Research Administration Workflow
(online approvals)

Go-Live currently scheduled for June 16th, 2019
Training – see website for details

Questions? Contact your research facilitator or visit uab.ca/RSO
“Winds of Change in Research Administration”

Research Expenses Eligibility and Compliance

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Presentation Overview

• Common Acronyms.
• Understanding the difference between eligible vs ineligible expenses, direct vs indirect costs of research, and compliant vs. non-compliant expenses.
• Most common eligible and ineligible expenses charged to research grants at the University of Alberta as well as the most common compliant and non-compliant expenses.
• Links to Tri-Agency and UofA resources to assist in research administration.
Acronyms

Tri-Agencies

- **CIHR**: Canadian Institutes of Health Research
- **NSERC**: Natural Sciences and Engineering Research Council of Canada
- **SSHRC**: Social Sciences and Humanities Research Council of Canada

University of Alberta

- **ICR**: Indirect costs of research
- **PAF & ePAF**: Pay Action Form & Electronic Pay Action Form
- **RSO**: Research Services Office
- **SMS**: Supply Management Services
- **UAPPOL**: University of Alberta Policies and Procedures Online
- **UofA**: University of Alberta
Sponsor Guidelines

If the sponsor guidelines are silent on a particular expense, then the UofA guidelines are followed. With the new Tri-Agency Guide expenses are paid in accordance with the Terms and conditions of the administrating institution.

EXAMPLE: when the sponsor guideline doesn’t address the eligibility of a particular hospitality expenditure then the UofA Hospitality guideline will determine whether or not that expense can be charged to the grant.

Definition of “Eligible” and “Ineligible”

Every sponsor has their own definition. The best source of information for eligible and ineligible expenditures is documentation from the sponsor (e.g., the contract/agreement, the application guidelines, sponsor websites, etc.). This applies equally to internal (department, faculty or university) and external (donor or sponsoring agency) funding.
Indirect Cost of Research (ICR)

Eligible institutions and their affiliated research hospitals and institutes receive an annual grant through the Research Support Fund (RSF) to help pay for a portion of the central and departmental administrative costs associated with managing the research funded by the Tri-Agencies.

**EXAMPLE:** Computers for educational and administrative purposes should be provided by the university, however, for the lab it becomes an eligible expense.

For all other sponsors, when eligible, a minimum of 20% ICR must be charged.
Eligible Expenses

Eligible expenditures consist of the following:

• Associated with the project or program for which the award is made, and necessary to the research endeavor being undertaken.

• Eligible in accordance with the terms and conditions of the research agreement or contract.

• Reasonable and conform with the financial guidelines of the sponsor and the UofA.

• Incurred within the eligible dates of the grant/agreement.
Tri-Agency Administrative Financial Guide Renewal - Pilot Phase

- The Agencies (CIHR, NSERC and SSHRC) are initiating changes to **simplify** and **provide additional flexibility** in the use and administration of grant funds.

- Since December 5th, 2018, the University of Alberta is piloting the Guide Renewal along with 11 other universities in Canada.

- The Tri-Agency will be finalizing the Guide in summer 2019 and anticipates launching the Guide to the research community in early fall.
Tri-Agency Administrative Financial Guide Renewal - Pilot Phase

The major change is the application of principles to determine whether expenditures charged to Tri-Agency grant funds are eligible or ineligible.

• **Use the Principles to determine**
  ✓ appropriate use of grant funds
  ✓ authority to Use Grant Funds
  ✓ reporting and Supporting Evidence
  ✓ oversight of the Use of Grant Funds

(What used to be eligible should still be eligible and not eligible before not eligible now)

• **Those principles state that grant expenditures must:**
  ✓ Contribute towards the **direct costs of the research or activities**;
  ✓ Not normally be provided by the administering institution to their **research personnel**;
  ✓ Be **effective and economical**;
  ✓ Not result in any **personal gain**.
Ineligible Expenses

On the other hand, **ineligible expenses** are those expenses that are:

- Not associated with the project or program for which the award is made.
- Not incurred within the eligible dates of the grant/agreement.
- Not eligible in accordance with the terms and conditions of the research grant/agreement.
- Unreasonable and do not comply with either the sponsor or the UofA financial guidelines.

**Can you find some examples that you’ve run across?**
Quiz  Eligible vs. Ineligible Expenses

Which expenditures are eligible and which are ineligible?

