

Guidelines for Post-Award Research Administration

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Responsibility: Vice-President Research and Graduate Studies (VPR&GS)

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Overview

Research funds are awarded to the university on behalf of a principal investigator or a group of investigators; therefore, both the university and the investigator(s) have a stewardship responsibility to ensure the funds are utilized for the purposes for which they were awarded and to comply with university and sponsor policies and guidelines. This shared responsibility is distributed to several stakeholders, including the principal investigator, the department and faculty, Research Services, Research Accounting and other central operations. The responsibilities of the primary stakeholders are detailed below.

Definitions

- “Account” means a research account established as a result of an internal or external funding award or research contract from a sponsor
- “Account holder” means the person(s) who has signing authority on an account – usually the principal investigator
- “Award agreement” means the agreement between UPEI and a sponsor that outlines start and end dates, amount of award, statement of work, as well as terms and conditions. It may be in the form of a simple grant letter that references a research project proposal or a multi-page complex contract
- “Designated authority” is the person in a faculty who has been authorized to sign instead of the Dean of the relevant faculty or unit

- “Over-expenditure” occurs when actual expenditures and commitments exceed the budget available and the account is in a deficit
- “Sponsor” means any party paying for the research and includes the university for internal awards, government, government agencies, not-for-profit organizations, and industry
- “PI” means the principal investigator responsible for achieving the results outlined in an award agreement – often called grant holder, recipient, lead researcher, or co-investigator in funding agreements administered by other institutions
- “Residual funds” means money remaining in an account after all obligations have been met

Questions and Contacts

It can sometimes be challenging to know who to contact when you have a question. Below are a few common post-award issues and the appropriate person to contact.

- Financial and account questions: Matt Adams, Research Accounting
- Compliance issues and requests to release funds: Joy Knight, Research Services
- Contract and grant amendments and account modifications: Rory Beck, Research Services
- Requests to open a Term Research Account from residual funds: Jan Coffin, Research Services

Roles and Responsibilities

Account Holder

1. Use the funds only for the designated purposes as outlined in the award agreement and approved budget
2. Follow signing authority requirements on all forms and transactions
 - Obtain approval of the VP Academic on forms requiring Dean’s signature if the account holder is also the Dean or designated administrator
 - Obtain signature of the Chair or other designated authority on all transactions if the PI is not eligible to be an account holder
 - Ensure that individuals with delegated signing authority understand and comply with university policies and award agreement
3. Ensure that all expenditures comply with university and funding sponsor policies, procedures and guidelines
4. Notify Research Services if there are any changes to funding arrangements; eg, either an increase or decrease
5. Monitor and review on a regular basis all financial transactions that have been charged to accounts and communicate any discrepancies to Research Accounting
6. Notify Research Accounting of potential issues that may impact the account’s good standing
7. Reimburse inappropriate or disallowed expenditures, as determined by the sponsor guidelines
8. Comply with no-deficit status if assigned to an account
9. Reimburse deficits not approved in writing by the Dean or designated administrator
10. Submit all technical, scientific and/or progress reports by the prescribed deadlines, as required by the sponsor
11. Ensure all compliance certifications have been met or a *Release of Funds* agreement is in place before research begins
12. Notify Research Services of any change in employment status that may impact an award agreement
13. Co-operate in the investigation of any allegation of research misconduct or misuse of funds as it relates to his/her project(s)
14. Monitor award agreement end dates and contact Research Services if amendments are required
15. Fulfill/respond to open access/repository mandate required by sponsor

Dean or designated administrator

1. Support and promote adherence to university, government and sponsor policies, regulations, practices and guidelines
2. Consider request from account holder to run a deficit account balance and determine if the associated risk is acceptable to the relevant faculty or unit
3. If the deficit is not resolved, the Dean or designated administrator will be responsible for the amount of deficit that was approved

Research Accounting

Research Accounting manages post-award financial functions, such as:

