Tri-Agency Principles Based Approach

Le Ha Lewis
Director, Research Accounting
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)
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

• 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.
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?

1. Does the expense contribute to the direct cost of the research/activities?
   - No
   - Yes

2. Is the expense an effective and economical use of grant funds?
   - No
   - Yes

3. Is this item provided by UCalgary to other research personnel?
   - No
   - Yes

4. Does the expense result in personal gain for members of the research team?
   - No
   - Yes

Your expense is not eligible

Your 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

Integrated Service Centre (ISC)
  Main Campus Math Science 773
  Foothills Campus Health Sciences G204
  403-220-8800
  rtahelp@ucalgary.ca
Questions