Policy Report

TO: The University Community

DATE: September 1, 2026

FROM: Laura Rendl, Manager, Grants and Funding Programs
Office of Research Services

SUBJECT: Opportunity to comment: Residual Research Funds Policy & Procedure

OPPORTUNITY TO COMMENT:

Community members are invited to provide comments on the proposed amendments to the Residual Research Funds Policy and Procedures. Comments may be submitted using the Policy Feedback Form on the university's website. Comments will be accepted until September 15, 2026 at 3:00 pm.

BACKGROUND/CONTEXT & RATIONALE:

The Office of Research Services and Research Accounting/Finance have reviewed the Residual Research Funds Policy and Procedure. Updates have been made to align with the University's operating needs and provide clarity on the process and management of residual research funds.

OVERVIEW:

The policy and associated procedures outline the process for managing residual (unspent) funds from externally sponsored research grants and contracts. They ensure that residual research funds are managed responsibly at the end of a research project, after all obligations to the funder have been met, all revenue received and all direct and indirect expenditures related to the project have been incurred.

What's changed:

Revisions to the policy and associated procedure were reviewed by the VPRI, members of the Office of Research Services as well as Research Accounting and the Director of Financial

Operations. The policies and procedures regarding residual research funds of other Universities were examined during the revision process.

Policy:

- Missing definitions were added to the policy and aligned with terminology in other VPRI policies.
- Clarifies scope of policy. The policy does not apply to Tri-Agency funds, which are governed by the Tri-Agency Guide on Financial Administration (TAGFA).
- Moves procedural matters (ie. committee) out of the policy and into the procedure.

Procedure:

- Missing definitions were added to the procedure and aligned with terminology in the policy.
- Revisions in the Procedure outline the stages of setting up and managing Residual Research Funds with the use of subheadings.
- Revisions streamline and simplify the approval of lower value (up to $20,000) residual funds without requiring a committee which was in practice burdensome.
- Revisions clarify roles of Fund Holder, Research Accounting and ORS.

COMPLIANCE WITH POLICY/LEGISLATION:

The University is committed to providing a supportive research environment through promoting strong financial management practices in compliance with relevant Sponsor terms and conditions, University policies and procedures and Generally Acceptable Accounting Principles. The revised policy and procedure ensure that residual research funds are managed responsibly under the appropriate financial framework at the University.

CONSULTATION AND NEXT STEPS:

Amendments to the policy will be subject to the following consultation and approval process:

- Policy Advisory Committee (Policy Assessment)
- Online Consultation (Written Consultation)
- Research Committee
- Academic Council (Face to Face Consultation)
- Senior Leadership Team (Deliberation)
- President (Approval)

SUPPORTING REFERENCE MATERIALS:

· Appendix 1: Draft Policy on Residual Research Funds

· Appendix 2: Draft Procedure on Residual Research Funds

Classification Number	*ADM 1307*
Framework Category	*Administrative*
Approving Authority	*Senior Leadership Team*
Policy Owner	Vice-President, Research and Innovation
Approval Date	~~February 22, 2016~~DRAFT FOR REVIEW
Review Date	February 2019
Supersedes	

POLICY ON ~~RESEARCH~~ RESIDUAL RESEARCH FUNDS

PURPOSE

1. ~~The University is responsible for the stewardship and administration of all Research Funds received by the University and to ensure compliance with Sponsor terms and conditions and University policies and procedures.~~ The purpose of this Policy is to outline the proves for ~~establish the University guidelines, procedure and processes and outline the responsibilities in identifying, recording and~~ managing ~~the use of research~~ ~~r~~Residual (unspent) f~~F~~unds from externally sponsored research grants and contracts.

DEFINITIONS

2. For the purposes of this Policy the following definitions apply:

"End Date" means the date when a grant or contract has reached the end of its term, usually identified within the grant and contract documents or communicated by the Sponsor in writing.

"Fund Holder" means ~~an~~ the individual responsible and accountable for the management and use of a Research Fund.

"General Internally Restricted Residual Fund" means an account established under the management of the VPRI, to hold Residual Research Funds to support University research activities.

"Internally Restricted Residual Fund" means an account established to hold Residual Research Funds ~~with spending terms and conditions stipulated by the Residual Fund Governance Committee~~.

"Research Fund~~s~~" 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.

