



# **TRI-AGENCY GUIDE ON FINANCIAL ADMINISTRATION (TAGFA) SUPPLEMENT**

**Research Accounting, Financial Services**

## **BACKGROUND**

The Canadian Institutes of Health Research (CIHR), the Natural Sciences and Engineering Research Council of Canada (NSERC), and the Social Sciences and Humanities Research Council of Canada (SSHRC), collectively referred to as the “Tri-Agencies”, implemented the new [Tri-Agency Guide on Financial Administration](#), “TAGFA” in order to provide administering institutions with comprehensive resources, including principles and directives that govern post-award administration of grants funded by the Tri-Agencies.

The new TAGFA is less prescriptive and takes a **principles based approach** for evaluating research expenditures for eligibility vs. the previous guide, which provided a listing of expenses by eligible vs. ineligible categories. If the TAGFA is silent on a specific subject, the administering institution’s policies and procedures will be applied. While the TAGFA became effective April 1, 2020, institutions were able to refer to the previous guide, until compliant with the new guide. Queen’s University will begin referring to the new TAGFA effective April 1, 2021.

The **Tri-Agency Guide on Financial Administration (TAGFA) Supplement** is a reference for Queen’s University Principal Investigators and research administration staff to assist in interpreting compliance requirements for Tri-Agency funded grants. The **TAGFA Supplement** is a reference to, and not a replacement of the TAGFA, Tri-Agency program/funding opportunity specific literature, Tri-Agency agreements and policies, or institutional policies, procedures and guidelines.

The **TAGFA Supplement** summarizes the key sections of the TAGFA and provides specific guidance on Tri-Agency research expenditures, which may or may not be captured in Queen’s University policies and procedures.

## **COMPLIANCE PLAN**

The following steps were taken in order to ensure Queen’s University is compliant with the new TAGFA as of April 1, 2021:

- 1) **GAP Analysis:** The TAGFA Working Group, “WG” was formed in early 2020, with representation from various units across campus who are part of the Queen’s research community. The WG completed a Gap Analysis of various research expenditure categories, to assess if there were any gaps between the new guide and the previous guide, and to determine if there were institutional policies or procedures in place that provide a framework for filling those gaps and provide appropriate guidelines on expense eligibility. In cases where gaps were found to exist, the WG provided recommendations on additional guidance that was needed to comply with the new guide. The WG also provided recommendations on an *internal dispute resolution process* for Tri-Agency funded research expenditures.

- 2) A review of **General Administration** topics (e.g. Expense Authorization, Transfer of Funds, etc.) was completed by representatives of Research Accounting (Financial Services) and Research Services (VP Research) to ensure institutional policies or procedures are in place to meet the requirements outlined in the TAGFA. The review concluded there were no areas of concern for these items.
- 3) While many of the expenditure types reviewed as part of the Gap Analysis were addressed in various institutional policies and procedures, for those that were not referenced, in some cases the WG assessed these would be dealt with on a case by case basis, while some recommendations indicated that additional guidance may be needed for certain research expenditure types. The **TAGFA Supplement** has been created to provide this additional guidance on expense eligibility for Tri-Agency funded grants.
- 4) A number of training materials and resources have been created to help provide guidance on interpreting eligibility and compliance requirements per the TAGFA, and are available on the Financial Services website, including:
  - **Tri-Agency Projects: Quick Reference Guide to Expense Eligibility**
  - **Tri-Agency Expense Eligibility Evaluation Request Form**
  - **TAGFA FAQs**
- 5) Training sessions were provided to members of the Queen's research community to provide guidance on interpreting the new TAGFA.
- 6) A section of the [Financial Services](#) website has been dedicated to provide information and guidance on the new TAGFA.

