

Policy History
<b>Policy No.</b> RS4
<b>Approving Jurisdiction:</b> President
<b>Administrative Responsibility:</b> Vice President Finance & Administration/Associate Vice President Research
<b>Effective Date:</b> October 21, 2011

## Administration and Control of Research and Special Funds Procedure

### DEFINITIONS

**Principal Researcher:** Principal Researcher(s) refers to the primary signing authorities of a Fund: researchers, project leaders or principal investigators, etc.

**Research Contracts:** A Research Contract is a formal agreement between legal entities, i.e. the University and a sponsor; research contracts provide financial support to university researchers to conduct research in a particular area or field under specific stipulations and conditions. These conditions should:

- specifically outline the scope and nature of the research
- define the deliverables
- establish ownership, patent rights and licensing arrangements
- provide for confidentiality of information supplied and created
- establish considerations for acceptance and/or termination of the contract
- for all research that is of contractual nature, the university seeks to fully recover both the direct and indirect costs

**Research Grants:** Research Grants provide financial support to university researchers to conduct research in a particular area or field; the objectives of the research are defined in a general fashion without any formed detailed stipulation as to the direction of such research; grants normally possess the following characteristics:

- Funds are provided to cover the direct costs of research, i.e., salaries of research personnel (including students, postdoctoral fellows, research associates, technicians, secretarial and professional assistance), equipment (which is the property of the university), materials and supplies and travel.

- Funds are not normally provided to cover the indirect or infrastructure costs of research including faculty time, as reflected in salaries and benefits, space for laboratories, administrative services, and operating and maintenance costs of physical plant. Accordingly, grants do not provide either direct or indirect remuneration to the Principal Researcher or co-investigators.
- Support is not tied to a specific performance outcome nor can it be retracted as a function of performance. Accordingly, payment to the university is generally made in advance of expenditures.
- There is no specific transfer of results to the grantor: however, a final report stating the results of the research is usually submitted to the grantor.
- Knowledge created is 'transferred' by peer-approved means at the discretion of investigator(s) through publications, conference presentations, workshops, seminars, popular media etc. On occasion this is a requirement of a specific funding program.

Special Funds: Special Funds, for the purposes of this Policy, are those funds that are related to and support research activities but do not meet the criteria for research; examples include: undergraduate and graduate student scholarships, postdoctoral awards, conferences, symposiums, sale of products or services as a result of research activities.

## **PROCEDURES**

These Procedures involve the administration and control of research and special funds and are divided into "(A) Overview", "(B) Procedures in the Pre-Award Phase" (generally under the administrative control of the Associate Vice President Research) and "(C) Procedures in the "Post-Award" phase (generally under the administrative control of the Executive Director, Finance). Note that these Procedures apply whether funds are generated by external sources or from within the University.

### **(A) OVERVIEW**

- (1) The Associate Vice President Research is responsible for providing overall support for the University's research activities. This may include working closely and collaboratively with deans/directors, the directors of affiliated research organizations/institutes and members of government and business/industry. Principle Researchers may also take a significant role in the development of research, and work closely with external parties to initiate research activities.
- (2) Associate Vice President Research is the chief liaison on matters related to University research with external research organizations, other public sector institutions with research mandates, government ministries, departments and funding agencies and research foundations and associations.

- (3) All research grant applications and contract proposals with the Provincial or Federal governments as well as other, external funding agencies must be reviewed by Office of Research and Scholarship staff prior to submission to ensure compliance with the policies and requirements of the University and the sponsor.

**(B) PROCEDURES IN THE PRE-AWARD PHASE (generally under the administrative control of the Associate Vice President Research)**

- (1) This Policy and related Procedures apply equally to:

- Funding requests for new projects
- Letters of Intent
- Requests for renewal or supplemental funding for existing projects
- Requests made by letter or by written proposal as well as those prepared on preprinted forms
- All faculty awards and fellowships, including those where the funds will not be administered by Kwantlen Polytechnic University
- Post-Doctoral Fellowships which will be administered by Kwantlen Polytechnic University
- All graduate or undergraduate scholarships and fellowships which will include a research or travel allowance to be administered by Kwantlen

The Policy does not apply to forms that are a “Notification of Intent to Apply”, such as the NSERC form 180 or the CIHR registration package. In these cases, there is no requirement for the signature of the Associate Vice President Research.