"Residual Research Funds" means the unspent balance ~~of~~ within a Research Fund at the End Date or termination of the project after ~~the project has been completed with all terms and conditions~~all obligations have been met, all revenue fully received and all direct and indirect expenditures related to the project have been incurred.

"Sponsor" means the ~~provider of funds for research activities, including both external and internal sources~~organization, company, agency, etc., that has provided research funds to the University by means of a research grant or contract.

"Tri-Agency" means the Natural Sciences and Engineering Research Council of Canada (NSERC), the Social Sciences and Humanities Research Council (SSHRC), and the Canadian Institutes of Health Research (CIHR).

SCOPE AND AUTHORITY

3. This Policy applies to ~~external~~ unspent Research Funds that are not required to be returned to the Sponsor at the End Date of the grant or contract~~where the funding agreement is unclear regarding the disposition of a surplus~~.

4. This policy does not apply to residual Tri-Agency funds, which are governed according to the Tri-Agency Guide on Financial Administration (TAGFA).

~~**4.** The Residual Fund Governance Committee comprising of: The Vice-President, Research, Innovation and International (VPRII), Director of Research Services, the Vice-President, Administration (or designate), and two Faculty Researchers, is responsible for overseeing the implementation, administration and interpretation of this Policy.~~

5. ~~Research and Trust Accounting will ensure financial systems are in place to support this Policy and to provide timely financial information to the Fund Holder in managing their Research Fund balances.~~The Vice-President, Research and Innovation (VPRI), or successor thereof, is the Policy Owner and is responsible for overseeing the implementation, administration and interpretation of this Policy.

POLICY

The University is committed to providing a supportive research environment through promoting strong financial management practices in compliance with relevant Sponsor terms and conditions, University policies and procedures and Generally Acceptable Accounting Principles. To this end, the University will ensure that the appropriate financial framework is in place to control Residual Research Funds.

6. General

6.1. Residual Research Funds will be deemed eligible for transfer~~rable~~ to an I~~i~~nternally R~~r~~estricted Residual F~~f~~und (IRRF) if any of the following occurs:

a) The ~~Agreement or~~ award letter or contract indicates that the Residual Research Funds ~~remaining fund~~ do~~es~~ not have to be returned to the Sponsor.

b) ~~Agreement or~~The award letter or contract is silent on the Residual Research Funds~~surplus, no financial report is required~~ and the Sponsor has not asked for the return of the unspent balance.

~~**c)** Agreement or award letter is silent on the surplus, a financial report may be required but the remaining balance is below the threshold of 10% of the total value of the grant or contracted fund. In this instance, the Residual Fund Governance Committee will review and determine disposition of funds.~~

~~d)~~c) The ~~research project~~ Sponsor's contributions are based on the payment of a fixed fee or per diem ~~basis such as a clinical trial~~to the University. After completion of research, and after all the Sponsor 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.

6.2. When the conditions for Residual Research Funds are met, the current Research Fund will be closed. If an indirect cost recovery is applicable on the residual balance, those indirect costs will be transferred to the appropriate entity.

~~6.2.~~6.3. Residual Research Funds will be ~~When any of the above condition is met, the Residual Fund Governance Committee will determine whether the fund should be~~ transferred to an IRRF ~~nternally Restricted Residual Fund~~ to be used by the Fund Holder, or to the University's~~a~~ General Internally Restricted Residual Fund (GIRRF), ~~. The basis for this determination will be set out in the Terms of Reference of the Residual Fund Governance Committee. This process will include input from the Fund Holder and the Dean~~in accordance with the Procedure for Residual Research Funds.

~~6.3.~~6.4. ~~The General Internally Restricted Residual Fund will be administered by the Residual Fund Governance Committee and be used for the innovation and initiation of research at the university, as specified in Appendix A of the Procedure and within the time frame stipulated~~IRRFs must be used to advance and enhance research initiatives at Ontario Tech University and will be subject to all relevant University policies and compliance requirements (i.e. ethics certifications).

6.5. Once established, an IRRF will not be permitted to go into deficit.

~~6.4.~~6.6. At the time of termination of employment or termination of academic appointment of the Fund Holder, unspent balances in an IRRF will be transferred to the GIRRF.

MONITORING AND REVIEW

7. This Policy will be reviewed as necessary and at least every three years. The Vice-President, Research and Innovation, or successor thereof, is the Policy Lead and is responsible to monitor and review this Policy.

