



Policy for the Use of Residual Funds from Research Grants and Contracts

Category: Research;

Jurisdiction: Vice President, Administration and Finance; Vice President, Research and Innovation;

Approval Authority: Executive Team;

Established on: May 1, 2018;

Amendments: None.

Preamble:

Faculty and Staff of the University are encouraged to seek research support from external funding sources to promote research activities that support the University's academic research and education mandate. Research funds are awarded to the University on behalf of a principal investigator or research team. Lakehead University and researchers have a responsibility to ensure the funds are used for the purposes for which they were awarded and to comply with the relevant University and Sponsors' policies and guidelines. Grants and contracts are held in trust by Lakehead University and are not the property of any individual (except for Research Grant in Lieu of Salary grants administered on behalf of a LUFA faculty member). At the completion of a project, there may be funds remaining in the research account (after all obligations have been met) that do not need to be returned to the Sponsor. This policy does not apply to faculty start-up funds originating from central administration funding sources or internal funds awarded by the Senate Research Committee.

Purpose

The purpose of this policy is to establish the University guidelines and procedures for identifying, recording, and managing the use of residual research funds in research accounts and research overhead allocations. Residual funds must be used to advance and enhance research initiatives at Lakehead University and will be subject to all relevant University policies and compliance requirements (i.e., ethics certifications for expenditures).

Definitions

Academic Appointment: Individuals who have been given formal full-time and/or part-time appointments who are engaged in scholarly or creative work or have notable professional expertise and achievement. Academic appointments include Lecturer, Assistant Professors, Associate Professors, Professors, Adjunct Professors, Professional Associates, Contract Lecturers, Research Professors, Clinical Faculty (NOSM), Librarians, and Emeritus Professors.

Expiry date: The date when a grant or contract has reached the end of its term, usually identified within the grant and contract documents or amended by the Sponsor in writing.

General Research Fund (GRF) Account: A special research account opened as a trust account under the authority of the Vice-President Research and Innovation, into which the unspent funds (residual funds) of expired or terminated NSERC and SSHRC grants are transferred with the authorization of the Tri-Agencies.

Overhead: The indirect costs earned through non-Tri-Agency research grants and contracts and allocated in accordance with the University's Policy for the Recovery of Overhead (Indirect Costs) on University-Administered Research Funds.

Principal Investigator (PI): The individual responsible and accountable for the management and authorization of the use of research funds.

Research: Involves a set of scientific, literary, and artistic works and activities having as its purpose the discovery, development, application, and dissemination of knowledge (Canada Revenue Agency definition of research 2018).

Residual Research Funds (RRFs): The unexpended funds remaining in a research account at the Expiry Date or termination of the project after all outstanding expenses have been paid, and all obligations have been met, and where the research grant or contract does not require the return of unexpended funds to the Sponsor. Residual funds also include funds earned from overhead (indirect costs) on research grants and contracts.

Residual Research Fund (RRF) Account: A research account established to hold residual research funding and research overhead allocations. One Residual Research Fund account will be set up for each Principal Investigator, Faculty and Research Centre as needed. All residual funds (excluding Tri-Agency funds) irrespective of the Sponsor may be transferred into this account.

Sponsor: The organization, company, institution, foundation, association, or agency who have provided the research funding to the University through a research grant or contract.

Tri-Agency: The Natural Sciences and Engineering Research Council of Canada (NSERC), Social Sciences and Humanities Research Council (SSHRC), and the Canadian Institutes of Health Research (CIHR) who have provided research funding to the University through a research grant.

Policy

The University will administer residual research funds only on behalf of individuals who have formal academic appointments at Lakehead University. In some cases, members of non-academic staff, who have been given permission by their supervisor and by the Vice-President (Research and Innovation) to undertake or administer research, may be permitted to hold residual funds.

Residual research funds will be deemed transferrable if any of the following occurs:

1. Agreement or award letter indicates that any unused funds remaining do not have to be returned to the Sponsor.
2. Agreement or award letter is silent on the unused funds and the Sponsor has not asked for the return of the unspent funds after a period of six months.
3. The Sponsor's contributions are based on the payment of a fixed fee or per diem to Lakehead University. After completion of the research, and after all the terms and conditions of the agreement are met, it is implicit that the Sponsor does not have a claim of ownership for any unspent funds.

Approved residual funds remaining in NSERC and SSHRC grant accounts will be transferred to the relevant General Research Fund. Residual funds remaining from all other research accounts will be transferred into a Residual Research Fund.

Subsequent to the Expiry Date and when any of the above conditions are met, the Office of Research Services and the Principal Investigator will be contacted by Research Accounting to confirm in writing that the project has met all its deliverables. After receiving confirmation, the research account will be closed and the residual funds will be transferred to a Residual Research Fund Account (see Procedure A). The Principal Investigator will have one year to retain 100% of the residual funding. The first year will be deemed to end at March 31st for carry forward purposes.

Should there be fund balances in the RRF account after one year, the balance will be allocated 50% to the Principal Investigator, 25% to the appropriate Faculty or Research Centre and 25% to the Vice-President Research and Innovation (see Procedure A) to support research broadly at the University.

Should there be a balance at the end of the third year, the balance remaining in the RRF will be transferred to the VPRI to support research broadly at the University.

Upon approval from the Tri-agencies, unspent residual funds from expired Tri-agency grants following the one- year automatic extension or further approved extensions, will be allocated to the General Research Fund (http://science.gc.ca/eic/site/063.nsf/eng/h_5429D5A5.html) under the management and authority of the Vice-President Research and Innovation (See Procedure B) to support research broadly at the University.