1. The costs associated with thesis examination or defense, including external examiner fees.
2. A standard monthly connection or the rental costs of telephones or home internet.
3. Purchase of a travel Visa.
4. The costs related to staff awards and recognition.
5. Office and stationery supplies.
6. Hospitality for the following people: the project holder and a UofA co-PI
7. The costs associated with regulatory compliance, including ethical review, biohazard or radiation safety, environmental assessments, or provincial or municipal regulations and by-laws.
What if I really need an ineligible item?

- The grantee must apply in writing to the sponsoring Agency and request written authorization.

EXAMPLE: If the Agency agrees that a cell phone is necessary for data collection and has been supplied with adequate justification by the grantee, the request may be approved. Written authorization from the sponsor must be kept on file by the grantee in the event of an audit.

https://www.ualberta.ca/research/services/receive-manage-funding/manage-funding/eligible-spending/sponsor-audits
Compliant Transactions

- Eligible expenses with supporting documentation are deemed to be compliant with UofA and agencies guidelines.

- Grantees must be able to provide supporting documentation for all expenditures charged to their research projects.
1. **Required supporting documentation for a travel claim:**
   - Written justification including specifically **how this travel is associated with the funded research** (description).
   - Ticket receipt, including itinerary and proof of purchase (invoice). It is a requirement to have the fare class booked and travelled displayed on the supporting documentation.
   - **BOARDING PASS RETENTION** - Boarding passes are not required when one or all of the following are submitted with the original air travel ticket: receipts showing the breakdown of itinerary and costs, taxi receipts (where applicable), hotel receipts and certificate of conference attendance, signed TAP or the HAP, etc. (and confirmation: room charges on HAP), this is a non-exhaustive list!
   - Personal travel may be added to U of A travel however all additional costs are the sole responsibility of the claimant.
Compliant Transactions cont’d

2. **Required supporting documentation for hospitality:**
   - Must define the purpose or circumstances of the hospitality (description).
   - Hosting/working sessions – detailed receipts for hospitality purposes, names of attendees, the purpose and date of the event and the total cost per person.
   - Hosting – At least 1 person external to the research group participating in the hospitality.
   - Working sessions: Minimum 2 people, one must be external to the funded research but can be related to the research. 2 employees meeting over lunch is **not** considered a working session.

3. **Required supporting documentation for gifts to research test subjects:**
   - Must define the purpose or circumstances of the gift.
   - List of names of recipients and their signatures indicating they have received the gift.
Compliant Transactions cont’d

4. **Required supporting documentation for salary and stipends:**
   - Signed/Approved records regarding personnel paid from grant funds, including names, categories, salary levels, duties/affiliation to the grant.
   - Approval through HCM by project holder/delegate for undergrads & NASA staff.
   - Length of time supported in each case.
   - Details of employee benefits charged and relevant calculations.
   - Employment Offer letter, and PAF or ePAF.

5. **Required supporting documentation for internal and shared expenses, with an indent or by invoice:**
   - Eligibility - Specific detailed documentation/invoice indicating the exact charges being shared and why.
   - The Project Holder’s authorization for the charges.
Compliant Transactions cont’d

6. **Required supporting documentation for supplies and services:**
   - Copy of the written order from grant holder/delegate.
   - Packing slip or proof of receipt, this is to confirm that the U of A has received the items charged to the grant.
   - Invoices with authorized approver’s signature (if approval is delegated – include copy of delegation form/on-line delegation).
   - Supplier invoices indicating detail of purchases and the price paid.
   - Must indicate that it is directly related to and necessary for the advancement of the funded research and that is **not** provided by the institution (Indirect vs. Direct costs of research).
Compliant Transactions cont’d

7. **Required supporting documentation for SupplyNet purchasing:**
   - Justification for each purchase should indicate how the purchase is directly related to the funded research.
   - Approval routing is built into the system, except for purchases up to $500. Be sure to provide *Delegation of Signing Authority Form* for each transaction up to $500.
   - SMS holds the supporting documentation.
Quiz  Compliant vs. non-compliant expenses

Which of the following supporting documents are compliant and which are non-compliant? What may be missing?

1. SupplyNet purchase up to $500 with delegation of signing authority form, packing slip acknowledging receipt.
2. An invoice authorized by lab technician.
3. Hosting claim stating the purpose of the meeting.
4. Copy of a hotel reservation.
5. An order for books and posters from a printer.
6. Travel claim with a signed receipt for a gift to host for accommodation along with complete justification.
7. Credit card slip for a vehicle rental.
8. Authorized indent with the amount and speedcode.
Answers – Compliant expenses in green text.

