

Tri-Agency Principles Based Approach



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Tri-Agency Renewal Initiative: Background

- In 2017, CIHR, NSERC and SSHRC launched renewal initiative to streamline and simplify the administration and use of grant funds through updates to the Tri-Agency Guide on Financial Administration (TAGFA)
- Response to feedback received from stakeholders regarding inefficiencies and unnecessary burden imposed by the TAGFA policies and guidelines

Tri-Agency Renewal Initiative: Background

Purpose of renewal:

- Increase trust in grant recipients and administering institutions;
- Support harmonization efforts within the three Agencies, as highlighted in Canada's Fundamental Science Review Report, 2017;
- Apply a partnership approach with its stakeholders (Institutions, Research Administrators, Researchers) in renewal of the various stages of post-award administration.

Tri-Agency Renewal Initiative: Objective

- Move to a more client-centric, flexible approach for the administration and use of grant funds;
- Renew the Tri-Agency partnership approach to financial monitoring activities with the administering institutions;
- Reduce burden and increase effectiveness of post-award administration (grant recipients & administering institutions)

Tri-Agency Guide on Financial Administration: Objective

- Streamline and simplify the administration and use of grant funds
- Promote efficiencies and reduce administrative burden
- Clarify accountability of stakeholders
- Achieve balance between compliance and flexibility
- Maximize use of existing institutional policies, processes and controls

Tri-Agency Guide on Financial Administration (TAGFA)

- Principles based approach takes effect April 1, 2020
- Tri-Agency Principles Based Guide sets out directives, overarching principles, and roles and responsibilities
- Tri-Agency will rely on internal controls and risk frameworks of individual institutions to ensure appropriateness and consistency



Four Tri-Agency Principles

Principles

- Directly related to the funded research
- Not provided by the institution
- Effective and economical
- Not result in personal gain

****Order of Precedence for 'Appropriate Use':***

Some Tri-Agency programs explicitly allow/disallow specified expenses in their funding opportunity detail.

Any special expense eligibility rules for a funding program ***take precedence*** over the Guide.

Tri-Agency - Definitions

Effective and Economical

- Achieves intended outcome with due regard for minimizing cost by avoiding unnecessary expense
- Optimizes use of funds (does not necessarily mean the “lowest cost”).

Personal Gain

- Using grant funds to serve an individual’s interests or attain a personal advantage and/or profit that outweighs the benefit to the grant-funded research/activities

Tri-Agency Direct versus Indirect Costs

Direct Costs

- Essential expenditures that would not have been incurred had grant not been undertaken
- Can be directly assigned to grant activities with a high degree of accuracy
- Examples: salaries and benefits of research personnel, equipment, consumables, travel etc.

Tri-Agency Direct versus Indirect Costs

Indirect Costs

- Also known as overhead
- Expenditures incurred in the conduct of research that are not directly attributed to a specific research effort
- Examples: utilities, research services, legal and financial administrations, environmental health and safety services, IT services, department administrative support

TAGFA Roles & Responsibilities

Tri-Agency

- Set out the general terms and conditions for the appropriate use of grant funds.
- Communicate and consult with the institution on the introduction of new policies or changes to existing policies.
- Make funds available to grant recipients in a timely manner.
- Conduct periodic reviews of the use and administration of grant funds.
- Oversee approval of changes to grant administration that have financial implications for the tri-Agency.
- Terminate a grant when Tri-Agency requirements can no longer be met.

TAGFA Roles & Responsibilities

Administering Institutions

- Develop and implement effective policies, administrative systems, procedures, and controls to oversee the appropriate use of grant funds and to ensure compliance with relevant Tri-Agency policies and agreements.
- Monitor the eligibility of its recipients throughout the term of the grant and inform the relevant agency of any change.
- Withhold or withdraw approval of expenditures that contravene a Tri-Agency or institutional policy, or the terms and conditions of the grant.

