RESEARCH CA$H

Capacity
Access
Strength
Here

Tri-Agency Grant Financial Administration

Financial administration refers to al the tasks related to managing the funds for a research project. Federal research funds are subject to multiple policies and researchers need to know their legal, fiscal, and ethical responsibilities when holding public funds for research activities. Financial administration includes managing the budget, reporting on the use of funds, and ensuring that your expenses are eligible and accounted for.

Financial Administration Policies

There are several policies that govern what you can spend your Tri-Agency funds on and how your account for that spending (please note, these may change over time):

1. **The Agreement on the Administration of Agency Grants and Awards by Research Institutions**

   This is a legal document signed by the president of the funding agency (NSERC, SSHRC, or CIHR) and the administering institution (usually by the President or Vice President of a university or college). The agreement lays out the roles and responsibilities of each party, the obligations that the institution has, reporting requirements, ownership of equipment purchased with Tri-Agency funds, and conflict resolution protocols.

Financial Administration Terminology

Funding Program: the type of grant you apply for; for example, the SSHRC Connections program or the NSERC College and Community Innovation program.

Grant Recipient: hopefully you! The recipient is the principal investigator or grant-holder on a funded grant. This person is ultimately responsible for all financial administration and reporting.

Funding Agency: the specific agency that has funded the proposal – in this case, we are referring to one of the Tri-Council agencies (SSHRC, NSERC, CIHR) but in other contexts this could refer to other government agencies.

Administering Institution: the institution that the grant recipient is affiliated with – this is often a university or college but could also be an Indigenous organization or other type of institution. The administering institution must be an *eligible institution*, a process that requires prior Tri-Agency approval.

COLLÈGE AURORA COLLEGE | **Research** Institute **Institut** de recherche

Hotıì ts'eeda NORTHWEST TERRITORIES SPOR SUPPORT UNIT

2. **Funding Program Documents (sometimes called Program Literature)**

This is documentation that is specific to the grant or funding opportunity you apply for. For example, you can not use funds from an NSERD Applied Research Tools and Instruments Grant to pay for someone's salary (see Figure 1); however, you can use funds from a SSHRC Connections grant to pay someone's salary (under certain conditions).

Eligible expenses

The table below describes the eligible expenses for Applied Research Tools and Instrument Grants.

Type of expense	Eligibility of expense
Salaries and benefits	Not eligible
Equipment (new or used) or installation	Purchase or rental (to the full value of the grant)
Installation of equipment	Eligible
Training	Only training fees for the purchased equipment are supported
Travel	Only travel required by college personnel to commission commission the equipment or for training purposes is supported
Others (transportation costs for purchased equipment, extended warranty purchased with the equipment, brokerage and customs charges for the importation of equipment)	Eligible
Insurance costs for equipment and research vehicles	Not eligible

Figure 1: Table of Eligible expenses for an NSERC Applied Research Tools and Instruments Grant (ARTI). Retrieved from: https://www.nserc-crsng.gc.ca/professors-professeurs/rpp-pp/ARTI-ORIA_eng.asp

3. **Any relevant funding agency agreements with grant recipients and/or administering institutions**

This is a catch-all for any institution or agency specific agreements in place. There may not be any relevant agreements with your institution. It is a good practice to check with your institution's finance office to be sure.

4. **The Tri-Agency Guide on Financial Administration (TAGFA)**

TAGFA is a document published by the Tri-Agencies. The guide is a resource for grant recipients and administering institutions to understand the principals and directives that govern the administration of Tri-Agency awards.

It is important to be familiar with these policies or work closely with a colleague who is familiar with them to ensure you are proposing a budget that is eligible and considering all the accounting and reporting obligations that need to be built into your budget, timeline, and other planning tools.

Roles and Responsibilities

In the event your proposal is funded, you will have responsibilities for ensuring the funds, reporting, and accounting are managed according to the policies of the administering institution, funding agency, and funding program. The roles and responsibilities of the Tri-Agency, the administering institution, and the grant recipient are outlined in the Agreement on the Administration of Agency Grants and Awards by Research Intuitions and any specific program / funding opportunity guidelines. The following is an overview of the roles and responsibilities of each:

The Grant Recipient	The Administering Institution	The Funding Agency
• Hold the authority to use the grant funds • Delegate to others their authority to use grant funds • Signing Authority: Authorize grant expenses and any charges or adjustments made to the grant account	• Have policies, procedures and controls to ensure all expenses using tri-agency funds are in compliance with agency requirements and grant funding agreements • Monitor the eligibility of grant recipients advise the Agency of any changes; • Withhold or withdraw approval of expense that is not in compliance with agency guidelines • Provide training on the institutions policies and practices • Oversee and submit grant amendment requests • Reporting (financial reports as requested, annual reports) • Keep complete and accurate records and reporting on the use of Agency funding for at least 7 years	• Set out the general terms and conditions governing the administration of the grant • Communicate and consult with the institution on the introduction of new policies of changes to existing policies • Make funds available to grant recipients • Conduct periodic reviews of the use and administration of grant funds • Oversee approval of changes to grant administration • Terminate a grant when requirements can no longer be met

The Costs of Research

The Tri-Agencies fund research, but exactly counts as the costs of research? The administration of Tri-Agency funding, including eligible, and ineligible expenses are described in detail in the Tri-Agency Guide on Financial Administration.

