

University of Manitoba

Tri-Council Administration of Research Grant Funds Training 2012



Background

Excerpts from Memorandum of Understanding

The Institution agrees to:

- Establish and maintain policies, systems, procedures and controls that require and ensure grant holders' and award holders' compliance with the policies and requirements of the Tri-Council as published in its formal guides and program literature.



Background

Excerpts from Memorandum of Understanding

At a minimum, this shall include systems and procedures related to:

- The maintenance of individual grant accounts which record all **eligible** charges and credits to those accounts.
- Audit trails, with full supporting documentation, for all financial transactions in the accounts.
- Travel-related expenditures charged to accounts.
- Proper delegation of signing authority with respect to these accounts.
- Termination of grants and awards.
- Transfers of funding between Institutions.



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Background

Excerpts from Memorandum of Understanding

General principles:

- For **direct** and necessary cost to research only.
- Effective and economic use of funds.
- Equipment purchased is property of institution
- If no Tri-Council policy, the Institution's policy applies.
- Agencies defer to Institutions' conflict of interest policies to ensure accountable & responsible use of grant funds.



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Background

Excerpts from Memorandum of Understanding

Consequences for non-compliance:

- Holding back the next award instalment.
- Paying out a partial award instalment.
- Recovering funds already paid out.
- Declare an applicant and/or grant or award holder ineligible to apply for funding or ineligible to receive further funding.
- The University would no longer be able to hold funding from the Tri-Council if another unsatisfactory rating occurs.



Background

Excerpts from Memorandum of Understanding

Consequences of Fund Misuse:

- Ineligible cost
 - Reimbursement to grant holder account.
- Frequent ineligible costs
 - Freeze or terminate the grant fund.
- Fraudulent use of funds
 - Legal Authorities.



Timeline

- August 2011 NSERC & SSHRC financial monitoring review.
- February 2012 Audit report indicates administration of research grant funds is unsatisfactory.
- August 2012 Phase I- MNP conducts baseline review of 400 January 2012 transactions, identifying ineligible and non-compliant items. Based on the root causes determined, an action plan is developed for process standardization and training.
- September & October 2012 Phase II -Training Bannatyne
September 26, 9-11am
October 11, 9-11 am
- October 2012 Phase II - Training Fort Garry
October 9, 9-11am
October 11, 1:30-3:30pm
- December 2012 Phase III – Front end testing December 2012.



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Timeline

- February 2013 Phase III – back end testing of 400 transactions from December 2012. Compare to baseline findings, & amend process, as required.
- TDB Subsequent testing based on results of other phases.
- Q1 2015 NSERC & SSHRC financial monitoring review.



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Summary of Phase I Results

Baseline Review of 400 January 2012 Transactions

	Purchases		Travel		HR		Journals Vouchers		Total	
Transactions tested	131		23		230		16		400	
# ineligible	26	19%	3	13%	6	3%	10	56%	50	12.5%
# non compliant	92	71%	13	57%	170	73%	16	100%	291	73%

➤ **Grant Expenditure Checklist Handout**



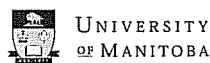
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Research Grant Funds

Administration Best Practices Overview

- Maintaining a grant file.
- Expenditure transactions:
 - Travel.
 - Purchases: equipment, computers, hospitality & services.
 - Compensation.
 - Others, i.e. journal vouchers, internal transfers.
- Summary.



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Maintaining a Grant File

Ensure the following is in folder:

- Original Notice of Award or contract.
- Funding Source Guidelines- i.e MB Hydro.
- Alternate Signing Authority Form – reviewed periodically.
- Monthly reconciliations including timesheets, especially if split.
- Expenditure backup especially internal charges (lab fees, internal transfer- ensured auth & basis of calculation.



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Expenditure: Travel

ELIGIBLE EXPENSES

Air travel - must be claimed at the lowest rate available, not to exceed full economy fare.
 Meals and accommodation.
 Entry visa fee.
 Travel cancellation insurance.
 Travel health insurance.
 Safety-related expenses for field work, such as protective gear, immunizations, etc.
 Relocation costs for research personnel and their immediate family (field work only).

