

Item	X.XX
Parent Policy	Policy on the Over-expenditure of Research Funds
Approving Authority	Vice-President, Research, Innovation and International
Policy Owner	
Approval Date	
Review Date	
Supersedes	

PROCEDURES ON THE OVER-EXPENDITURE OF RESEARCH FUNDS

PURPOSE

1. The purpose of these procedures is to support the Policy on the Over-Expenditure of Research Funds and to ensure that, should a Research Fund Over-Expenditure occur, it is handled appropriately and in a timely manner. These Procedures outline the process for addressing research fund Over-Expenditures.

DEFINITIONS

2. For the purposes of these procedures the following definitions apply:

“Arrears” means an overdue financial obligation that results when a Sponsor fails or refuses to pay either the full amount of the grant or contract, or a particular payment or invoice related to the grant or contract.

“Continued Funding” means Research Funds awarded for periods of two or more years and paid in annual or periodic installments by the Sponsor.

“Fund Holder” means the individual responsible and accountable for the management and use of a research fund.

“Internal Research Funds (IRF)” means funds provided by the University to a Fund Holder to support research-related activities. IRFs include:

- Faculty Start-up funds;
- Internal ~~grant-funding~~ programs; ~~and~~
- University ~~research~~-matching funds; ~~and~~
- ~~Internal research awards.~~

“Over-Expenditure” means the amount by which the recorded and encumbered expenses exceed the budget available.

“Research Funds” means funds provided by a Sponsor, held in trust and administered by the University to pay for expenses incurred in support of research at UOIT, including:

- Internal Research Funds; and
- Funds awarded through external Sponsors.

“Research Fund Number (RFN)” means a unique account number dedicated to Research Funds administered by Research and Trust Accounting. The Research Fund Number is used to record all revenues and expenses associated with specific Research Funds.

“Sponsor” means the provider of funds for research activities, including both external and internal sources.

SCOPE AND AUTHORITY

3. These procedures apply to all Research Funds.
4. The Vice President Research, Innovation and International , or successor thereof, is the Policy Owner and is responsible for overseeing the implementation, administrative and interpretation of these Procedures.
5. Research and Trust Accounting will ensure financial systems are in place to support this Policy and to ensure that Research Funds are not over-expended.

PROCEDURES

6. Roles and Responsibilities

- 6.1. The Fund Holder has responsibility for the overall financial management of their Research Funds, including:
 - Ensuring that all expenditures are in accordance with Sponsor requirements and also comply with University policies, procedures, and agreements.
 - Regularly monitoring the financial status of Research Funds using the financial management software provided by the University and maintaining their Research Funds in good standing. Delegation of the account review does not release the Fund Holder from responsibility for Over-Expenditures.
 - Where multiple Fund Holders (e.g. co-applicants or co-Principal Investigators) have access to a specific Research Fund Number, all Fund Holders will be jointly responsible for the effective management of the Research Funds.
 - Reviewing all financial transactions that have been charged to their Research Funds and communicating any discrepancies or errors to Research and Trust Accounting immediately.
 - Ensuring that sufficient funds are available to fund all expenditures and ongoing commitments.
- 6.2. Research and Trust Accounting (RTA) has responsibility for:

- Supporting Fund Holders in managing their Research Funds through the provision of appropriate financial and program information, and through promotion of professional financial management practices.
- Implementing appropriate and effective, policies, administrative systems, and controls to ensure that the research is conducted in compliance with all applicable financial management standards.
- Providing Fund Holders with timely and clear financial information, and appropriate management systems for the responsible management of Research Funds.
- Providing Fund Holders with knowledgeable advice on, interpretations of, and assistance with University and Sponsor policies and procedures to ensure that funds are expended and accounted for in accordance with Sponsor guidelines and University policies, procedures and agreements.
- Providing quarterly Over-Expenditure reports to the Office of the Vice-President Research, Innovation and International.
- Working with Fund Holders, and University administrators as necessary, to resolve Over-Expenditures.
- Ensuring that sufficient funds are available to fund all expenditures and ongoing commitments.

6.3. Faculty Deans have responsibility for:

- Addressing Over-Expenditure concerns/issues in a timely manner as brought forward by Research and Trust Accounting or the Office of the Vice-President Research, Innovation and International with regard to specific Research Funds and/or Fund Holders.
- Consulting with the Office of the Vice-President Research, Innovation and International on Over-Expenditure matters as needed.

6.4. The Office of the Vice-President, Research, Innovation and International (OVPRII) has responsibility for:

- Approving Over-Expenditure requests as outlined in the Policy and Procedures.
- Addressing Over-Expenditure concerns/issues as brought forward by Research and Trust Accounting, Deans and/or Fund Holders.

7. Monitoring

- 7.1.** Fund Holders are responsible for regularly monitoring the financial status of their Research Funds. Any concerns or questions regarding their funds should be addressed to Research and Trust Accounting who will work with the Fund Holder to resolve any issue or confusion.