RELEVANT LEGISLATION

8. This section intentionally left blank.

RELATED POLICIES, PROCEDURES & DOCUMENTS

9. Procedure on Residual Research Funds

~~9.~~ 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

Intellectual Property Policy

Procurement Policy

Procurement Procedures

Signing Authority Policy

Signing Authority and Approval Procedure

Expense Policy

Expense Procedures

Policy on Over-Expenditure of Research Funds

Policy on the Use of Internal Research Funds

Classification Number	*ADM 1307.01*
Parent Policy	Policy on Research Residual Funds
Framework Category	*Administrative*
Approving Authority	*Chief Financial Officer*
Policy Owner	Vice-President, Research and Innovation
Approval Date	~~February 26, 2016~~DRAFT FOR REVIEW
Review Date	February 2019
Supersedes	

PROCEDURE ON RESIDUAL RESEARCH ~~RESIDUAL~~ FUNDS

PURPOSE

1. The purpose of these Procedures is to ~~ensure clarity and consistency in~~outline the management and use of ~~Internally Restricted~~ Residual Research Funds.

DEFINITIONS

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

"Deferred Contributions" means the unspent portion of a Sponsor's contribution that is external restricted and is a liability to the institution.

"End Date" means the date when a grant or contract has reached the end of its term, usually identified within the grant and contract documents or communicated by the Sponsor in writing.

~~**"FReN"** means an internal document summarizing the specifics of a grant such as, but not limited to, the name of the PI, start and end date of the grant, use of fund and reporting requirements.~~

"Fund Holder" means an individual responsible and accountable for the management and use of a R~~r~~esearch F~~f~~und.

"General Internally Restricted Residual Fund" means an account established under the management of the VPRI, to hold Residual Research Funds to support University research activities.

"Internally Restricted Residual Fund" means an account established to hold ~~residual fund with spending terms and conditions stipulated by the~~ Residual Research Funds ~~Governance Committee~~.

"Internally Restricted Net Assets" means the unspent contribution which is an asset to the institution and is internally restricted.

"Research Fund" 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.

"Residual Research Funds" means the unspent balance within a Research Fund at the End Date or termination of the project after all obligations have been met, all revenue fully received, and all direct and indirect expenditures related to the project have been incurred.

"Sponsor" means the organization, company, agency, etc., that has provided~~r~~ research~~of~~ funds to the University, by means of a ~~for~~ research grant or contract~~activities, including both external and internal sources~~.

SCOPE AND AUTHORITY

3. These Procedures apply to unspent~~external~~ Research Funds that are not requires to be returned to the Sponsor at the End Date of the grant or contract.~~where the funding agreement is unclear regarding the disposition of a surplus.~~

4. The ~~Residual Fund Governance Committee~~Vice-President, Research and Innovation (VPRI), or successor thereof, is the Policy Owner and is responsible for overseeing the implementation, administration and interpretation of these Procedures.

PROCEDURES

5. ~~**General**~~**Research Fund Closure**

~~5.1. Research Accounting will contact the Fund Holder to ensure all relevant expenses to the grant and contract have been charged appropriately and have been reported in accordance with the terms, conditions and end date stipulated in the grant or agreement.~~

~~5.2.~~5.1. Research Accounting will close a Research Fund within, but not more than 90 days after the End Date~~expiry date of the grant or contract. The guidelines and criteria established in the procedures will be used to determine if any remaining funds should be returned to the funding agency or considered as Internally Restricted Residual Funds~~.

5.2. Residual Research Funds may be transferred to a Residual Research Account once the Fund is closed and the following conditions have been confirmed by the Fund Holder, Research Accounting, and the Office of Research Services (ORS):

- **a)** All eligible expenses have been properly charged and reported in accordance with the Sponsor's requirements.
- **b)** All deliverables associated with the grant or contract have been accepted by the Sponsor, and the grant or contract has reached its End Date.
- **c)** The Sponsor does not require the return of any unspent funds.

5.3. Once eligible Residual Research Funds have been identified, as outlined in section 5.2, Research Accounting will notify the Fund Holder by email—copying ORS—that they have 30 days to submit a request to ORS (outlined in Section 6) to have the Residual balance transferred to an Internally Restricted Residual Fund to be used by the Fund Holder for research purposes at the University. Fund Holders may request an extension if they are unable to respond within the 30-day period due to a justified reason (e.g., medical or parental leave).

