the in-kind calculation. In addition, the currently used policy does not distinguish between the salaries paid to researchers at various employment levels (Assistant/Associate/Full Professor).

Therefore, the ALES Associate Dean (Research) Team has redesigned a more transparent in-kind accounting method which will replace the current calculation on March 1, 2023. When the in-kind policy is used and calculated, it constitutes an ALES Faculty commitment.