The use of tri-agency funds are governed by **4 basic principals**:

1. The expenditure must contribute to the *direct costs* of the research / activities for which the funds were awarded

2. The expenditure cannot be for something already provided by the administering institution to their research personnel

3. The expenditure must be effective and economical:

   - It achieves the intended outcome with due regard for minimizing cost by avoiding unnecessary expense
   - It optimizes the use of the funds (does not necessarily mean the "lowest cost")

4. The expenditure must not result in personal gain for members of the research team

   - The concept of "personal gain" refers to using grant funds to serve an individual's interests or attain a personal advantage and/or profit that outweighs the benefit to the grant-funded research/activities.

In addition, the Tri-Agencies have identified **5 directives** for the use of grant funds:

- Employment and Compensation Expenses;
- Goods and Services Expenses;
- Travel and Travel Related Expenses;
- Hospitality Expenses, and;
- Gifts, Honoraria, and Incentives Expenses.

The eligible and ineligible expenses associated with each directive are summarized in *Table 2.*

Table 2: Tri-agency Guide on Financial Administration Summary of Eligible and Ineligible expenditures

Use of Grant Funds	Eligible	Ineligible
Employment and Compensation Expenses	✓ Postdoctoral fellow salaries ✓ Trainee stipend (students) ✓ Consulting fees ✓ Subject fees ✓ Subcontract costs ✓ Project coordinator salary (SSHRC only) ✓ Employers portion of mandatory compensation benefits	✗ Any form of compensation to the co-applicants and collaborators of the grant ✗ Administrative charges and fees ✗ Individuals expected to work on the research funded project as a collaborator as per the funding agreement
Goods and Services Expenses	✓ Recruiting costs for research personnel ✓ Safe disposal of waste ✓ Books, specialized office equipment, computing equipment not supplied by the institution ✓ Training and or development in new techniques necessary for research ✓ Professional association membership necessary for the research project	✗ Staff awards and recognition ✗ Education-related costs ✗ Teaching materials ✗ Basic services (heat, light, water, janitorial) ✗ Insurance costs ✗ Regular clothing ✗ Monthly parking fees
Travel and Travel Related Expenses	✓ Transportation at lowest rate ✓ Meals (excluding alcohol) and accommodation ✓ Travel cancellation insurance ✓ Travel health insurance ✓ Safety related expenses for field work ✓ Entry visa when required for research ✓ Relocation costs for eligible research personnel and their immediate family ✓ Child care expenses	✗ Commuting costs ✗ Passport and immigration fees ✗ Reimbursement of travel purchased with travel points ✗ Alcoholic beverages

Use of Grant Funds	Eligible	Ineligible
Hospitality Expenses	✔ Costs associated with networking in the context of formal courtesy ✔ Costs in the context of assemblies that contribute to the achievement of research objectives	✖ Alcoholic beverages ✖ Entertainment ✖ Gifts

Gifts, Honoraria, and Incentives Expenses	✔ Gift for an Elders for participation in research activities
	
	✔ Gift for Elders / Cultural knowledge holders invited to open research meetings / conference with prayer
	
	✔ Gift cards offered to research participants as an incentive for the participation*
	
	*assuming prior approval from the administering institution's Research Ethics Board
		✖ The following are ineligible to receive tri-agency funded gifts / honoraria and incentives:
		
		   o Members of the research project team
		
		   o Tri-agency grant recipients

Financial Administration Processes

Authorizing Expenses

The individual grant recipient holds the authority to use grant funds, only the grant recipient can delegate this authority. The delegate must be approved by the administering institution.

> **Example: Authorizing Expenses**
> Allison, an Aurora College research associate, holds an NSERC Connect grant. Only Allison can authorize any expenses from her grant.
>
> Allison's co-worker, Amanda wants to purchase software using Allison's grant money and thinks she should be able to sign for the expenses since she and Allison work together. Amanda cannot authorize expenses from Allison's grant unless Allison delegates that authority to her (by filling out the appropriate paperwork with the finance department).