5.4. If the Fund Holder chooses not to request access to the Residual Research Funds, Research Accounting will transfer the remaining balance to the General Internally Restricted Residual Fund (GIRRF).

5.5. If the Fund Holder fails to submit a formal request after one reminder email – sent by Research Accounting at 10 days following the initial deadline – the Residual Research Funds will be transferred to the GIRRF.~~Upon determination that the remaining funds should not be returned to the sponsor, Research Accounting will notify the Fund Holder and the Residual Fund Governance Committee by communicating to Director of Office of Research Services of the residual balance and that the funds should be treated as Internally Restricted Residual Funds.~~

~~5.3.~~6. Request to open an Internally Restricted Residual Fund (IRRF)

~~**5.4.** The Research Residual fund will be reviewed by the Residual Fund Governance Committee to determine and approve how much of those funds will be transferred to the Fund Holder, and how much will be transferred to the General Internally Restricted Residual Fund. The committee will convene as needed.~~

6.1. The Fund Holder~~s~~ must submit ~~will be required to present~~ a written plan to ORS justifying the need and proposed use of the funds, a budget breakdown outlining the timeline and use of the R~~r~~esidual Research F~~f~~unds.

~~5.5.~~6.2. Requests to transfer $20,000 or less to an IRRF will be reviewed and subject to the approval of the VPRI or designate.

6.3. Requests to transfer more than $20,000 to an IRRF will be reviewed by a committee assembled by the VPRI, consisting of the Executive Director, Research Services, the Faculty Dean and additional faculty members (if required by the VPRI).

6.4. Residual Research Funds must be applied to any Fund Holder deficits before requests to move funds to IRRF will be considered.

6.5. If approved, the VPRI or committee (if applicable) will establish restrictions to be placed on the use of the IRRF and approve the end date for the use of the funds. IRRFs approved with $20,000 or less will normally not exceed one year.

6.6. The decision of the VPRI/committee and terms covering the use of the IRRF, if approved, will be communicated in writing to the PI and Research Accounting by ORS.

6.7. IRRFs must be used to advance and enhance research initiatives at Ontario Tech University and will be subject to all relevant University policies and compliance requirements (i.e. ethics certifications).

6.8. The Research Residual Funds that are deemed to be internally restricted will be changed by Research Accounting from Deferred Contributions on the University's financial statements to Internally Restricted New Assets.

7. Management of the Residual Research Fund Account

7.1. Residual Research Funds will be held in an IRRF for a pre-defined period. Unspent funds remaining at the end of this period will be transferred to the University's GIRRF unless an extension of the period is granted by ORS.

7.2. Should the Fund Holder leave the University and/or is no longer eligible to hold an Internally Restricted Residual Fund, any funds remaining in IRRF will be transferred to the University's GIRRF.

7.3. Where an IRRF has been inactive for 12 months, Research Accounting will provide notice to the Fund Holder – copying ORS – of the date that the funds will be transferred out of the account if the account continues to be inactive.

7.4. When an IRRF remains inactive for 18 months or more, the balance of the account will be transferred to the University GIRRF.

8. Residual Research Fund Account Eligible Expenses

8.1. Funds held in the IRRF must be used to support research activities and shall follow University policies and procedures governing eligible research expenditures.

8.2. Salary and stipend payments to the Fund Holder or other faculty members are not eligible expenditures.

8.3. All equipment and other assets purchased using these funds are the property of Ontario Tech University.

8.4. IRRFs are not permitted to go into a deficit.

~~**5.6.** The Internally Restricted Residual Fund must be used by the Fund Holder to continue the current research program and/or assist the Fund holder in developing a new research project. The Residual Fund Governance Committee will establish restrictions to be placed on the use of Internally Restricted Residual Fund and approve the end date for the use of the funds.~~

~~**5.7.** The Fund Holder, within 30 days after notification, should inform the Office of Research Services (Via an application form) of his/her proposal to use the fund balance for research purposes at the university. In the event the Fund holder is unable to provide a plan within the specified time frame, the residual research balance will be transferred to the General Internally Restricted Residual Fund.~~