NON-ELIGIBLE EXPENSES

Commuting costs of grantees and associated research personnel between their residence and place of employment, or between two places of employment.
 Passport and immigration fees.
 Costs associated with thesis examination/defence, including external examiner costs.
 Reimbursement for airfare purchased with personal frequent flyer points programs.



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Expenditure: Travel

- **Use Travel & Business Expense Claim Form**
- **Supporting evidence requirement:**
 - Purpose of trip
 - Dates & destinations
 - Prospectus or program for conference related travel (agenda, 2 or 3 page summary or events you attended)
 - Details of daily expenses- per diem
 - Details of vehicle usage - mileage
 - Original receipts (no credit card/debit slips)
 - Original air travel ticket & boarding passes (if available) or any other evidence that support travel expenses claimed
 - Separate claim for each claimant for each trip -
 - Traveler's affiliation to the grant holder's research project
 - Electronic approval (CONCUR) of claimant and grant holder or delegate
 - Electronic approval of one over one on CONCUR



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Expenditure: Travel

INELIGIBLE	REVISED TO BE ELIGIBLE
<p>A thank you gift was purchased for graduate student. Costs related to staff awards and recognition are specifically disallowed by the Agencies. The graduate student's relevance to the research project was not specified.</p>	<p>Clearly identify the graduate student's relevance to the research project. For instance, if the student was a guest lecturer, this expense would be eligible as an honoraria.</p>
<p>Starbucks gift card claimed in expenses for travel to Ottawa and India. Gifts are not allowed. Relevance to travel not indicated.</p>	<p>If the gift card was used as for personal consumption while traveling, the expense should be included as part of per diem.</p>
<p>Taxi fare for PhD student from workplace to home, after hours when buses are no longer running.</p>	<p>This expense is specifically ineligible per NSERC eligibility rules, therefore cannot be revised to be eligible, regardless of circumstances.</p>
<p>Taxi and mileage expenses were claimed for an external examiner.</p>	<p>These expenses cannot be revised to be eligible. A specific Tri-Council rule states that travel and costs associated with thesis examination / defence, including external examiner costs, are ineligible.</p>



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Expenditure: Travel

NON-COMPLIANT

Train fare for consultation with individual at CNRS in France.

Relevance to project is not indicated for individual, not the researcher, who attended a conference in Maastricht, the Netherlands.

For individual attending conference in Maastricht, no official prospectus or program indicating dates of conference were provided.

Grantee travel to conference in the Czech Republic authorized by department head, however, original air travel tickets receipts and boarding passes were not provided.

REVISED TO BE COMPLIANT

Although the consultant's name is indicated, claimant should indicate more clearly what knowledge is intended to be discovered, or questions answered, during consultation.

A copy of the individual's approved appointment form should be attached to the travel expense claim or other supporting documentation indicating his contribution to the project.

An official prospectus or program should be obtained and included in travel expense claim.

Boarding passes must be retained and submitted, along with original air travel receipts, in the travel expense claim.



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Expenditure: Travel & Business Expense Tips

- Attach small receipts to 8 1/2 X 11 paper.
- Highlight dates and amounts on receipts.
- Scan in color when attaching document in Concur.
- Admin- request authorization by email- by end of day.
- Mileage and Per Diem recorded day by day on supporting 8 1/2 x 11 paper or in CONCUR.
- Include Affidavit for missing receipts. Screen available in CONCUR
- Take envelope for receipts when travelling.
- Restaurant detailed receipts- not just credit/debit slips as alcohol not eligible.
- Write who and what on reverse of receipt immediately.



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Travel- questions



Expenditure: Purchases Equipment & Supplies

ELIGIBLE EXPENSES

Paper used for laboratory operations in the context of a funded research project (i.e. correspondence with clients, printing of results).