## **ORDER OF PRECEDENCE**

The following is the order of precedence and interpretation, applicable to Tri-Agency funded grants:

- the [Agreement on the Administration of Agency Grants and Awards by Research Institutions](#)
- Tri-Agency program/funding opportunity specific literature
- Any relevant agency agreements with grant recipients and/or administering institutions, if applicable
- the [TAGFA](#)
- The TAGFA Supplement

- Queen’s University Policies and Procedures

In the presence of both agency and institutional policies, the agency policy prevails, however the grant recipient must also comply with applicable institutional requirements. If the TAGFA is silent on a specific subject, institutional pronouncements will apply.

## **FINANCIAL MONITORING**

The Tri-Agencies will periodically review administering institutions and their use and administration of grant funds to assess the effectiveness of policies, procedures, systems, and internal controls, and to ensure compliance with relevant agency requirements.

Compliance with the TAGFA is a condition of applying, holding or administering agency grant funds.

## **EQUITY, DIVERSITY AND INCLUSION (EDI):**

Queen’s University is responsible for recognizing the importance of equity, diversity and inclusion (EDI) in its relevant policies and procedures as stated in the [Agreement on the Administration of Agency Grants and Awards by Research Institutions](#). Grant recipients are responsible for adhering to EDI policies and procedures when carrying out their grant activities and responsibilities, in accordance with both the [Tri-Agency’s EDI policies and procedures](#) as well as [Queen’s University policies and procedures](#).

## **ROLES AND RESPONSIBILITIES**

The **Agencies’** roles and responsibilities are outlined in the [Agreement on the Administration of Agency Grants and Awards by Research Institutions](#) and the [TAGFA](#), the program/funding opportunity literature and any relevant agency agreements (if applicable), outlined as follows:

- Set out the general terms and conditions governing the administration of grants by the institution
- Communicate and consult with the institution on the introduction of new policies or changes to existing policies that may have a significant impact on the institution, to the extent reasonably possible
- 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 Agency
- Terminate a grant when agency requirements can no longer be met

**Administering institutions'** roles and responsibilities are outlined in the [Agreement on the Administration of Agency Grants and Awards by Research Institutions](#), the program/funding opportunity literature, any relevant agency agreements (if applicable), and the TAGFA, outlined as follows:

- Develop and implement effective policies, administrative systems, procedures and controls to ensure that all activities funded by an agency are conducted in compliance with legislated requirements, agency policies and procedures and other grant funding agreements
- Monitor the eligibility of its recipients throughout the term of the grant and advise the relevant agency immediately of any change in the eligibility status of an applicant or recipient
- Withhold or withdraw approval of expenditures that contravene an agency or institutional policy or the terms and conditions of the grant
- Provide training on the institution's policies and practices with respect to the Agencies' 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 agency funding, including verifiable audit trails with complete supporting documentation for each transaction, for at least 7 years; report annually on the use of the grant funds

**Grant recipients' and any delegates'** roles and responsibilities are outlined in the program/funding opportunity literature, any relevant agency agreements (if applicable) and the [TAGFA](#), outlined as follows:

- Conduct their research in a manner that adheres to the [Tri-Agency Framework: Responsible Conduct of Research \(2016\)](#)
- Hold the authority to use the grant funds in accordance with the Agencies' principles and directives as outlined in this guide
- Delegate to others their authority to use the grant funds (grant recipient only)
- Authorize grant expenditures and any charges or adjustments made to the grant recipient's grant account (grant recipient or duly delegated individual only)

## **TAGFA PRINCIPLES**

The four key **principles** in the TAGFA indicate that grant expenditures must:

- Contribute to the [direct costs](#) of the research activities for which the funds were awarded, with benefits directly attributable to the grant
- Not be provided by the administering institution to their [research personnel](#)

- Be effective and economical
- Not result in personal gain for members of the research team

## **TAGFA DIRECTIVES**

The TAGFA includes **directives** (mandatory requirements) for the following research expenditure categories. The directives provide a framework for administering institutions and grant recipients, in order to ensure sound judgement and due diligence is exercised concerning the 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 expenditures

Grant recipients and authorized delegate(s) are responsible for authorizing expenditures charged to agency grant funds, ensuring expenses are eligible in accordance with the Agreement on the Administration of Agency Grants and Awards by Research Institutions, program/funding opportunity literature, any relevant agency agreements (if applicable), the TAGFA, the **TAGFA Supplement** and institutional policies and procedures. Research expenditures must be documented and supported, as required by the administering institution's policies and procedures.

