

## ACADEMIC COUNCIL REPORT

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**SESSION:**

Public

**ACTION REQUESTED:**

Decision   
Discussion/Direction   
Information

**TO:** Academic Council

**DATE:** November 23, 2021

**PRESENTED BY:** Niall O’Halloran, Policy and Compliance Advisor

**SUBJECT:** Written Policy Instrument Consultation Opportunity

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**ACADEMIC COUNCIL MANDATE:**

- Under the Policy Framework, Policy Owners must consult with Academic Council before presenting draft policy instruments to the approval authority for approval.
- We submit this report to inform you of the opportunity to review draft Administrative policy instruments and provide written comments before they are presented to the relevant Approval Authority.

**POLICY INSTRUMENT(S) AVAILABLE FOR CONSULTATION:**

- Procedures on the Over Expenditure of Research Funds

**HOW TO COMMENT:**

- Academic Council members can provide written comments by email to [policy@ontariotechu.ca](mailto:policy@ontariotechu.ca). Comments will be shared with the relevant Policy Owner for consideration.
- The comment period will be open until 3:00 pm on December 3, 2021.

**NEXT STEPS:**

- Academic Council members can provide written comments by email to [policy@uoit.ca](mailto:policy@uoit.ca).
- A summary of comments on each instrument will be provided to the relevant deliberative body and approval authority.

**SUPPORTING REFERENCE MATERIALS:**

- Procedures on the Over Expenditure of Research Funds

## Procedures on the Over-Expenditure of Research Funds

<b>Classification number</b>	ADM 1305.01
<b>Parent policy</b>	Policy on the Over-Expenditure of Research Funds
<b>Framework category</b>	Administrative
<b>Approving authority</b>	Vice-President, Research and Innovation
<b>Policy owner</b>	Vice-President, Research and Innovation
<b>Approval date</b>	September 19, 2017
<b>Review date</b>	April, 2021
<b>Last updated</b>	

### Purpose

These procedures set out specific steps to address over-expenditures of research funds in a timely and fiscally responsible manner.

### Definitions

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 Research Funds.

**“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 funding programs; and
- University matching funds.

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

**“Recovery Plan”** means a plan established through a written decision letter, set out by Finance, in the application of the resolution steps set out in this procedure.

**“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 the University, including:

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

“**Sponsor**” means an external and/or internal provider of Research Funds for research activities.

## **Scope and authority**

These procedures apply to all Research Funds.

The Vice-President, Research and Innovation, or successor thereof, is the Policy Owner and is responsible for overseeing the implementation, administrative and interpretation of these Procedures.

## **Procedures**

### **5. Roles and Responsibilities**

- 5.1 The Fund Holder has overall responsibility for the financial management of their Research Funds, including:
  - a) Ensuring that all expenditures are in accordance with Sponsor requirements and also comply with University policies, procedures, and agreements.
  - b) Regularly monitoring the financial status of Research Funds to ensure accuracy, appropriateness and ensuring sufficient funds exist to fund ongoing expenditures and commitments.
  - c) Adhere to Recovery Plans to address Over-Expenditures.
- 5.2 Finance has responsibility for:
  - a) Supporting Fund Holders in managing their Research Funds through the provision of: appropriate financial and program information, financial management tools, and advice on and interpretations of University and Sponsor policies and procedures.
  - b) Implementing appropriate and effective, policies, administrative systems, and controls to ensure that the research is conducted in compliance with all applicable financial management standards.
  - c) Notifying the Executive Director, Office of Research Services of any Fund Holders that have gone into an Over-Expenditure.
  - d) If an Over-Expenditure is identified, conducting an investigation of the Over-expenditure (Section 6.3) and developing a Recovery Plan, as appropriate in consultation, with the Fund Holder, Dean, Office of the Vice-President Research and Innovation.
  - e) Overseeing the implementation of Recovery Plans, as required.
- 5.3 Faculty Deans have responsibility for:
  - a) Addressing Over-Expenditure concerns/issues in a timely manner as brought forward by Research Accounting or the Office of the Vice-President, Research and Innovation with regard to specific Research Funds and/or Fund Holder(s).
  - b) Assisting with the development and implementation of Recovery Plans, as required.
  - c) Consulting with the Office of the Vice-President, Research and Innovation on Over-Expenditure matters as needed.

### **6. Monitoring**

- 6.1 Fund Holders are responsible for regularly monitoring the financial status of their Research Funds. Any concerns or questions regarding their Research Funds should be addressed to Finance, specifically, Research and Trust Accounting.
- 6.2 Finance, specifically, Research and Trust Accounting will monitor Research Funds on a regular basis and will report any financial concerns to the Fund Holder. Finance, specifically, Research and Trust Accounting will notify the Fund Holder when an Over-Expenditure occurs, with copy to the Dean and the Executive Director, Office of Research Services.

### **7.0 Investigation of Over-Expenditure**

- 7.1 Where an Over-Expenditure has occurred, Finance will perform an analysis to determine the factors that contributed to the Over-Expenditure. This analysis may include consulting the Fund Holder to (a) determine the cause of the Over-Expenditure, and (b) subject to section 10.1, identify possible sources of funding to address the Over-Expenditure.
- 7.2 Finance will provide the results of the investigation of the over-expenditure and any identified recommendations for resolving the Over-Expenditure to the Fund Holder, the Faculty Dean and the Executive Director, Office of Research Services.

### **8.0 Recovery Plan for an Over-Expenditure**

- 8.1 The results of the investigation for an Over-Expenditure (7.0) and any recommendations will be used to write a Recovery Plan. The following sources, in order of prioritization, will be used to fund the Recovery Plan:
- a) Transfer from other Research Funds held by the Fund Holder, as appropriate;
  - b) Use of the revenue received from the indirect costs of research allocated to the Fund Holder, Faculty Dean, the OVPRI, and the University in that order;
  - c) Operating funds of the Faculty, OVPRI, and other University or combination thereof, in that order.
  - d) Other Recovery Plan options may be considered, as appropriate, such as future repayment plans.
- 8.2 Finance in consultation with OVPRI will draft the written Recovery Plan as outlined in Sections 7.0 and 8.0. The final Recovery Plan will be circulated to the Fund Holder, Faculty Dean, and Executive Director, ORS. The Executive Director, ORS will work with appropriate stakeholders to implement the Recovery Plan.

### **9.0 Monitoring and review**

These Procedures will be reviewed as necessary and at least every three years.

### **11. Relevant legislation**

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### **12. Related policies, procedures & documents**

Policy on the Over-Expenditure of Research Funds

Policy and procedure on the Use of Internal Funds  
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  
Policy on Research Residual Funds  
Procedure on Research Residual Funds

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