**UILO Information Sessions: Identifying Sources of Applied Research Funding**

Early this spring, the University-Industry Liaison Office (UILO) hosted two information sessions for SFU researchers.

In February, the UILO sponsored an information session about accessing Canada’s Scientific Research & Experimental Development Incentive (SR&ED) Program. Gerry Hunter of Canada Customs and Revenue Agency was on hand to outline the program which is intended to encourage businesses, particularly small and start-up firms, to conduct SR&ED that will lead to new, improved, or technologically advanced products or processes. For more information, contact Matt Ferguson, email: matt.ferguson@sfu.ca.

Representatives from the BC Advanced Systems Institute, the Science Council of British Columbia, and the National Research Council’s Industrial Research Assistance Program were on campus in March to describe their applied research programs. If you missed the session and would like information about applied research funding, contact Teri Lydiard, email: lydiard@sfu.ca.

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**Funding Helps SFU Develop CFI Applications**

Applying to the Canada Foundation for Innovation (CFI) is a complicated, detailed process. Simon Fraser University (SFU) is fortunate to have access to external support from Western Economic Diversification Canada (WD) and the Science Council of British Columbia (SCBC) to partially offset the costs of preparing CFI proposals which are intended to provide additional support to the Research Grants Facilitators who assist in producing CFI applications on behalf of SFU. Funds have been used to engage technical writers, a budget assistant and secretarial support.

“The Canada Foundation for Innovation Support Program (CFI-SP) was established and is delivered by WD to provide funds toward the preparation of proposals to the CFI,” says Keith Draper, Acting Assistant Deputy Minister, Western Economic Diversification. “By providing as much as 90% of the costs necessary to initiate and prepare CFI applications, we enable access to critical funding for public institutions in Western Canada including SFU.”

SCBC created the BC Science and Technology Infrastructure Program (STIP) to facilitate strategic investments in BC’s research and research infrastructure. STIP awards are used to prepare applications to federal science and technology programs where the application is for funding in excess of $250,000. Funding for STIP is generated from SCBC’s participation in the Discovery Foundation. One of the Discovery Foundation’s goals is to attract, foster, stimulate and participate in the development of scientific and technological industries, and expertise that will create employment opportunities in BC. In addition, the Foundation wishes to provide facilities for support of scientific and technological research and development. “With funding provided by its subsidiary, Discovery Parks Inc., the Foundation has established an Endowment, managed by SCBC, which will make $2.5 million available over five years to encourage investments in research infrastructure,” says Bernadette Mah, SCBC’s Manager of Science and Technology Programs.

“The WD and STIP funding is proving critical to our successes in CFI competitions,” notes Dr. Bruce Clayman, Vice-President, Research. “For example, a successful CFI application was prepared for Dr. Peter Anderson’s Advanced Mobile Communications and Networking Facility. It was a complicated application and required a great deal of time and effort to prepare. As the number of applications to CFI increase, the WD and SCBC funding is becoming even more important.”

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**Research Links**

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Risk Management for SFU Researchers

Research Links recently sat down with Gord Wainwright, Manager, Risk Management & Insurance and Adrian Sheppard, Research Contracts Officer, to discuss the risk management issues that impact SFU Researchers.

Research Links: When we talk about risk management in the context of university research, what kind of things are we talking about?

Adrian Sheppard: Primarily, this has to do with SFU from assuming unreasonable risks associated with what may arise from the research. These include injuries to persons, damage to property, breach of contract, breach of confidentiality, and allegations of copyright or patent infringement. However, there is also the protection of the researcher from personal liability as well.

RL: Are researchers actually at risk to incur personal liability through research grants and contracts?

AS: They shouldn’t be, but they can be. When SFU accepts a research grant or enters into a research contract with a sponsor, the researchers at SFU are performing the work in their capacity as SFU employees. Thus, they are “protected” from being held personally liable for actions taken in the course of their employment. However, there are times when contracts arrive from sponsoring agencies that name the researcher rather than SFU as the other party to the agreement, requesting that the researcher sign and return it. In such cases, the researcher, by signing the agreement, might be entering an agreement personally while thinking he or she is entering it on behalf of SFU. In circumstances like these, should something go wrong, liability could fall upon the researcher.