1. Create accounts and notify the account holder of the account number and signing authority
2. Provide assistance to the account holder or designate on using UIS or Hummingbird
3. Liaise with Research Services on issues of eligibility and compliance and seek clarification of sponsor-specific guidelines
4. Monitor the spending activity to ensure eligibility and compliance with the award agreement
5. Monitor receipt of funds and invoice funding agencies / sponsors
6. Release funding to co-investigators/collaborators at partner institutions once related documents and approvals are in place
7. Assist account holders with review of account balances and daily transactional inquiries
8. Work with account holders to resolve issues that have caused an account to be placed on hold
9. Prepare and submit financial reports to the sponsor and facilitate audits

Research Services

Research Services manages the post-award functions related to agreements and compliance, such as:

1. Negotiate, execute, and distribute award agreements and sub-agreements and amendments
2. Monitor compliance adherence or ensure a *Release of Funds* agreement is in place before completing account opening documentation
3. As requested, interpret award agreement conditions to PI, Dean, or designated administrators

Opening a research account

Criteria for opening a research account

1. Award agreement(s) has been accepted by UPEI or is fully executed
2. Budget and account codes are approved
3. Compliance requirements have been met or a *Release of Funds* agreement is in place
4. Spending on an account where the funds have not yet been received is not permitted unless:
 - a. The sponsor is well known to UPEI (eg, government awards) and the risk of non-payment is minimal
 - b. The award agreement allows over-expenditures (e.g., some multi-year awards)
 - c. The Dean or designated administrator approves the over-expenditure in writing
5. Non-government award agreements are assessed for the risk that the sponsor will not fulfill its financial commitment, and a no deficit provision may be assigned to the account to ensure there are sufficient funds in the account at all times to cover the expenditures

Placing an account on hold

There may be times when the decision is made to place an account on hold and not allow further expenditures until an issue or situation is resolved.

Authority to place accounts on hold

1. Only the VPR&GS has the authority to place an account on hold due to:
 - a. Failure on the part of the account holder to exercise reasonable diligence in stewardship of research funds under their control
 - b. Lack of funds or actual or likely failure of budgeted revenue streams

- c. Non-compliance with university policies or award agreement
2. The VPR&GS will notify the Dean or designated administrator as well as the account holder and others with signing authority that the account is on hold and steps required to rectify the situation
3. Once the VPR&GS is satisfied that the issues have been resolved, access to the account may be returned to the account holder

Requests to place an account on hold

Requests to have an account placed on hold may be sent to the VPR&G by the following:

1. Account holders by sending a written request and explanation
2. Deans or designated administrators by sending a written request and explanation
3. Research Services in cases where:
 - a. Non-compliance with the award agreement terms and conditions
 - b. Non-compliance with Research Ethics, Biosafety, or Animal Care guidelines and regulations
4. Research Accounting in cases where:
 - a. Over-expenditures have not been approved
 - b. Non-compliance with the award agreement terms and conditions
 - c. Sponsor default on payments

Closing a research account

Criteria for closing a research account

In most cases, award agreements are straightforward and accounts can be closed without consultation with the account holder. Accounts are closed when all of the following criteria are met:

1. All deliverables have been met, provided to and accepted by the sponsor
2. All revenue has been received from the sponsor
3. All applicable overhead has been charged to the account
4. All encumbrances have been cleared
5. Final financial reporting has been completed and, in some cases, final payment is received

Clearing a deficit account

There are instances where a researcher has overspent or had projected revenue shortfalls and the research account is left in a deficit position. Research Accounting will contact the account holder to discuss options for a resolution of the deficit. In most cases, this is easily worked out between Research Accounting and the account holder.

On the other hand, over-expenditures can result in potential loss of university funds, administrative effort to resolve issues and risk of non-compliance with external funding source requirements, potentially leading to fines and prohibition of future funding submissions. In a situation where a resolution cannot be found, the deficit will be handled as follows:

1. The account holder will reimburse the deficit unless the over-expenditure was approved in writing by the Dean or designated administrator
2. If the Dean or designated administrator of the relevant faculty or unit approved an over-expenditure, the Dean or designated administrator will be responsible for reimbursing the approved amount and the account holder will be responsible for reimbursing the difference
3. If not resolved within 30 days of notification of the deficit, the account holder will submit to the VPR&GS a plan for reimbursing the deficit
4. Where such a plan is either not submitted, or does not receive the approval of the VPR&GS, any other UPEI account that contains funds derived from surpluses or from distributions of overhead

associated with the account holder's research activities will be considered for addressing the deficit

Distributing a residual balance

In most cases, when the project ends and the account is closed, the account balance is zero. Occasionally, for various reasons, there may be a residual balance. UPEI will manage these residual balances as follows:

Tri-Agency Awards

SSHRC & NSERC: A General Research Fund (GRF) is a special account opened as a trust account under the authority of the VPR&GS, into which the unspent funds of expired or terminated grants are transferred with the authorization of the SSHRC and NSERC granting agencies.