Oversight on the Appropriate Use of Funds

The administering institution oversees how grant funds are used and has the authority to withhold or withdraw the approval of an expense from the grant account.

Example: Oversight on the Appropriate Use of Funds
Jamie, an Aurora College research associate, holds an NSERC Applied Research Tools and Instruments (ARTI) grant. Jamie approves the purchase of insurance for some new equipment that they purchased using funds from the ARTI grant. The finance office at Aurora College contacts Jamie to tell them that their approval of the insurance expense is withdrawn, because insurance is not an eligible expense for ARTI grant funds.

*Note eligible and ineligible expenses can be found in the program literature on the funding programs website.

Change from Proposed Budget/Research Activities

Both the grant recipient and administering institution are responsible to ensure expenses are TAGFA eligible. Grant recipients may deviate from proposed activities as long as they use their grant for the general purpose it was originally awarded.


Example: Change from Proposed Budget/Research Activities
When the Research CA$H team submitted the proposal for this workshop series, they proposed an in-person 3-day workshop. The budget included travel for invited speakers, subject matter experts, and workshop participants. In light of the COVID-19 pandemic, the in-person workshop was not possible.

The team pivoted to a virtual delivery and budget items were reallocated to support honorarium for knowledge holders, panelists, and subject matter experts, and technology support. These changes to the proposed activities were permitted as they still fit in the same purpose of the original Research CA$H award: to build Northern research capacity and increase access to federal research funding programs for NWT researchers and communities.

Transfer of Funds

The grant recipient may transfer a portion or all of the grant funds to an institution associated with one of the members of the grant team (secondary administering institution). If the secondary administering institution does not have tri-agency eligibility, both institutions must complete the Checklist for the Transfer of Funds from a Primary Institution to a Non-eligible Secondary Institution (some funding programs only allow the transfer of funds to tri-agency eligible institutions).
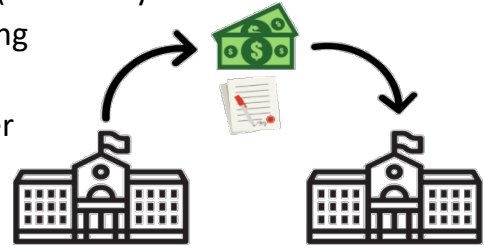
Example: Transfer of Funds

David is a research associate at Aurora College, Andrew is a researcher with the Sahtu Renewable Resources Board (SRRB). David submits a proposal for a SSHRC Connections Grant and lists Andrew as a co-applicant on the application.

The funding application is successful and Aurora College holds the funds. David agrees to transfer a set amount of money to the SRRB to cover the costs of the project being completed by SRRB. Both institutions complete the Checklist for the Transfer of Funds from a Primary Institution to a Non-eligible Secondary Institution prior to the funds being transferred. Aurora College remains responsible for the financial reporting associated the money transferred to SRRB.

Deferral of Grant Installments

Grant recipients are eligible to defer (post-pone) grant funds for a maximum on 2 years. Note: A deferral takes place before funds have been transferred to the institution.

Example: Deferral of Grant Installments

Kyla, a research associate at Aurora College, submitted an application for an NSERC Engage Grant. One month after she submitted her application, Kyla had some health issues and took leave from work. A few months later, Kyla finds out her application was successful. She contacts the research services office at Aurora College and it able to defer her grant funding until she is back at work full time.

Extensions of the Grant Funds

All tri-agency grants have an expiry date. However, if the project is likely to not be completed by the end date, the grant recipient is eligible to apply for an extension of up to one year. The administering institution is responsible the Grant Amendment Form to the appropriate funding agency. Note: An extension takes place after funds have been transferred to the institution and does not award any additional funds, just allows the research team more time to complete the project with the funds already allocated.

> **Example: Extensions of the Grant Funds**
> Taylor, a research associate at Aurora College, holds an NSERC discovery grant that will expire August 1, 2021. They have experienced unavoidable delays in completing field work and as a result will not be able to close the project by the deadline. Taylor contacts the research services office at Aurora College and is able to apply for a one-year extension to complete the research.

Residual Balances in the Grant Account

Any money left over in the account, after all the project expenses have been paid, is considered a residual balance. The administering institution is _not_ eligible to keep this money. Residual balances are treated differently depending on the funding agency, refer to the TAGFA for the correct procedure.

Over-expenditures

If your project spends more money than you were awarded, your institution is responsible for any additional costs. The Tri-Agencies assume no responsibility for these costs.

Annual Reporting

Administering institutions are responsible for reviewing and updating a reconciliation report from the funding agency every year.

The administering institution is responsible for completing and submitting an annual statement of account expenditures (known as Form 300) for every active grant. The grant recipient is responsible for reviewing these forms.