



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: October 1, 2019; March 31, 2020

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, as well as residual research funds (RRFs), 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 and the Regional 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).

Definitions

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. In the case of a Faculty, this would be the Faculty Dean. In the case of a Centre, this would be the Centre Director.

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).

Research Account: The general ledger account associated with the research project.

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)

Policy).

The University will administer residual research funds only on behalf of individuals who have research privileges through formal academic appointments at Lakehead University or the Northern Ontario School of Medicine, including but not limited to full-time faculty members, Research Assistant/Associate Professors, Adjunct Professors, etc. 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. The agreement or award letter indicates that any unused funds remaining do not have to be returned to the Sponsor.
2. The 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 (GRF). Residual funds remaining in all other research accounts will be transferred into a Residual Research Fund Account (RRFA).

Subsequent to the expiry date of the grant or contract 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 research funds will be transferred to a Residual Research Fund Account (see Procedure A).

The University will review the RRFAs every 5 years and RRFA account holders with unspent funds will be required to recertify to confirm the RRFA terms and conditions will be met.

The Residual Research Fund Accounts will be reallocated 50% to the Faculty or Research Centre and 50% to the Vice-President Research and Innovation when any of the following occur:

1. The RRFA Account Holder's academic appointment changes and they are not eligible to hold an RRFA.
2. The RRFA account holder does not recertify within 90 days of a request from the university to do so or 90 days after the expiry of each five-year period. The fiscal year end for the residual research fund accounts will be March 31st.

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

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 in accordance with the Tri-Agency guidelines under the management and authority of the Vice-President, Research and Innovation to support research broadly at the University. (See Procedure B)

Policy Interpretation

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

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

Eligibility

The University will administer residual research funds (RRFs) only on behalf of individuals who have research privileges through formal academic appointments at Lakehead University or the Northern Ontario School of Medicine, including but not limited to full-time faculty members, Research Assistant/Associate Professors, Adjunct Professors, etc. 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.

Procedures

Research Account Closure

The RRFs in a Research Account are eligible for transfer to a Residual Research Account (RRFA) once the Research Account is closed and the Principal Investigator, Office of Research Services, and Research Accounting have confirmed:

- a) All deliverables associated with the grant or contract have been accepted by the sponsor and the project is considered complete or the contract is otherwise terminated;
- b) The research sponsor does not require the unexpected funds to be returned;
- c) The Principal Investigator confirms that they want the residual research funds deposited into an RRFA.

Request to open a Residual Research Fund Account (RRFA)

1. A Residual Research Fund Account is established for each Principal Investigator, Faculty Dean and Research Centre as required.
2. Residual funds will be transferred to the RRFA when they are determined to be eligible for transfer.

3. The Principal Investigator will submit an RRFA Request Form through the Romeo Research Portal that certifies and confirms that the following RRFA terms and conditions will be met:
 - a) Ensure that ethics certification is in place prior to using the RRFA for research involving animals, humans or biohazardous materials (if applicable);
 - b) All RRFA expenditures will support research activities at Lakehead University; and
 - c) All expenditures will be compliant with Lakehead University policies and procedures.

Management of the Residual Research Fund Account (RRFA)

1. Funds held in an RRFA are to be used to support the research activities of the Principal Investigator/Faculty/Research Centre as applicable (see the listing of RRF eligible expenses below.) The initial RRFA Request Form must be submitted through the Romeo Research Portal within 30 days from the written notice provided to the Principal Investigator that residual funds are eligible for transfer to an RRFA. Principal Investigators can request additional time to comply based on a justified need (ie., medical leave, maternity leave, etc.) Failure to comply will result in the suspension of funding until such compliance is achieved. If a Principal Investigator fails to submit the initial RRFA Request Form after two reminders (through official university electronic mail system), the funds will be determined to be surplus and will be allocated equally to the Vice-President, Research and Innovation, and the appropriate Faculty or Research Centre.
2. The RRFAs will be reviewed every five (5) years. If the RRFA has unspent funds after five (5) years, the University will require a recertification that the RRFA funds are still required and confirm to RRFA terms and conditions. If a Principal Investigator fails to submit the RRFA Request Form after two reminders, the funds will be determined to be surplus and will be allocated equally to the Vice-President, Research and Innovation, and the appropriate Faculty or Research Centre after 90 days of the initial re-certification notice request. Principal Investigators can request

additional time to comply based on justified need (ie., medical leave, maternity leave, etc.).

3. A Principal Investigator, Faculty Dean and/or Centre Director can at any time inform the Office of Financial Services that the RRFA is no longer needed to support research. Also should a Principal Investigator leave the university and/or is no longer eligible to hold an RRFA, any residual research funds remaining in their RRFA will be allocated equally to the Vice-President, Research and Innovation, and the appropriate Faculty or Research Centre.

Residual Research Fund Account Eligible Expenses

Funds held in the RRFA may be used to support research activities, research administration, and research dissemination (indirect and direct costs), and shall follow university policies governing eligible research expenditures.

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

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

A Principal Investigator's honoraria, salary payments, stipends, course-related payments or personal consulting fees are not eligible for transfer to the RRFA.

Salary and stipend payments to the Principal Investigator or other faculty members are not 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.

RRFA 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.

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: 2022-2023;

Related Policies and Procedures: None;

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