TAGFA Roles & Responsibilities

Administering Institutions

- Provide training on the institution's policies and practices with respect to the Tri-Agency grant administration.
- Provide adequate physical and organizational infrastructure for the conduct of research, research training and other funded activities.
- Oversee and submit grant amendment requests to the relevant Agency.
- Keep complete and accurate records, and report on the use of Tri-Agency funding.

TAGFA Roles & Responsibilities

Grant recipients and delegates

- Conduct research in manner that adheres to Tri-Agency Framework: Responsible Conduct of Research
- Hold authority to use grant funds in accordance with Agencies' principles and directives as outlined in TAGFA
- Delegate to others authority to use grant funds (grant recipient only)
- Authorize grant expenditures and any changes or adjustments made to grant recipient's grant account

Tri-Agency Directives

Directives = mandatory requirements established to provide framework for administering institutions and grant recipients to exercise sound judgement and due diligence in their decision-making process concerning use of Agency grant funds:

1. Employment and compensation expenditures
2. Goods and services expenditures
3. Travel and travel-related subsistence expenditures
4. Hospitality expenditures
5. Gifts, honoraria and incentives



Employment and Compensation Expenses

- Individuals employed to work on funded research/activities can be compensated from the grant funds, **with the following exceptions:**
 - Grant recipients or individuals who conduct research independently as part of the terms and conditions of their employment;
 - Individuals expected to work on the funded research/activities free of charge;
 - Individuals employed and compensated by another organization for the time spent on the funded research/activities.

(Grant funds can be used to reimburse the organization for costs incurred in compensating the individual for time spent on the grant activities.)

- International Researchers can be compensated from grant funds provided their employer attests that the individual is not being compensated for their time spent on the grant funded research/activities.

Employment and Compensation Expenses

- The employer's portion of mandatory compensation benefits can be paid from the grant funds.
- Only the portion of mandated severance pay for the period the individual worked on the current grant will be paid from grant funds.

Goods and Services Expenditures

- Goods and services expenditures can be paid from the grant funds.
- Tri-Agency grant funds must not be used to pay consulting fees to:
 - Grant recipients or individuals who conduct research independently as part of the terms and conditions of their employment;
 - Individuals expected to work on the funded research/activities free of charge.

Travel and Travel-Related Subsistence Expenditures

- All travel and travel-related subsistence expenditures must be claimed in accordance with the administering institution's relevant policies and processes.
- Such expenditures, including reasonable out-of-pocket expenses, can be claimed for the grant recipient and other individuals who contribute to the funded research/activities.
- Expenditures must be authorized by the right level of authority.
- The cost of alcoholic beverages cannot be reimbursed from Agency grant funds.