~~**5.8.** Office of Research Services will notify Research Accounting of the Residual Fund Governance Committee decision. When the decision is to create an Internally Restricted Fund for the Fund Holder's use, Office of Research Services will provide relevant documents such as FReN, compliance requirements, the terms and conditions for the use of the residual fund and the end date. When the decision is to transfer to the General Internally Restricted Residual Fund, Research Accounting will transfer the residual balance to the General Internally Restricted Residual Fund.~~

~~**5.9.** Any unspent balance in the Internally Restricted Residual Fund created for the Fund Holder, after the end date, will be transferred to the General Internally Restricted Residual Fund.~~

~~**5.10.** If the Fund Holder leaves the University the unspent Internally Restricted Residual Fund remains with the University.~~

~~**5.11.** The Research Residual Funds that are deemed to be internally restricted by the Residual Funds Governance Committee, will be changed from Deferred Contributions on the University's financial statements to Internally Restricted Net Assets.~~

~~5.12. Residual Research Funds may be transferred to a Residual Research Account once the Fund is closed and the following conditions have been confirmed by the Fund Holder, Research Accounting, and the Office of Research Services (ORS):~~

~~a) All eligible expenses have been properly charged and reported in accordance with the Sponsor's requirements.~~

~~b) All deliverables associated with the grant or contract have been accepted by the Sponsor, and the grant or contract has reached its End Date.~~

~~c) The Sponsor does not require the return of any unspent funds.~~

~~5.13. Once eligible Residual Research Funds have been identified, as outlined in section 5.2, Research Accounting will notify the Fund Holder by email—copying ORS—that they have 30 days to submit a request to ORS (outlined in Section 6) to have the Residual balance transferred to an Internally Restricted Residual Fund to be used by the Fund Holder for research purposes at the University. Fund Holders may request an extension if they are unable to respond within the 30-day period due to a justified reason (e.g., medical or parental leave).~~

~~5.14. If the Fund Holder chooses not to request access to the Residual Research Funds, Research Accounting will transfer the remaining balance to the General Internally Restricted Residual Fund (GIRRF).~~

~~5.15. If the Fund Holder fails to submit a formal request after two reminder emails – sent by Research Accounting at 10 days and 20 days following the initial deadline - the Residual Research Funds will be transferred to the GIRRF.~~

MONITORING AND REVIEW

~~6.~~9. These Procedures will be reviewed as necessary and at least every three years. The ~~Vice-President, Research and Innovation~~VPRI, or successor thereof, is responsible to monitor and review these Procedures.

RELEVANT LEGISLATION

~~7.~~10. This section intentionally left blank.

RELATED POLICIES, PROCEDURES & DOCUMENTS

~~8.~~11. Policy on ~~Research~~ Residual Research 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

Intellectual Property Policy

Procurement Policy

Procurement Procedures

Signing Authority Policy

Signing Authority and Approval Procedure

Expense Policy

Expense Procedures

Policy on Over-Expenditure of Research Funds

Policy on the Use of Internal Research Funds

Classification Number	*ADM 1307*
Framework Category	*Administrative*
Approving Authority	*Senior Leadership Team*
Policy Owner	Vice-President, Research and Innovation
Approval Date	DRAFT FOR REVIEW
Review Date	February 2019
Supersedes	

POLICY ON RESIDUAL RESEARCH FUNDS

PURPOSE

1. The purpose of this Policy is to outline the process for managing residual (unspent) funds from externally sponsored research grants and contracts.

DEFINITIONS

2. For the purposes of this Policy the following definitions apply:

"End Date" means the date when a grant or contract has reached the end of its term, usually identified within the grant and contract documents or communicated by the Sponsor in writing.

"Fund Holder" means the individual responsible and accountable for the management and use of a Research Fund.

"General Internally Restricted Residual Fund" means an account established under the management of the VPRI, to hold Residual Research Funds to support University research activities.

"Internally Restricted Residual Fund" means an account established to hold Residual Research Funds.

"Research Fund" 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.

"Residual Research Funds" means the unspent balance within a Research Fund at the End Date or termination of the project after all obligations have been met, all revenue fully received and all direct and indirect expenditures related to the project have been incurred.

"Sponsor" means the organization, company, agency, etc., that has provided research funds to the University by means of a research grant or contract.

"Tri-Agency" means the Natural Sciences and Engineering Research Council of Canada (NSERC), the Social Sciences and Humanities Research Council (SSHRC), and the Canadian Institutes of Health Research (CIHR).

SCOPE AND AUTHORITY

3. This Policy applies to unspent Research Funds that are not required to be returned to the Sponsor at the End Date of the grant or contract.