RL: Faculty members, as principal investigators for research grants and contracts, are protected in their capacity as SFU employees, but what about the students and other individuals who are employed under those grants and contracts?

Gord Wainwright: The students and individuals who are employed under those grants and contracts are considered the equivalent of University employees for the purpose of insurance and the policy. This automatically provides SFU’s Ltd Liability Insurance coverage to those students and individuals. SFU, staff and employees are provided coverage for claims or legal action that arise from the course of their employment at SFU.

RL: In the Fall of last year, policy AD 3.14, Indemnity Approval Policy, was introduced. What exactly is an indemnity, and what changes were brought about by this new policy?

GW: Indemnity can have different definitions. Basically, it is a legal transfer of risk within a contract whereby one party agrees that it will provide compensation for loss or damage already suffered, or that it will secure against loss or damage that may occur in the future. The SFU Indemnity Approval Policy sets out the procedure for reviewing contract language for indemnities and other liability issues. The University, while recognizing the importance of research, also needs to balance the risks inherent with the research along with the legal liability, indemnification and insurance clauses contained in the contracts being presented to us. In recent years, many organizations, including some government agencies, have increased their attempts to transfer many types of risk to institutions performing research under contracts – in some cases including risks of consequential loss not directly related to the research. As this practice became increasingly common, the need for SFU to institute a formal indemnity approval policy became more apparent.

AS: When an organization that is sponsoring research attempts to transfer certain risks to SFU through the contract, that organization is seeking to reduce its exposure to potential losses or to escape liability. In other cases, the organization may not have the insurance coverage to cover certain losses and instead seeks to pass those risks on to SFU. Through that risk reduction, the organization is able to reduce its insurance premiums, administrative costs and legal expenses - all by effecting such risk transfer through the contract.

RL: So, when can SFU give indemnities to sponsors of research contracts?

AS: Some of the risks that sponsors would like to transfer to SFU through contracts are reasonable, and some are not. It should come down to which of the parties is in a better position to assume the risk. Of course, in many commercial ventures, there might be a trade-off to the party assuming the risk. In contracts that fund research, there is rarely such a trade-off. It comes down to whether assuming the risk is reasonable under the specific circumstances.

RL: And, generally speaking, what risks does SFU consider reasonable to assume in research contracts?

GW: Generally, SFU will be responsible for its acts or omissions while the sponsor should be responsible for its acts or omissions. Certain government contracts contain “difficult” indemnity clauses that require negotiation. We have had some success in having these deleted from agreements. The primary consideration for a university in determining whether to grant an indemnity is the risk versus reward equation. Assuming liability for resultant loss or consequential damage could potentially result in multi-million dollar claims and legal actions.

RL: If the sponsors of research are shifting, or attempting to shift, risk or liability to the University through research contracts rather than insuring against it themselves, does the University insure against these risks?

GW: SFU manages its exposure to risk both by limiting this exposure in contracts through negotiating indemnity language and other such provisions, and by purchasing Liability Insurance in sufficient amounts to protect University employees and the institution itself.

RL: If the University is adequately insured, what’s the problem?

GW: Insurance coverage is not the answer to managing risk, particularly “negotiated” contracts. An insurance policy is essentially “back-up” insurance. When policies are in place, they provide protection for a wide variety of potential claim situations. However, research can involve areas of exposure where insurance coverage may not be there, or coverage may only be partial, such as nuclear liability, gradual pollution, and infringement to copyrights, patents, trademarks or violations of other intellectual property rights.

In closing, if there were one main point you would like researchers to take away from this, what would it be?

AS: A research contract for a small dollar amount, if written in a certain way, can expose the University to huge potential liability. It is really not the dollar- value of the contract that matters when it comes to risk management issues. That’s why all research contracts have to be thoroughly reviewed, irrespective of the amount of funding involved.

GW: That really is the key point. The con-
sequences of assumption of liability under research contracts can be so severe that the advantages from accepting the funding are overshadowed. In these situations it is only reasonable that the contract be modified to remove the exposure – if necessary by re-negotiating other aspects of the contract – before the contract is signed for the University. It is inappropriate for the University to assume certain contractual obligations that involve assumption of unreasonable risks and potentially large liability.

For more information, contact Adrian Sheppard, email: adrians@sfu.ca or Gord Wainwright, email: gwainwright@sfu.ca.