If the approver of an expenditure considers the grant related purpose unclear, a justification should be obtained from the grant recipient.

Adjustments made to grant projects with respect to expenses, require documentation justifying the adjustment, as well as the appropriate authorization from the grant recipient or an authorized delegate.

All supporting documentation must be kept for a minimum of 7 years.

## **HOW TO DETERMINE IF A TRI-AGENCY RESEARCH EXPENDITURE IS ELIGIBLE**

*In general*, expenditures that were eligible under the previous guide will likely continue to be eligible under the new guide, provided they abide by the principles and directives on the appropriate use of grant funds outlined in the new guide, and are in accordance with Queen's University policies and procedures.

The following are research expense details by directive, applicable to Tri-Agency funded grants. Expenses listed are not exhaustive and have been provided for general guidance.

If you are unsure whether an expense is eligible on a Tri-Agency grant, refer to the **Tri-Agency Projects: Quick Reference Guide to Expense Eligibility**. If the expense in question is not listed, you may submit a completed **Tri-Agency Expense Eligibility Evaluation Request Form** to [research.accounting@queensu.ca](mailto:research.accounting@queensu.ca) to request a ruling on a research expense.

## **Additional Considerations:**

### **Dependent Care**

In situations where the claimant incurs expenses above and beyond the usual costs of dependent care, as a direct result of business travel, costs may be reimbursed using a Tri-Agency funded research project. A dependent is a person who resides with the traveller on a full-time basis and relies on the traveller as the primary caregiver (e.g. a child or parent). In these situations, the claimant may be reimbursed for actual costs up to a daily maximum of \$75/day, which must be supported by receipts. For all other externally funded research projects, the determination for these expenses will be made based on the funder's spending guidelines.

### **Gifts**

Gifts may be eligible expenses on Tri-Agency funded projects if specific criteria is met, and will be determined on a case-by-case basis. For example, gifts may be deemed eligible if offered to establish or facilitate relationships with individuals or groups who are involved in research activity as participants or as research partners or contributors when prescribed by cultural heritage, established traditions or as a formal courtesy.

### **Office Supplies**

Whereas previously office supplies charged to Tri-Agency grants required specific justification, going forward, the assumption will be made that these supplies are required and directly attributable to the grant being charged.

### **Sabbatical Leave Expenses**

The following is additional guidance related to sabbatical leave expenses for Tri-Agency funded research projects:

Expenses incurred to conduct research fieldwork outside of the sabbatical location are eligible and may include travel, accommodation and meal expenses.

Expenses related to research conferences attended while on sabbatical leave are also eligible and may include the cost of the conference registration, travel, and meals (if not provided at conference).

Living expenses incurred in the sabbatical location (e.g. accommodation, meals) are not eligible expenses.

For all other externally funded research projects, the determination for these expenses will be made based on the funder's spending guidelines.

### **Travel and Travel-Related Subsistence**

The directive on **Travel and Travel-Related Subsistence** expenditures continues to require i) the affiliation of the traveler(s) with the funded research/activities and ii) the grant-related purpose for the travel. As such, this information is still required when submitting travel expense claims.

### **WHO DETERMINES IF AN EXPENSE IS ELIGIBLE?**

Research Accounting staff will use their experience working with Tri-Agency funded grants, the [Agreement on the Administration of Agency Grants and Awards by Research Institutions](#), program/funding opportunity literature, any relevant agency agreements (if applicable), the [TAGFA](#), the **TAGFA Supplement** and institutional policies and procedures to determine whether an expense is eligible on a Tri-Agency funded grant. If the requestor does not agree with the assessment, the **Internal Dispute Resolution Process** will be applied, detailed as follows:

- i) The *Research Accounting Administrator* reviews research expenses to ensure compliance requirements have been met, prior to payment.
- ii) If compliance requirements have been met, the research expense is submitted for payment and the process is complete. If compliance requirements have not been met, the research expense is returned to the requestor, supported by a justification. Additional information or documentation may be requested, or if the expense is deemed ineligible, another source of funds may be suggested to pay for the expense. If the requestor disagrees with the expense ruling, proceed to step iii).
- iii) If the requestor disagrees with the expense ruling, the request will be forwarded to the *Director, Research Accounting*.
- iv) The *Director, Research Accounting* will review the expense details and the expense ruling provided. After additional consideration of the expense claim, the *Director, Research Accounting* will make a final ruling. The final ruling will be sent to the

requestor, supported by a justification. The *Controller* and the *Associate Dean of Research* for the related Faculty will be copied on the final ruling.

## **OTHER FINANCIAL MATTERS**

**Annual financial reporting:** Statements of account (i.e. Form 300s) are due to the Tri-Agencies on an annual basis, by June 30<sup>th</sup> of each year. **Final** Form 300s are also a requirement of most grant funds, once the grant has ended. Research Accounting staff are responsible for preparing and approving all Form 300s. Grant recipients are also responsible for reviewing and approving all Form 300s. Research Accounting staff must submit the completed and approved Form 300s directly to the Tri-Agencies.

**Authorization of grant expenditures:** The grant recipient (PI) may choose to delegate authority to another individual by submitting an approved **FIN-FRM-0008R Signing Authority & Research Reports Access Research Funds** form. All grant expenditures must be authorized by the grant recipient or an authorized delegate and must represent one-over-one approvals.

**Availability and payment of funds:** The Tri-Agencies may defer or suspend grant installments if parliamentary appropriations are reduced or cancelled; or if the need for funds is not demonstrated. All payment conditions detailed in the program/funding opportunity literature must be met.

**Change of primary administering institution:** Grant recipients should notify [Research Services](#) if they would like to relocate their grant to another institution. Upon notification, Research Services staff will help facilitate this request via a **Grant Amendment Form**, which must be submitted to the appropriate agency for approval.

**Changes to individuals on the grant team:** Grant recipients must complete a **Grant Amendment Form** to request a change to individuals on the grant team, who must meet applicable eligibility requirements detailed in the program and funding opportunity literature as well as in any relevant agency agreements (if applicable). The completed form should be forwarded to Research Services staff, who will help facilitate this request and submit the completed and approved form to the appropriate agency for approval.

**Continuing eligibility:** Grant recipients are responsible for ensuring they continue to meet eligibility requirements and should notify Research Services of any change to their eligibility status. Research Services staff will conduct an annual eligibility confirmation exercise to verify that grant recipients remain eligible to hold Agency funded grants.

**Deferral of grant instalments:** Deferrals extend the authority to use grant funds (without additional funding) for a maximum of two years by postponing the scheduled revenue installments and in turn, the project end date. The Tri-Agencies may choose to defer a grant recipient's next instalment upon reviewing the Form 300 if the use of funds has not been

justified. The grant recipients may also request a deferral of grant funds for a maximum of 2 years, by completing a Grant Amendment Form. Completed forms should be submitted to Research Services who will help facilitate this request and submit it to the appropriate agency for approval.

**Deviation from the proposed budget:** Unless otherwise specified in the program or funding opportunity specific literature or any agency agreements (if applicable), grant recipients may deviate from the proposed research activities as long as they use the grant for the broad purpose for which it was originally awarded.

**Direct vs. indirect costs:** Tri-Agency grant funds must contribute to the direct costs of research, and the benefits from their use must be directly attributable to the research activities. Indirect costs of grant activities can only be covered when permitted by the funding opportunity.

**Extension period for the authority to use grant funds:** Refer to **Part 3: Financial Matters- Extension period for the authority to use grant funds** section in the [TAGFA](#) for the automatic extension periods applied to some funding opportunities by the Tri-Agencies. To request an approved extension, the grant recipient must submit a completed Grant Amendment Form to Research Services who will help facilitate this request and submit the form to the appropriate agency for approval.