1. SupplyNet purchase up to $500 with delegation of signing authority form, packing slip acknowledging receipt. Amounts over $500 are routed to the PI, under $500 are self-authorized.

2. An invoice authorized by lab technician. UAPPOL: Missing Delegation of Signing Authority, copy of order from grant holder/delegated signing authority confirming how it relates to the project.

3. Hosting claim stating the purpose of the meeting. UAPPOL: Receipt for hosting and who attended including their relationship to the project.

4. Copy of a hotel reservation. UAPPOL: Purpose of trip as it relates to research, trip details, agenda or conference brochure and the individual’s relationship to the project.
Answers – Compliant expenses in green text.

5. An order for books and posters from a printer. Must indicate what the books were for, how they relate to research, confirm they are not supplied by the UofA (bookstore or library).

6. Travel claim with a signed receipt for a gift to host for accommodation along with complete justification. Maximum “Purchase of gift” as a modest gesture of appreciation limited to $20 per day to max. $300 for entire stay.

7. Credit card slip for a vehicle rental. UAPPOL: Missing rental agreement or receipt including type of vehicle, charges, and proof of payment. Indicate why public transportation wasn’t used.

8. Authorized indent with the amount and speedcode. Missing detailed description and justification as to how it relates to the project.
Non-compliant Transactions

“The institution has the right and responsibility to withhold and withdraw approval of expenses that contravenes the Tri-Agency’s requirements.”
Expenditure Testing

- Leading up to the Tri-Agency monitoring visit in 2010, the UofA began regular expenditure testing. It is a requirement of the UofA Internal Auditor to monitor compliance to both university and sponsor policies.

- Expenditure testing at the UofA involves:
  - Monthly random sampling of research expenses chosen from a pool of funded research grants.
  - Individual expenses are identified and the department / administrator is asked to provide back up documentation.
  - Identified ineligible expenses must be removed from the grant.
  - Eligible expenses lacking proper supporting documentation are deemed to be non-compliant and must be corrected.
What happens if an ineligible expense is charged to a grant?

- If this occurs, the grantee will be informed that he/she must transfer the expense to another grant or use some other source of funds to cover the expense.
- The exact procedure to be followed will depend upon the department in which the grantee holds his/her grant.
What if an invoice is submitted for payment after the end date of the grant?

• In most cases, the grantee must request written authorization from the sponsor to have the expense posted to the grant after the end date. This may be permitted as long as the expense was incurred during the life of the grant and the item was received and used during the life of the grant. However, some exceptions to this may apply.

• Contact your Research Facilitator.
What if I don’t use all the money?

The Tri-Agencies and other sponsors have their own guidelines on unspent funds.

• In a given year they will often roll over to the next year for multi-year awards but must be used up by the end of award period.

• They will have the following conditions: return to sponsor, lapse to university, or retained by award recipient.

• Unless an extension is authorized by the sponsor, the recipient cannot use unspent funds beyond the award period end date.

• If uncertain that written permission for an extension is required, contact your Research Facilitator.

• You can refer to the Award Letter / Authorization For Funding (AFF) for specific conditions related to the award in the attachments in your Researcher Home under the project number (RES00XXXXX)
What if I don’t use all the money? cont’d

For example, Tri-Agency sponsors:

• They permit an automatic one-year extension for many programs during which a grantee may continue to use up their grant.
• CIHR may approve one additional extension (one year) beyond the automatic extension period. Written permission is required.
• NSERC and SSHRC have programs with no automatic one-year grace period. They require written permission for an extension.
• Grant Amendment form https://www.ualberta.ca/research/services/receive-manage-funding/manage-funding/renewal-of-the-tri-agency-financial-administration
Resources

https://www.ualberta.ca/research/services/receive-manage-funding/manage-funding/renewal-of-the-tri-agency-financial-administration

University of Alberta Policies and Procedures Online (UAPPOL)
https://policiesonline.ualberta.ca/PoliciesProcedures/Pages/Research.aspx (Research Policies)

Guide to Financial Management

Research Services Office (RSO)
https://www.ualberta.ca/research/services/
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• Comments?
• Concerns?
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- The RAD evaluation form is accessible online. [Click here](#) or click on the blue checkmark below (*right-click the hyperlink(s) and click Open Hyperlink to activate*).