Laboratory notebooks.

Travel costs to visit manufacturers to select major equipment purchases, brokerage & customs charges, transportation costs for equipment, extended warranty for equipment, costs of training staff to use equipment or a specialized facility.

Maintenance and operating costs of equipment and vehicles used for Tri-Council-supported research.

NON-ELIGIBLE EXPENSES

Office accessories for laboratory employees, researchers and students (paper clips, pens, file folders, writing pads, ring binders, day planners, wastebaskets).

Insurance costs for equipment, research vehicles.

Costs of the construction, renovation or rental of laboratories or supporting facilities.



Expenditure: Purchases

Equipment & Supplies

- Supporting evidence requirements:
- Original receipts (no credit card/debit slips), contracts, invoices.
 - Purchase price.
 - Justification for supplies purchased to demonstrate their relation to the research project.
 - Authorization of grant holder or delegate.
 - Request for Purchase form, if necessary.



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Expenditure: Purchases

Computer & Electronics

ELIGIBLE EXPENSES	NON-ELIGIBLE EXPENSES
Computers, modems, & other hardware and software required for the research.	Standard monthly connection or rental costs of telephones.
Monthly charges for the use of the Internet from the institution or the home, only when this service is required for the purpose of research and not normally provided by the institution free of charge.	Connection or installation of lines (telephone or other links). Voicemail.
Cellular phones and personal digital assistants (PDA, e.g., BlackBerry, Palm Pilots, Pocket PC) when they are necessary for data collection and/or personal safety with adequate justification.	Library acquisitions, computer and other information services provided to all members of an Institution. Cellular phone or personal digital assistants (PDA, e.g., BlackBerry, Palm Pilot, Pocket PC) rental or purchase, including service plans, long distance or local charges, unless necessary for data collection.



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Expenditure: Purchases

Computer & Electronics

- Supporting evidence requirements:
 - Original receipts (no credit card/debit slips), contracts, invoices.
 - Justification for supplies purchased to demonstrate their relation to the research project.
 - Authorization of grant holder or delegate.



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Expenditure: Purchases

Hospitality

ELIGIBLE EXPENSES	NON-ELIGIBLE EXPENSES
Hospitality costs (non-alcoholic refreshments or meals) for networking purposes in the context of formal courtesy between the grantee and guest researchers and research-related activities in the context of assemblies that facilitate and contribute to the achievement of the research objectives (e.g., grantee meeting with partners and stakeholders).	Costs of entertainment, hospitality and gifts, other than those specified to the left such as regular interactions with colleagues from the institution and personnel meetings, including alcohol.



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Expenditure: Purchases

Hospitality

- Supporting evidence requirements:
- Original receipts (no credit card/debit slips), contracts, invoices.
 - Purpose of event.
 - Date(s) of the event.
 - Number and names of participants/attendees.
 - Authorization of grant holder or delegate.
 - Authorization of one over one of the highest ranking attendee.



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Expenditure: Purchases

Service & Miscellaneous

ELIGIBLE EXPENSES	NON-ELIGIBLE EXPENSES
Recruiting costs for research personnel	Patenting
Safe disposal of waste	Basic services & supplies for research labs
Books, periodicals, specialized office supplies (not provided by the institution)	Moving a lab
Training/development in novel techniques necessary for the research	Regulatory compliance costs
Hospitality for networking	Regular clothing
	Insurance costs for building/equipment
	Staff recognition and awards
Books, periodicals, specialized office supplies (not provided by the institution)	Preparation of teaching materials
Monthly parking for field work only	Monthly parking fees
Costs of membership in professional associations or scientific societies if necessary for the research program/project.	Education-related costs
	Professional training or development



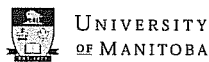
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Expenditure: Purchases