**Leaves (grant recipients):** Grant recipients may be able to retain a Tri-Agency grant in their name while taking an approved leave, as long as certain conditions are met. In addition, students and postdoctoral fellows may be eligible for paid maternity/parental leave supplements. Refer to [Part 5: Provision for leaves from grant activities](#) in the TAGFA.

**Over-expenditures:** The Tri-Agencies assume no responsibility for over-expenditures or over-commitments. Refer to the [Research Project Over-Spending and Pre-Spending Approval Procedure](#) for details regarding the treatment of unresolved overspending.

**Oversight of the appropriate use of grant funds:** Queen's University officials have the authority to withhold or withdraw approval of expenditures from the grant if the expense is not an appropriate use of grant funds, is not clearly related to the funded research activities, or if the expense contravenes agency or institutional policy, or a term/condition of the grant.

**Ownership of items:** Ownership of all items, including equipment purchased with Tri-Agency funds is the property of Queen's University. As owner, the administering institution is responsible for ensuring that the items are used to support the grant recipients' funded research/activities. The administering institution may transfer ownership of items through a gift or sale. Proceeds from the sale of items should be used for research-related purposes.

**Postdoctoral Fellows:** Refer to Queen's University's **Policy on Postdoctoral Fellows (PDFs)** for the definition and term of PDFs. PDFs are considered to be those individuals who are designated as such by external funding agencies or those who are within five years of

completion of their doctoral degree. This five year period may be delayed by circumstances requiring a break in research career, e.g. by parental responsibilities. Persons within five years of completion of their doctoral degree need not necessarily be designated a PDF, but could accept a contract research position at the University. Researchers who have held a doctoral degree for more than five years are normally considered contract employees and their employment at Queen's University is governed by the "Terms and Conditions of Employment of Persons Employed on Grants and Contracts".

**Residual balances:** For CIHR grants and awards, any residual balance remaining at the end of the grant or award, must be returned to the Tri-Agencies. For NSERC and SSHRC grants, any residual balance remaining at the end of the grant may be transferred to the **General Research Fund** if specific conditions are met, upon approval by the relevant agency. Please note the [General Research Fund](#) is not applicable to some NSERC and SSHRC programs. In these cases, remaining funds must be returned to the Tri-Agencies.

**Retroactive expenses:** Eligible expenses committed during the retroactive period may be paid from the grant during the active grant period, including the authority to use funds period.

**Termination of grant:** Grant recipients must complete a Grant Amendment Form to request a termination of a grant. The completed form should be forwarded to Research Services staff who will help facilitate this request and submit the completed and approved form to the appropriate agency for approval.

**Transfer of equipment:** Grant recipients must obtain the appropriate approvals in order to transfer research funded equipment purchased with Tri-Agency funds to another institution. Refer to [Tracking Moveable Assets and Processes](#) for additional details.

**Transfer of funds:** Transfers of grant funds to/from an eligible institution may be completed when appropriate, using an approved **Transfer of funds** Letter. For guidance on this process, contact your Post Award Research Facilitator in Research Services. Funds must be directly related to the funded research activities. The Transfer of Funds letter must be approved by the grant recipient and appropriate authorized parties.

## **TRI-AGENCY CONTACT DETAILS**

Tri-Agency contact details are as follows:

### **CIHR**

[support@cihr-irsc.gc.ca](mailto:support@cihr-irsc.gc.ca)

### **NSERC or SSHRC**

[financialmonitoring@nserc-crsng.gc.ca](mailto:financialmonitoring@nserc-crsng.gc.ca)

## **QUEEN'S UNIVERSITY STAFF CONTACT DETAILS**

Questions regarding the **TAGFA Supplement** can be directed to [Research Accounting](#) (Financial Services). Research Accounting staff contact details are also available on the [Financial Services](#) website.

Research Services staff contact details are available on the [Vice-Principal \(Research\) Portfolio](#) website.