The GRF is used to reinvest unspent funds from previous years in order to support research in the fields of natural sciences and engineering or social sciences and humanities, as applicable. At UPEI funds from the GRF will be used to provide small start-up grants to new professors, bridge funding to professors who are between applications, or additional funds for professors to support their research.

The agencies' eligibility and compliance requirements for expenditures charged to grants also apply to expenditures charged to the GRF. Each fund will only support research projects within their respective agency mandate.

Following the end of the Tri-Agency fiscal year (31 March) the VPR&G will review the GRF account and will set goals for the use of funds in accordance with the Tri-Agency Financial Administration Guide. A minimum of 50% of the residual funds will be distributed each year.

UPEI has determined these funds will be allocated for the following uses:

1. Continued access by the Principal Investigators to their residual balances (GRF-eligible programs only) beyond the Agency final project end date. The Principal Investigator can apply for access to these funds through a request to establish a Term Research Account. Monies must be expended appropriately for each agency.
2. New funding awards of up to \$5,000 for activities leading to the development of a new proposal or enhancement of a previously unsuccessful SSHRC or NSERC research grant application. This funding will be administered through the Internal Grants Program.

CIHR: The residual balances of Canadian Institutes of Health Research (CIHR) accounts are returned to CIHR, as per CIHR's regulations; these funds are not transferred to the GRF and are not available to PIs following the end of the research project.

General Graduate Studies Fund: A General Graduate Studies Fund (GGSF) is a special account opened as a trust account under the authority of the Vice President Research & Graduate Studies into which the eligible residual funds of awards allocated in previous fiscal years are transferred with the authorization of the granting agencies.

UPEI uses the GGSF to support extraordinary costs of conference travel to present work in the Science and Engineering fields (fields supported by NSERC). These funds are intended to supplement funds that are already available, so will not provide total conference costs, but will help in attending conferences that may otherwise be out of reach financially, up to a maximum of one half of the total costs.

Non-Tri Agency Awards

The University is responsible for administering awards according to the terms of the agreement. If residual funds are to be returned to the sponsor, Research Accounting will do so and then close the account.

If the award agreement allows the residual funds to remain with the University, residual funds may be used as follows and in this order of priority:

1. decrease any unfunded deficits in accounts managed by the account holder
2. further develop or extend research outcomes funded by the original award
3. provide opportunities to PIs to expand their research programs

A PI has two options for using residual funds that do not need to be returned to the sponsor and that are not needed to offset account deficits. These include:

1. The PI may request a one-year extension on the existing account if the focus of research is still in alignment with the original proposal, and if the extension does not interfere or complicate the financial reporting requirements to the sponsor
2. The PI may request a new Term Research account to further develop or extend the research program. Required action:
 - a. Complete a *Request to Create Term Research Account* form and submit to Research Services with a completed and signed *Research Funding Administrative Approvals Form*
 - b. Ensure all UPEI policies and compliance requirements are met

Research Services will review the request for a *Term Research Account* and, if approved, a new research account will be set up for the PI with a new project name. Once established, no additional funds can be added to the account without permission of the VPR&GS. If all funds are not spent at the end date, the PI may request a one-year extension.

Researchers may hold more than one Term research account. However, each account must have clearly defined start/end dates, deliverables, and budget.

End of employment with UPEI

If a PI leaves UPEI, the award agreement and the account will be reviewed. Some awards can be transferred to other institutions with sponsor approval. If residual funds exist and do not need to be returned to the sponsor, the VPR&G will discuss the disposition with the Dean or designated administrator. If the account is in a deficit position when the PI leaves, the VPR&G will address this with the Dean or designated administrator.