4. This policy does not apply to residual Tri-Agency funds, which are governed according to the Tri-Agency Guide on Financial Administration (TAGFA).

5. The Vice-President, Research and Innovation (VPRI), or successor thereof, is the Policy Owner and is responsible for overseeing the implementation, administration and interpretation of this Policy.

POLICY

The University is committed to providing a supportive research environment through promoting strong financial management practices in compliance with relevant Sponsor terms and conditions, University policies and procedures and Generally Acceptable Accounting Principles. To this end, the University will ensure that the appropriate financial framework is in place to control Residual Research Funds.

6. General

6.1. Residual Research Funds will be deemed eligible for transfer to an Internally Restricted Residual Fund (IRRF) if any of the following occurs:

- **a)** The award letter or contract indicates that the Residual Research Funds do not have to be returned to the Sponsor.
- **b)** The award letter or contract is silent on the Residual Research Funds and the Sponsor has not asked for the return of the unspent balance.
- **c)** The Sponsor's contributions are based on the payment of a fixed fee or per diem to the University. After completion of research, and after all the Sponsor terms and conditions are met, it is implicit that the Sponsor does not have a claim of ownership for any unspent funds.

6.2. When the conditions for Residual Research Funds are met, the current Research Fund will be closed. If an indirect cost recovery is applicable on the residual balance, those indirect costs will be transferred to the appropriate entity.

6.3. Residual Research Funds will be transferred to an IRRF to be used by the Fund Holder, or to the University's General Internally Restricted Residual Fund (GIRRF), in accordance with the Procedure for Residual Research Funds.

6.4. IRRFs must be used to advance and enhance research initiatives at Ontario Tech University and will be subject to all relevant University policies and compliance requirements (i.e. ethics certifications).

6.5. Once established, an IRRF will not be permitted to go into deficit.

6.6. At the time of termination of employment or termination of academic appointment of the Fund Holder, unspent balances in an IRRF will be transferred to the GIRRF.

MONITORING AND REVIEW

7. This Policy will be reviewed as necessary and at least every three years. The Vice-President, Research and Innovation, or successor thereof, is the Policy Lead and is responsible to monitor and review this Policy.

RELEVANT LEGISLATION

8. This section intentionally left blank.

RELATED POLICIES, PROCEDURES & DOCUMENTS

9. Procedure on Residual Research 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

Intellectual Property Policy

Procurement Policy

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Signing Authority Policy

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Policy on Over-Expenditure of Research Funds

Policy on the Use of Internal Research Funds

Classification Number	*ADM 1307.01*
Parent Policy	Policy on Research Residual Funds
Framework Category	*Administrative*
Approving Authority	*Chief Financial Officer*
Policy Owner	Vice-President, Research and Innovation
Approval Date	DRAFT FOR REVIEW
Review Date	February 2019
Supersedes	

PROCEDURE ON RESIDUAL RESEARCH FUNDS

PURPOSE

1. The purpose of these Procedures is to outline the management and use of Residual Research Funds.

DEFINITIONS

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

"Deferred Contributions" means the unspent portion of a Sponsor's contribution that is external restricted and is a liability to the institution.

"End Date" means the date when a grant or contract has reached the end of its term, usually identified within the grant and contract documents or communicated by the Sponsor in writing.

"Fund Holder" means an individual responsible and accountable for the management and use of a Research Fund.

"General Internally Restricted Residual Fund" means an account established under the management of the VPRI, to hold Residual Research Funds to support University research activities.

"Internally Restricted Residual Fund" means an account established to hold Residual Research Funds.

"Internally Restricted Net Assets" means the unspent contribution which is an asset to the institution and is internally restricted.

"Research Fund" 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.

"Residual Research Funds" means the unspent balance within a Research Fund at the End Date or termination of the project after all obligations have been met, all revenue fully received, and all direct and indirect expenditures related to the project have been incurred.

"Sponsor" means the organization, company, agency, etc., that has provided research funds to the University, by means of a research grant or contract.

SCOPE AND AUTHORITY

3. These Procedures apply to unspent Research Funds that are not requires to be returned to the Sponsor at the End Date of the grant or contract.

