



Self-Funded/Sabbatical (SELF) Program Guidelines

PURPOSE:

Canada Revenue Agency (CRA) and Canadian Universities allow researchers to use their personal income (university salary) to carry out **bona-fide research**. At UPEI, two programs support this self-funding of research: Sabbatical Leave Research Grants and Self-funded Research Grants. Through these Grants, the CRA provides tax relief when a researcher incurs research costs from personal income.

The Research Advisory Committee assists faculty who wish to use part of their salary to fund their research program during the course of their regular employment at UPEI. If such salary is used for legitimate research expenses it is not subject to income tax. Subjecting proposals to an approval process similar to that used for other research applications may establish the research program as **bona-fide** and therefore eligible for tax relief. However, Research Advisory Committee approval of an application **does not** imply that expenses will be allowed by CRA. This must be resolved between the grantee and CRA.

VALUE:

- No established maximum for Sabbatical Leave Research Grants.
- The maximum amount for Self-Funded Research Grants will normally be limited to \$7,500 (for any 12- month period which includes normal assigned duties).
- The grant cannot exceed 50% of the remaining calendar year's salary if NOT on study leave.
- The grant may not be larger than 50% of the amount of unpaid salary less benefits remaining in the calendar year at the time of approval.

APPLICATION DEADLINE

Open between January 1st and October 31st

RESULTS

Approximately one month after receipt of completed application.

Applicants for self-funded grants should submit their application at least 6 weeks in advance of the project start date.

ELIGIBLE APPLICANTS:

Tenured, Tenure Track, and Term UPEI Faculty Members and Librarians, who are employed by UPEI at the time of application and for the duration of the award.

GENERAL INFORMATION:

- Non-leave grants are effective within one calendar year only.
- Only one Self-Funded Grant or Sabbatical Grant may be held at any one time.
- Awards made under this program will be treated as T4A income.
- Applications must be submitted in advance of the proposed start date of the project.
- Applications must be approved before costs are incurred.
- The award holder is responsible for reporting the income to CRA and declaring eligible

expenditures against the grant.

GUIDELINES AND CONDITIONS:

- Read [CRA Income Tax Folio S1-F2-C3](#); contact the CRA or your tax advisor for more information.
- This program MAY NOT be used to cover costs associated with degree completion or projects directed towards teaching, or for the development of teaching-related skills.
- There is no guarantee the University's interpretation of the applicant's eligibility and deductions will be acceptable to the CRA. The individual should maintain detailed records and consult her/his tax advisor and/or the CRA as appropriate.
- Applicants are reminded that the grant funds are NOT considered salary; they constitute a research grant subject to the conditions of the SELF and University research policies.
- The University's role is limited to awarding the SELF. Questions regarding the interpretation of the eligibility of deductions submitted by the individual to the CRA will be resolved directly between the individual and the CRA.

ELIGIBLE EXPENSES:

In general, all costs of research, which have been adequately justified, will be accepted in the internal review mechanism. This may include:

- Travel and subsistence:
 - Economy airfare should be quoted - more costly modes of transport must be justified.
 - Only the costs of traveling between the applicant's home and the research location are eligible. Brief field trip costs may be eligible.
 - University policy regarding per diem and accommodation apply.
 - Refer to sections 3.75 and 3.76 of [CRA Income Tax Folio S1-F2-C3](#)
- Salaries for research assistants:
 - Grantees should consult sections 3.71 and 3.72 of the [CRA Income Tax Folio S1-F2-C3](#) for information on the responsibilities associated with the hiring of research personnel. Research personnel hired using Self-funded/ Sabbatical Grants are not employees of the University. Grantees are responsible for hiring of research personnel and responsible for all appropriate deductions (CPP, EI, etc.)
- Materials and supplies as they related to the research project.
- Purchase of equipment as it relates to the research.

INELIGIBLE EXPENSES:

- Salary to the researcher.
- Travel costs of spouse and/or children.

NOTIFICATION OF AWARD:

- The applicant and the Human Resources department will be notified if the grant is awarded. The grant will be reported as a "research grant" on the appropriate income tax forms.
- The University will not make any alternations with regard to salary payments already made to the applicant at the time of the approval of the award. Grants awarded under this program are considered as taxable income. The grant will be considered as T4A income for tax purposes.

ON LEAVING THE UNIVERSITY OF PRINCE EDWARD ISLAND:

- If the salary of the researcher ceases at any point during the term of this award, the grant arrangement will terminate. The salary and grant will then be reconciled between the University and the researcher.