- (2) In addition to fulfilling the signature requirements of the agency to which the researcher is applying, the researcher must also fulfill the signature requirements of the University as follows:

1. Principal Researcher/Applicant (and co-applicants if any)
2. Department Chair/Head
3. Faculty Dean
4. Associate Vice President Research on behalf of the President

- (3) The following outlines the significance of each of these signatures:

1. Signature of Principal Researcher/Applicant

\* his/her acceptance and willingness to carry out the work within the established budget

\* his/her agreement to carry out the research within the terms and conditions of the granting agency if the application is successful.

\* understanding and acceptance that the research funded by a successful application will follow the University’s research-related Policies and

Procedures (refer to B18, Integrity in Research and Scholarship and G27, Research Involving Human Participants)

\* Agreement to permit the Human Resources Office, through the Office of Research and Scholarship to release requests from grant agencies to confirm the researcher's employment with Kwantlen and other matters related to the researcher's eligibility status

2. Signature of Department Chair/Head

\* Verifies that facilities, space and other resources required to carry out the research project, including specified incremental resources, have been prioritized within the department and will be available when required

3. Signature of Faculty Dean

\* Verifies his/her approval regarding the proposed allocation of resources within the Faculty

4. Signature of Associate Vice President Research

\* Verifies that Kwantlen Polytechnic University is prepared to administer funds received for the project on behalf of the principal researcher

(4) The Office of Research and Scholarship will manage all certification requirements related to such matters as the fulfillment of human ethics and/or animal care, biohazard and environmental obligations as evidenced by an approved funding Application Approval Form.

(5) Once the Office of Research and Scholarship has received funding acknowledgement of an award and that all certification requirements are secured for that award, the Office will advise the Financial Services Department that all approvals are in place and that a Fund can be established under the Principal Researcher.

**(C) PROCEDURES IN THE POST AWARD PHASE (generally under the administrative control of the Executive Director, Finance)**

(1) General

In administering and controlling research and special funds, the University will follow generally accepted financial and administrative control practices, supplemented, where required, by any additional requirements of the sponsor as outlined in the contract. Implementing and adhering to these contract terms and/or University financial and administrative controls is an institutional responsibility shared by the principal researcher, administrative staff supporting the co-applicants, the dean, director or chair with supervisory authority over the principal researcher, the Office of Research and Scholarship and the Financial Services department.

(2) Principal Researchers

Principal Researchers are responsible for initiating and monitoring financial transactions, keeping other responsible parties informed of changes in the funding arrangement, and ensuring all financial transactions and financial reports are in compliance with University and external sponsor policies. The Principal Researcher is the primary signing authority for all transactions on the Fund except for payments or reimbursements to themselves; these must be signed by the Dean that has supervisory authority over them. The Principal Researcher may choose to add an alternate signing authority for expenditure purposes; however, the Principal Researcher remains the primary signing authority. Specifically, the Principal Researcher shall:

- a) Read and understand this procedure and the external sponsor policies. Different external sponsors have different policies and their policies can change over time. In order to ensure compliance and avoid subsequent adjustment, it is necessary that the requirements of the external sponsor and the policies of the University are understood by the Principal Researcher.
- b) Review all transactions recorded against the Fund / Organization / Program (FUND). Each research and special fund is assigned a unique FUND. The Principal Researcher should review the financial transactions recorded in the FUND for appropriateness, completeness and accuracy. The Principal Researcher shall indicate completion of this review by signing and dating a reconciliation of the FUND as prepared in 3 (c).
- c) Ensure the FUND remains within budget. The Principal Researcher has the primary responsibility to ensure that the FUND is not over-expended at any time. The Principal Researcher must not contract for goods or services beyond the funds available or beyond the funding period authorized by the external sponsor. The Principal Researcher is responsible for maintaining adequate budget in the FUND to cover the costs associated with salary increases and any additional costs associated with termination or interruption of employment.
- d) Advise Office of Research and Scholarship and Financial Services of changes to the external sponsor agreement. The Principal Researcher is responsible for immediately advising the Office of Research and Scholarship and Financial Services if there are any changes or contemplated changes in the terms or conditions of the external sponsor agreement as well as any concerns about the ability or intention of the external sponsor with respect to payment of the grant, award, or contract amounts.
- e) Attest to the accuracy of the financial statements prepared for external sponsors. The Principal Researcher is responsible for ensuring that the transactions recorded to the FUND are appropriate and accurate, compliant with the external sponsor policies and that all transactions have been included in the financial statements prepared for the external sponsor.
- f) Principal Researchers may choose to delegate their responsibility to Administrative Support Staff, but this delegation does not relieve the Principal

Researcher from primary responsibility. The Principal Researcher shall implement such supervisory review controls as he / she deems necessary to ensure that Administrative Support Staff comply with all relevant policies and procedures.

(3) Faculty Administrative Support Staff

When a Principal Researcher has access to administrative support and does delegate under 2 (f), Administrative Support Staff are responsible for assisting the Principal Researcher in the financial administration of the project, including reconciling transactions recorded in the FUND to original source documents and identifying and correcting any errors and omissions. More specifically, the Administrative Support Staff shall:

- a) Read and understand this procedure and the external sponsor policies. Different external sponsors have different policies and their policies can change over time. In order to ensure compliance and avoid subsequent adjustment, it is necessary that the requirements of the external sponsor and the policies of the University are understood by Administrative Support Staff.
- b) Reconcile the FUND monthly. The Administrative Support Staff shall maintain a file of source documents (order forms, receiving receipts, invoices, appointment forms, time sheets, etc.) and reconcile the transactions in the FUND to the source documents each month. Any errors or omissions must be identified and corrected. Administrative Support Staff are responsible for providing the reconciliation and supporting documents (the reconciliation package) to the project leader on a monthly basis for formal review and approval. The reconciliation package should be retained for a period of seven years or longer if required by the external sponsor. Administrative Support Staff are responsible for providing the reconciliation package to Financial Services upon request.
- c) Ensure payments received for the FUND are forwarded to the assigned Accounting Analyst in Financial Services for deposit, together with supporting documentation and the relevant FUND number. All cheques are to be made payable to the Kwantlen Polytechnic University.

(4) Dean, Director or Chair

- a) The Dean, Director, or Chair with supervisory authority over the Principal Researcher is responsible for providing an alternate budget source in instances where the research or special FUND becomes over expended or where non-compliant transactions are initially charged against the FUND.
- b) By signing the Application for Research Funding the Dean, Director or Chair is agreeing to share in the responsibility for the administration and control over these Funds as well as supporting the infrastructure required for research activities.

- c) Payments or reimbursements to Principal Researchers and Co-Researchers must be signed by the Dean, Director or Chair that has supervisory authority over them.

#### (5) Financial Services

Financial Services is responsible for supporting the Principal Researcher and Administrative Support Staff through provision of financial transaction and support functions. Specific to this procedure, Financial Services will:

- a) have a designated Accounting Analyst available to assist the Principal Researcher and others in complying with this procedure. The Accounting Analyst shall read and understand this procedure and the external sponsor policies. Different external sponsors have different policies and their policies can change over time. In order to ensure compliance and avoid subsequent adjustment, it is necessary that the requirements of the external sponsor and the policies of the University are understood by the Analyst.
- b) Open the FUND in the General Ledger. In order for a fund to be established in the research and special fund, Financial Services must satisfy each of the following requirements:
  - i. Funding certainty must exist. It is preferable to receive the funds in advance of any expenditure, but where this is not the case, funding certainty may be evidenced by an original signed copy of the external sponsor agreement. At the discretion of Financial Services, this may also include a credit-worthiness review of the external sponsor.
  - ii. All certification requirements must be secured. For research and special funds this would normally consist of fulfillment of human ethics and/or animal care, biohazard, and environmental obligations as evidenced by an approved Funding Application Approval Form. This approval process is managed by the Research Office.
  - iii. The Primary Signing Authority for the fund must be identified. Normally this will be the Principal Researcher. In the case of a salary award for a Principal Researcher, the signing authority must be the Dean, Director, or Chair with supervisory authority over the Principal Researcher.
  - iv. If not specifically identified in the external sponsor agreement, the purpose and duration of the fund must be defined.
  - v. A "new fund / org request form" must be completed and approved.
- c) Ensure transactions recorded to a FUND are legitimate and accurate. The Accounting Analyst will fulfill this requirement by:
  - i. Providing advice and interpretation to Principal Researchers and Administrative Support Staff with regard to transaction compliance with University and external sponsor policy. The Accounting Analyst is responsible for working cooperatively with all parties to help resolve any non-compliant transactions. Where necessary, the Accounting Analyst

will contact the external sponsor for guidance on the appropriateness of transactions if not specifically addressed by external sponsor policy.

- ii. Providing training to Principal Researchers and Administrative Support Staff with respect to University and external sponsor policies as well as effective strategies for transaction documentation, monitoring, and reconciliation.
- d) Ensure the FUND remains within budget by maintaining a system of controls to reduce the risk of over-expenditure in a FUND. Financial Services is responsible for advising the Principal Researcher (primary signing authority) and the Dean, Director or Chair of all FUNDS that are over-expended at the end of each month.
- e) Prepare financial statements and invoices for the external sponsor. Financial Services will ensure financial statements are prepared in accordance with external sponsor requirements. In the absence of external sponsor policy to the contrary, financial statements will be prepared in accordance with generally accepted accounting principles. Financial Services is responsible for ensuring financial statements agree with the University's financial records.
- f) Close the FUND in the General Ledger. Upon completion of the project, Financial Services shall ensure any residual funds are dealt with in accordance with the agreement with the external sponsor or University Procedures as outlined below (h). Any ineligible expenses or over expenditures shall also be cleared from the FUND after ensuring that all funding has been received from the external sponsor or other internal sources. Financial Services shall prepare the final financial statements and close the FUND to ensure that no further expenditures can be incurred against the project.
- g) Where permitted by the external sponsor, research accounts may be extended for one year past the end date of the project. A written request must be submitted by the Principal Researcher to the Associate Vice President Research one month prior to the end date. No further extensions are permitted. The funds must be used for the purposes of the original agreement.
- h) Where permitted by the funder, residual monies are retained by the University; otherwise funds are returned with the final reports. Residual funds are treated as follows:
  - Social Sciences and Humanities Research Council funds: are held in an Office of Research and Scholarship account to support social science and humanities research projects; uses may include, but are not limited to, a one year award for "4A" results or a special funding call.
  - National Sciences and Engineering Research Council of Canada funds: are held in an Office of Research and Scholarship account to be used in support of equipment needs.
  - Residual funds in a Research Project not identified above will be distributed in the following manner:
    - Faculty research projects - 50% Dean of Faculty, 25% Office of Research and Scholarship, 25% library.
    - Kwantlen Research Institute projects - 50% Director of the Research Institute, 25% Office of Research and Scholarship, 25% library.



(6) Assurance

The Assurance area, within Financial Services Department, will perform periodic test audits of research and special fund transactions to monitor compliance with University and external sponsor policies.

**RELATED POLICY**

Refer to RS4 *Administration and Control of Research and Special Funds Policy*