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

PROCEDURES

5. Research Fund Closure

5.1. Research Accounting will close a Research Fund within, but not more than 90 days after the End Date.

5.2. Residual Research Funds may be transferred to a Residual Research Account once the Fund is closed and the following conditions have been confirmed by the Fund Holder, Research Accounting, and the Office of Research Services (ORS):

a) All eligible expenses have been properly charged and reported in accordance with the Sponsor's requirements.

b) All deliverables associated with the grant or contract have been accepted by the Sponsor, and the grant or contract has reached its End Date.

c) The Sponsor does not require the return of any unspent funds.

5.3. Once eligible Residual Research Funds have been identified, as outlined in section 5.2, Research Accounting will notify the Fund Holder by email—copying ORS—that they have 30 days to submit a request to ORS (outlined in Section 6) to have the Residual balance transferred to an Internally Restricted Residual Fund to be used by the Fund Holder for research purposes at the University. Fund Holders may request an extension if they are unable to respond within the 30-day period due to a justified reason (e.g., medical or parental leave).

5.4. If the Fund Holder chooses not to request access to the Residual Research Funds, Research Accounting will transfer the remaining balance to the General Internally Restricted Residual Fund (GIRRF).

5.5. If the Fund Holder fails to submit a formal request after one reminder email – sent by Research Accounting at 10 days following the initial deadline – the Residual Research Funds will be transferred to the GIRRF.

6. Request to open an Internally Restricted Residual Fund (IRRF)

6.1. The Fund Holder must submit a written plan to ORS justifying the need and proposed use of the funds, a budget breakdown outlining the timeline and use of the Residual Research Funds.

6.2. Requests to transfer $20,000 or less to an IRRF will be reviewed and subject to the approval of the VPRI or designate.

6.3. Requests to transfer more than $20,000 to an IRRF will be reviewed by a committee assembled by the VPRI, consisting of the Executive Director, Research Services, the Faculty Dean and additional faculty members (if required by the VPRI).

6.4. Residual Research Funds must be applied to any Fund Holder deficits before requests to move funds to IRRF will be considered.

6.5. If approved, the VPRI or committee (if applicable) will establish restrictions to be placed on the use of the IRRF and approve the end date for the use of the funds. IRRFs approved with $20,000 or less will normally not exceed one year.

6.6. The decision of the VPRI/committee and terms covering the use of the IRRF, if approved, will be communicated in writing to the PI and Research Accounting by ORS.

6.7. IRRFs must be used to advance and enhance research initiatives at Ontario Tech University and will be subject to all relevant University policies and compliance requirements (i.e. ethics certifications).

6.8. The Research Residual Funds that are deemed to be internally restricted will be changed by Research Accounting from Deferred Contributions on the University's financial statements to Internally Restricted New Assets.

7. Management of the Residual Research Fund Account

7.1. Residual Research Funds will be held in an IRRF for a pre-defined period. Unspent funds remaining at the end of this period will be transferred to the University's GIRRF unless an extension of the period is granted by ORS.

7.2. Should the Fund Holder leave the University and/or is no longer eligible to hold an Internally Restricted Residual Fund, any funds remaining in IRRF will be transferred to the University's GIRRF.

7.3. Where an IRRF has been inactive for 12 months, Research Accounting will provide notice to the Fund Holder – copying ORS – of the date that the funds will be transferred out of the account if the account continues to be inactive.

7.4. When an IRRF remains inactive for 18 months or more, the balance of the account will be transferred to the University GIRRF.

8. Residual Research Fund Account Eligible Expenses

8.1. Funds held in the IRRF must be used to support research activities and shall follow University policies and procedures governing eligible research expenditures.

8.2. Salary and stipend payments to the Fund Holder or other faculty members are not eligible expenditures.

8.3. All equipment and other assets purchased using these funds are the property of Ontario Tech University.

8.4. IRRFs are not permitted to go into a deficit.

MONITORING AND REVIEW

9. These Procedures will be reviewed as necessary and at least every three years. The VPRI, or successor thereof, is responsible to monitor and review these Procedures.

RELEVANT LEGISLATION

10. This section intentionally left blank.

RELATED POLICIES, PROCEDURES & DOCUMENTS

11. Policy on Residual Research 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

Intellectual Property Policy

Procurement Policy

Procurement Procedures

Signing Authority Policy

Signing Authority and Approval Procedure

Expense Policy

Expense Procedures

Policy on Over-Expenditure of Research Funds

Policy on the Use of Internal Research Funds