Service & Miscellaneous

- **Supporting evidence requirement:**
 - **Original receipts** (no credit card/debit slips), **contracts, invoices.**
 - **For internal acquisitions/service costs:**
 - Documentation describing the acquisition/service.
 - If shared acquisition/service, the method of calculating the allocation of costs.
 - **Appropriate justification for all expenditures** (i.e economic benefit to a professional association).
 - **Authorization of grant holder or delegate.**



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Expenditure: Purchases

INELIGIBLE	REVISED TO BE ELIGIBLE
Grand & Toy Brand 100 Mini 9/16 Binder Clips. Amount paid directly to an individual with no relevance to project is not documented.	Office accessories for laboratory employees, researchers, and students are specifically disallowed research grant expenses. Appoint individual to the project through use of an Appointment form. Alternatively, if the individual was contracted as a consultant, this would be an eligible purchase expense. If the individual was hired to provide training or developing new techniques for use in research, the cost would be an eligible purchase expense.
Various Safeway grocery items: fruit, vegetables, eggs, batteries, glass cleaner, cutting board, knife, etc.	Relevance to the project was not indicated, therefore, declared ineligible. If supplies were for an event held for the purpose of networking between grantee and guest researchers or research partners, these would have been eligible expenses. If these were items required for research, the items would have been eligible equipment and supplies expenditures.
University of Manitoba voicemail charges	The cost of voicemail is specifically an ineligible expense and cannot be revised to be eligible.



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Expenditure: Purchases

NON-COMPLIANT

Drug purchase invoice. Although the expenditure is eligible for research, there was no supporting documentation for the approval or relevance.

10 mg / ml Polybrene and related shipping was purchased from a U.S. supplier.

External hard drive, voice recorder, and memory card.

Large pie pans were purchased for an experiment, however, signing authority form was out of date.

REVISED TO BE COMPLIANT

For a one time purchase, a Request for Purchase Form should be completed and appropriately authorized. For regular periodic purchases, either a Standing or Part Order form or Systems Contract Requisition form should be completed and appropriately authorized.

The amount of the invoice was not correctly translated from U.S. to Canadian funds. The translated amount should be backed up with the original U.S. invoice and a printout of the exchange rate for the invoice date from a reputable source such as the Bank of Canada or a the credit card statement where the charge was incurred.

These expenditures were eligible, however, the record keeping was non-compliant since invoices were not provided, and the expenses were claimed on a Travel Expenses Claim Form.

A systematic review of files should be performed once a year on April 1st to ensure that Signing Authority Forms are up to date and reflect the appropriate signing delegation for the upcoming fiscal year.



Purchases Questions



Expenditure: Compensation

ELIGIBLE EXPENSES	NON-ELIGIBLE EXPENSES
<p>Salary or stipends for research personnel. Institutional non-discretionary benefits. Salaries/stipends to students or postdoctoral fellows . Consulting fees and subcontracting costs. Research subject fees Honoraria for guest lecturers</p>	<p>Salary to grant holders or persons eligible to apply for funding from Agencies Discretionary severance and separation packages</p>
<p>A project coordinator salary: over and above what the institution provides - but cannot be paid to do research</p>	<p>Administrative charges and fees</p>



Expenditure: Compensation

- Supporting evidence requirements:
 - Name of person.
 - Position or category of employment.
 - Salary level.
 - Duration of compensation.
 - Details of supplementary benefits.
 - Authorization of grant holder or delegate.
- **Academic Appointment Form.**
- **Funding Allocation Form.**



Expenditure: Compensation

INELIGIBLE

Administrative charges and fees where proportion for general administrative duties and for dissemination activities is unclear.

REVISED TO BE ELIGIBLE

Indicate on a (revised) Appointment Form the proportions of administrative time to be coded to general administration and to dissemination activities.



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Expenditure: Compensation

NON-COMPLIANT

Funding Allocation Form for Technician 2 not signed by Grant holder or authorized delegate.

Reappointment / Change in Appointment form for Technician 3 completed in good order, however, no timesheets were available for inspection.

Funding Allocation form for Admin Assistant 2 was on file, however, wage information was not indicated.