Policy Review

This Policy will be reviewed as necessary and at least every three years.

Policy Interpretation

The Associate Vice-President, Financial Services and Vice-President Research and Innovation are responsible for clarifying all aspects of this policy as required.

Procedure A - Procedures for Residual Research Fund (RRF) Accounts

Eligibility

To hold a Residual Research Fund Account, the Principal Investigator must be a full-time employee and/or have an academic appointment at Lakehead University or the Northern Ontario School of Medicine.

Procedure

A Residual Research Fund Account is established for each Principal Investigator, Faculty and Research Centre as required.

Residual funds are eligible for transfer to a RRF once the research account is closed and the Principal Investigator, Office of Research Services and Research Accounting have confirmed that the deliverables are complete, and that the funds will not be required to be returned to the Sponsor.

RRF transfer to the Principal Investigator/Faculty/Centre Director

1. One hundred percent of residual funds are eligible for transfer to an RRF; residual funds will be transferred to the RRF when they are determined eligible for transfer. PI's will have up to one year to spend the residual funds.
2. On an annual basis, Research Accounting will notify the Principal Investigator of the residual funds eligible for transfer to an RRF. The Principal Investigator will then submit to the appropriate Dean or Associate Vice-President Research and Graduate Studies (in the case of a Centre Director), an RRF application for all transfers greater than \$1,000. The application is to be completed through Romeo and include a brief research plan, and budget. For transfers under \$1,000, the application will be submitted directly to the Office of Research Services for approval.

3. The Principal Investigator will disclose if the research is subject to certification approval.
4. The RRF application will be submitted to the Office of Research Services to complete the release of funds process. If the Principal Investigator confirms there are no certifications requirements, then the Office of Research Services will release the funds to the account holders RRF.

Management of the RRF (Principal Investigator)

1. Funds held in a RRF are to be used to support research activities of the Principal Investigator. See the listing of RRF eligible expenses, below.
2. To promote the active use of the RRF, the University expects the Principal Investigator to spend at least 50% of the RRF opening balance during the first year. If not, 50% of the balances remaining will be allocated equally to the Vice-President Research and Innovation and appropriate Faculty or Research Centre GRF. In exceptional circumstances, a Principal Investigator may request from the VPRI a deferral of up to one year based on a justified need. Request for a deferral must be approved prior to the March 31st deadline.
3. If after the third year, residual funds remain, they will be allocated 100% to the VPRI.

Management of the Faculty/Centre RRF

1. Funds held in an RRF are to be used to support research activities in the Faculty or Research Centre. See the listing of GRF eligible expenses.
2. To promote the active use of the RRF, the University expects the Faculty or Research Centre to spend at least 50% of the RRF opening balance during the year. If not, any higher amount will be transferred to the VPRI. In exceptional circumstances, an account holder may request from the VPRI a deferral of up to one year based on a justified need. Request for a deferral must be approved prior to the March 31st deadline.

Should a Principal Investigator leave the university, and/or they are no longer eligible to hold an RRF, any funds remaining in their accounts will be transferred to the VPRI.

RRF Eligible expenses

Funds held in the RRF may be used to support research activities, research administration and research dissemination (indirect and direct costs) and shall follow eligibility of expenditures as allowed by the Tri-agencies and Research Support Fund.

All expenditures must be in support of research and scholarly activity.

Expenditures for which the account holder derives a personal financial benefit will not be allowed.

Honoraria, salary payments, stipends, course related payments or personal consulting fees are not eligible for transfer to the Residual Research Fund Account.

Salary and stipend payments to the Principal Investigator or other faculty members will not be eligible expenditures.

All equipment, software and other assets purchased using these funds are the property of Lakehead University.

All expenditures must comply with existing University policies and procedures governing the use of Research and Operating funds.

RRF Accounts are not permitted to go into a deficit.

Procedure B – Residual Funds from Tri-Council Awards (General Research Fund)

A General Research Fund (GRF) is a special account, managed by the Vice-President Research and Innovation, into which the unspent funds of expired or terminated Natural Sciences and Engineering Research Council (NSERC) and Social Sciences and Humanities Research Council of Canada (SSHRC) grants are transferred with the authorization of the Tri-Agencies.

Tri-Agency funded Principal Investigators who anticipate that funds will be remaining after the automatic one-year extension must seek written approval from the relevant tri-agency for any further extensions.

Should a further extension not be approved, the remaining funds of the Natural Sciences and Engineering Research Council (NSERC) and the Social Sciences and Humanities Research Council (SSHRC) will be transferred to the appropriate VPRI NSERC or SSHRC General Research Fund once authorized by the Tri-Agencies. These funds are not available to the Principal Investigators following the end of the research grant.

The VPRI will use the General Research Fund to support research initiatives that will enhance research capacity at Lakehead University. Indirect costs are not eligible through the GRF.

Remaining funds of Canadian Institutes of Health Research (CIHR) grants will be returned to the CIHR as required by CIHR's regulations. These funds are not transferable to the General Research Fund.

Review Period: 3 years;

Date for Next Review: 2020-2021;

Related Policies and Procedures: To be determined;

Policy Superseded by this Policy: None.

The University Secretariat manages the development of policies through an impartial, fair governance process, and in accordance with the Policy Governance Framework. Please contact the University Secretariat for additional information on University policies and procedures and/or if you require this information in another format:

Open: Monday through Friday from 8:30am to 4:30pm;

Location: University Centre, Thunder Bay Campus, Room UC2002;

Phone: 807-346-7929 or Email: univsec@lakeheadu.ca