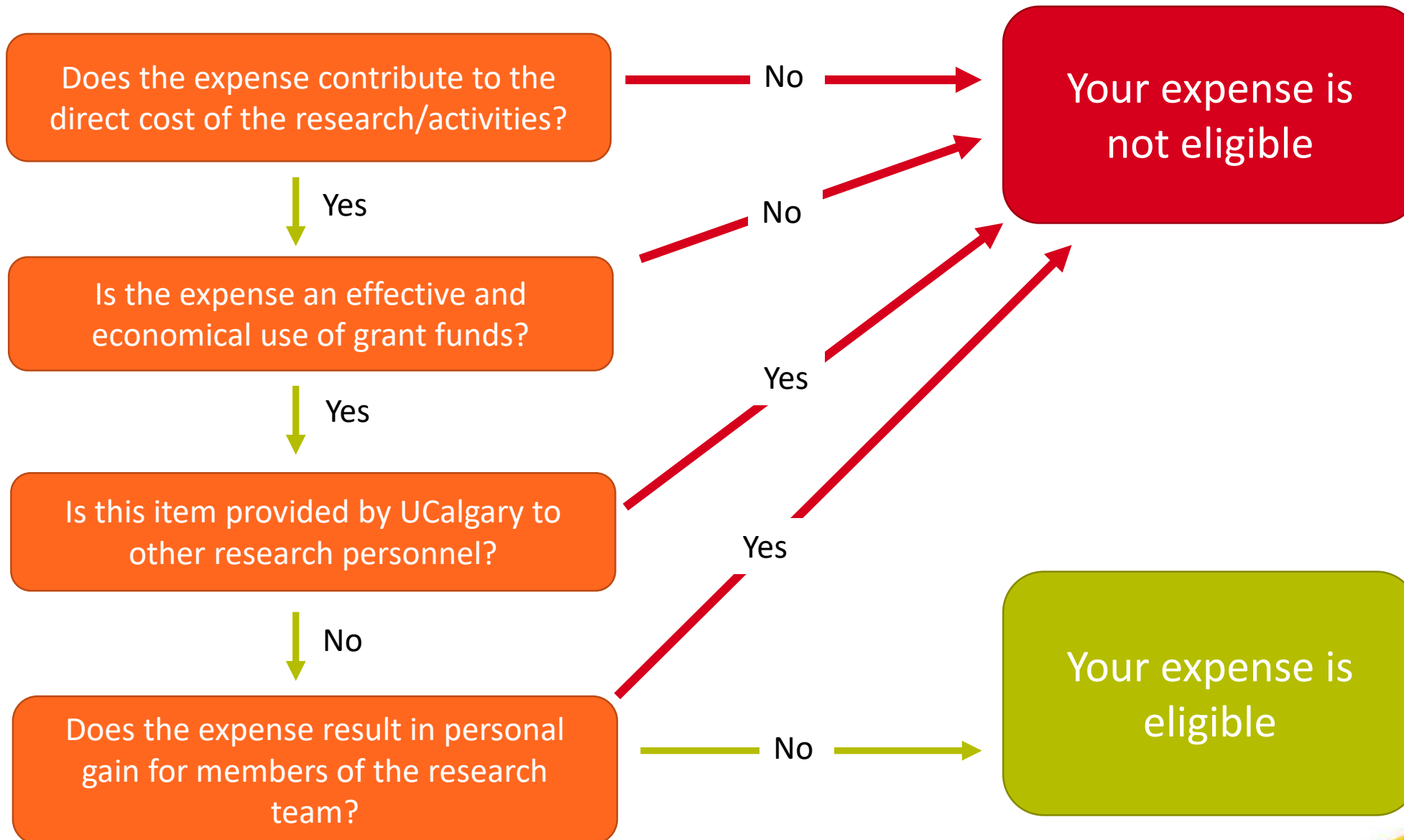
Hospitality Expenditures

- Hospitality costs (non-alcoholic refreshments and/or meals) must be directly related to the funded research and be incurred for:
 - Networking purposes provided in the context of a formal courtesy or as a form of cultural respect;
 - Activities in the context of assemblies or gatherings that facilitate and contribute to achieving the research objectives.
 - Where one or more of the individuals participating is not a member of the research team and not involved in the day-to-day funded research/activities.
- Tri-Agency grant funds cannot be used to reimburse:
 - The cost of alcoholic beverages
 - Costs incurred for interactions between participants involved in day-to-day funded research/activities

Gifts, Honoraria and Incentives

- Gifts, honoraria and incentives can be offered to an individual or group:
 - When participation is voluntary;
 - As a “thank you” for a service for which fees are not traditionally paid;
 - As a token of appreciation, respect and/or goodwill:
 - When prescribed by cultural heritage/established traditions;
 - As a formal courtesy.
- Gifts, honoraria and incentives cannot be offered to:
 - Tri-Agency grant recipients;
 - A member of the grant team.
- The provision of gifts and incentives to participants requires the prior approval of the administering institution’s Research Ethics Board.

How do I know if my expense is eligible?



Tri-Agency Financial Administration

- Review the full guide, read Frequently Asked Questions, and get background information on the Tri-Agency website:

https://www.nserc-crsng.gc.ca/InterAgency-Interorganismes/TAFA-AFTO/index_eng.asp

Feedback - Pilot Institutions

- Business as usual for grant recipients – what was eligible before is still eligible
- Reduced administrative burden
- Increase in researcher satisfaction
- Improved turnaround time for transaction processing

Key Contacts

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Questions