Posted Support Staff Appointment Form was not signed by Grantee or one-up.

REVISED TO BE COMPLIANT

Ensure Funding Allocation Form is complete before submission to Research and Special Fund Accounting Services.

Ensure timesheets are in good order and readily available for inspection when required.

Ensure Funding Allocation Form is complete before submission to Research and Special Fund Accounting Services.

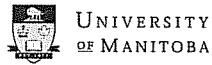
Ensure signatures on all forms are authorized by appropriate individuals per up-to-date Signing Authority Form on file.



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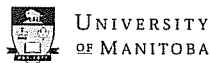
Compensation Questions



Expenditure: Other

Journal Vouchers & Interdepartmental Transfers

- All Journal Voucher Forms descriptions should contain the five W's:
 - Who
 - What
 - When
 - Where
 - Why



Expenditure: Other

Journal Vouchers & Interdepartmental Transfers

INELIGIBLE	REVISED TO BE ELIGIBLE
Invoice for printing – there was no relevance to research documented noted in support.	There are two types of printing expenses considered eligible: -Printing of an equipment user manual for a new researcher or assistant working on the funded research project. -Printing of e-journal articles relevant to the research project. Other reasons for printing are not eligible expenses.
Emails re: vendor invoice in 2007 and discovered with Jan 2012 was transferred to current grant.	This will not become eligible unless the research was the same award, and had been extended. There was no evidence of this in the file.
The email support attached with the JV said that the expenses pertain to telephone expenses	Although the details were missing regarding what the telephone expenses were, telephone expenses are specifically identified as ineligible if they are the standard monthly connection or rental costs of telephones, Connection or installation of lines (telephone or other links), or voicemail. Original invoices must be included.
The justification was not provided for redistribution among the three funds charged.	Provide calculation of redistribution on JV and attach an email from all parties agreeing to distribution. Include invoice to be distributed.



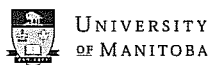
Expenditure: Other

Journal Vouchers & Interdepartmental Transfers

NON-COMPLIANT	REVISED TO BE COMPLIANT
Materials sharing agreement among researcher is detailed in emails, calculation to split costs on JV. Missing Dec 2011 invoice showing the amount to be split.	Include a copy of the receipt, an email showing agreement between researcher splitting the cost and calculate the division on JV.
Signature of approval on JV was undistinguishable.	Print name beside signature and ensure person is on the Delegation of Authority Form.
Supporting invoice was attached, but no information as to why JV was made.	Provide a justification / explanation for adjustment at the time of the JV, and ensure the invoice is approved by grantee or delegate.
There is no description of the expense attached. The JV Detail report indicates Amazon.ca related payments of \$318.41 and to transfer of portion of expenses to 706710.	Include a copy of the receipt, an email from researcher authorizing the expenditure, comments on the relevance to the project and reason for split to another account/fund.
Support provided does not total all the DR on the JV.	Detail any partial amounts on invoice or in description box in JV.



Expenditure: Other Questions



Key take aways

- Authorized
- Relevance to project.
- Stand on it's own- when it's not obvious
- Recreate if you know nothing
- Document & document & document



Key Resources & Contacts

- Relevant forms:
 - http://www.umanitoba.ca/admin/financial_services/secure/index.html
- Tri-Council Memorandum of Understanding
 - http://www.nserc-crsng.gc.ca/NSERC-CRSNG/Policies-Politiques/MOURoles-ProtocolRoles/index_eng.asp
- Handouts - General Guidelines & Grant Expenditure Checklists by expenditure type.
- Research and Special Fund Accounting
 - http://umanitoba.ca/admin/financial_services/budgrant/staff_listing.html



Next Steps

- MNP evaluation of Research Expenditures.
 - Phase III December 2012.
 - Front end testing December 2012.
 - Back end testing February 2013.
 - Determine root causes & communicate results.
 - Amend process & communicate (provide training).
 - Future Phases – dates to be determined.