- 7.2. Research and Trust Accounting will monitor Research Funds and will report any financial concerns to the Fund Holder, Dean and OVPRII, and work with them to maintain their funds in good standing and avoid over-expenditure.
- 7.3. If an issue or concern is identified that could result in significant financial or other liabilities, Research and Trust accounting will promptly notify the Director, Office of Research Services.

8. Notification of Over-Expenditure

- 8.1. Research and Trust Accounting will work in collaboration with the Fund Holder to ensure that the Research Funds remain in good standing. In the event of over-expenditure, Research and Trust Accounting will promptly notify the Fund Holder, in writing, both by letter and email, sending a copy to the Dean and the Director, Research Services. Within 10 working days of the date of the notice, the Fund Holder will acknowledge in writing receipt of the notice and work with Research and Trust Accounting to resolve the Over-Expenditure, as outlined in these Procedures.
- 8.2. If after 10 working days, the Fund Holder has not replied and/or resolved the Over-Expenditure, Research and Trust Accounting will contact the Fund Holder's Dean and the Director, Research Services regarding the Over-expended fund to determine the potential steps to resolve the Over-Expenditure. It may be necessary to restrict further expenditures on the account, or close the account.

9. Resolution

- 9.1. The Fund Holder must work with Research and Trust Accounting to resolve Over-Expenditures within 10 working days following the date on the notice.
- 9.2. Resolution of Over-Expenditures will occur in the following order until the account is returned to a zero balance:
 - a. Research and Trust Accounting, in consultation with the Fund Holder, will review the expenditures and commitments and propose transfers, from other Research Funds, as appropriate, to return the Over-Expended account to a zero balance.
 - b. If the Fund Holder is unable to return the research account to a zero balance, the Over-Expenditure will be recovered from the Fund Holder's share of the Indirect Cost Revenue in accordance with the Indirect Costs of Research Policy.
 - c. Where it has been determined that an Over-Expenditure cannot be resolved by the means outlined above, Research and Trust Accounting will notify the Fund Holder, the Dean, and the Office of the Vice-President Research, Innovation and International. All parties will determine how to deal with the Over-Expenditure.

10. Consequences

- 10.1.** If no resolution to the Over-Expenditure is determined, as outlined in Section 8, the Vice-President Research, Innovation and International, will determine what action will be taken to resolve the Over-Expenditure.

11. Sponsor in Arrears

- 11.1.** Research and Trust Accounting will notify the Fund Holder, Dean, and the Director of Research Services when payments from Sponsors are overdue.
- 11.2.** Where it has been determined that a Sponsor is in arrears, the Office of the Vice-President Research, Innovation and International will consult with the parties identified above to determine how to deal with the problem Sponsor.

12. Over-Expenditure as a Result of Unforeseen Circumstances

- 12.1.** In cases where an Over-Expenditure is the result of unforeseen circumstances (examples may include: an increase in University GRA minima; Sponsor dissolution) the Office of the Vice-President Research, Innovation and International, in consultation with the Fund Holder, Dean, Research and Trust Accounting, and other University administrative units as needed, will discuss how to deal with the Over-Expenditure.

13. Authorization for Over-Expenditures in Extenuating Circumstances

- 13.1.** Over-Expenditures will only be allowed for Research Funds that have Continued Funding.
- 13.2.** Requests for limited Over-Expenditures will be considered on a case-by-case basis by the VPRII.
- To apply for an exception the Fund Holder must write a letter to the Director of Research Services.. The request must explain why the overspending is necessary.
 - The request may be approved by the Vice-President Research, Innovation and International, in consultation with the Faculty Dean, and Research and Trust Accounting.
 - The Office of the Vice-President Research, Innovation and International will notify the Fund Holder, Dean, and Research and Trust Accounting of their decision in writing. Should the request be denied, an explanation will be provided.
- 13.3.** Where an Over-Expenditure exception is approved and expenditures are required in one fiscal period in anticipation of the receipt of approved funding in the next fiscal period, administrative flexibility for Over-Expenditures will be permitted subject to the following conditions:
- Over-Expenditures of this nature are permitted by the Sponsor;
 - Over-Expenditures do not take place in the final year of the funding period;

- At the conclusion of the Continue Funding period, the total expenditures will not exceed the total amount awarded by the Sponsor;
- In any year, except the final year, of Continued Funding, Over-Expenditures are approved by the Vice-President, Research, Innovation and International; and
- Expenditure limits imposed by the Sponsor will not be exceeded without the prior written approval of the Sponsor.

MONITORING AND REVIEW

14. These procedures will be reviewed as necessary and at least every three years. The Director, Research Services, or successor thereof, is the Policy Lead and is responsible to monitor and review these Procedures.

RELEVANT LEGISLATION

15. This section intentionally left blank.

RELATED POLICIES, PROCEDURES & DOCUMENTS

16. Policy on Conflict of Interest in Research
Policy on the Responsible Conduct of Research and Scholarship
Procedure on the Responsible Conduct of Research and Scholarship
Indirect Costs of Research Policy
Intellectual Property Policy
Procurement Policy
Procurement Procedures
Signing Authority Policy
Signing Authority and Approval Procedure
Expenses Policy and Procedure