



Financial Services - Restricted Funds
GM-700

Researcher's Guide to Financial management

PREAMBLE

All research activity will be conducted in accordance with all relevant collective agreements with the University and University policies including (but not limited to) the following:

CFO - OFFICE OF THE CHIEF FINANCIAL OFFICER POLICIES

<http://www.concordia.ca/vpirsg/policies/by-sector/>

Such as:

VPF-3	Policy for Travel and Other Allowable Expenses	VPF-3.pdf
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CFO-4	Policy on Capital Asset Management	CFO-4.pdf
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CFO-6	Policy on the Treatment of Deficits in Research Accounts	CFO-6.pdf
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PURCHASING SERVICES

CFO-20	Purchasing Policy	CFO-20.pdf
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CFO-21	Policy for the Acquisition of Professional Consulting Services	CFO-21.pdf
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PURPOSE

Restricted Funds (“RF”) has compiled this document to assist researchers and their assistants with their most common questions and concerns relating to financial matters. It may serve as a guide for Human Resources & Payroll, Purchasing Services, and Accounts Payable within Concordia University’s administrative environment.

SCOPE

I. DEFINITION OF PRINCIPAL INVESTIGATOR:

The principal investigator (“PI”) is defined in the financial information system as the project leader. He or she is responsible for the management of the research project, both financially and operationally, and ensuring compliance with all applicable internal and external policies and guidelines. As the internal approval processes varies across faculties, it is recommended that the PI contact their Associate Dean, Research for faculty-specific procedures. It is important to note that in accordance with

the Research Fund Holder Agreement the PI is solely responsible for a deficit in his or her research account and such deficit shall be treated per the University's Policy on the Treatment of Deficits in Research Accounts.

PIs are also responsible for compliance including the approval of the financial statement within the time frame of the contract/grant.

2. FUND CODES:

A research project is assigned a 6-character alpha-numeric FUND code which is required for accounting and administrative processes. The first letter or letters of this code generally correspond to a fund type. Below you will find a few examples of different FUND codes.

Examples of major FUNDS codes

CIHR-Canadian Institutes of Health Research	Mxxxxx (Formerly MRC)
FQRNT, FQRSC, FRSQ	Fxxxxx (Formerly FCAR)
NSERC	Nxxxxx
SSHRC	Sxxxxx
Industry Accounts	Xxxxxx

3. REVENUES

Installment will be process by Restricted Funds ("RF") base on the contract or granting agencies criteria after receiving the Notice of Award from Office of Research (ethics approval, milestones, ...).

For any information on foreign revenue contract please contact RF.

4. EXPENSES:

To ensure the timely processing of expenses, all transactions against a research FUND must include the appropriate EXPENSE ACCOUNT code. A listing of commonly used EXPENSE ACCOUNT codes can be found on CSPACE under Services/financial section. It should be noted that only expenses incurred during the term of the grant/contract will be processed.

a. SALARIES & BURSARIES

SALARIES

It is the PI's responsibility to ensure that all relevant Payroll forms are properly completed, signed and sent to Human Resources ("HR") by the pertinent processing deadlines. Payroll forms may be found on Cspace under Services/Human Resources/ Forms section. Click on Research-related forms and you will find Research Grant Employees. A schedule of processing deadlines may be found on Cspace under the Human Resources/payroll section. Incomplete forms may result in delays in payment.

Payments to third parties for Professional/Consulting Services rendered are payable via a duly completed cheque requisition and an invoice from such third party. Where an invoice does not indicate the third party's GST/QST numbers, the third party's Social Insurance Number is required on the cheque requisition. Professional/Consulting Services rendered by foreign parties **may be subject to self-assessment of tax and visa application**. All requisitions and invoices must be forwarded to Financial Services. To know more about the distinction that the taxation authorities make between an employee and an independent contractor you can refer to the Canadian Revenue Agency web site (RC4110(E) Rev. 14-Employee or Self-Employed?)

The appointment, compensation rates, rights and responsibilities of students hired as research assistants ("Student R.A.s") are governed by the [Collective Agreement for Research Assistants between the University and The Public Services Alliance/TRAC Union](#) ("TRAC-RA CA").

Minimum salary rates for Student R.A.s are outlined in Appendix A of the TRAC-RA CA. It should be noted that a 4% vacation pay and a 3.6% pay in lieu of statutory holidays are included in the minimum salary rates outlined in the TRAC-RA CA.

Minimum salary rates for non-students hired as research assistants ("Non-student R.A.s") must meet the minimum salary wage outlined in the *Act respecting Labor Standards*, to which a 4% vacation pay must be added, and can match those outlined in Appendix A of the TRAC-RA CA.

Please note that the Rates outlined in Appendix A of the TRAC-RA CA have already been adjusted to include pay in lieu of statutory holidays and vacation pay.

Salaries that are charged to a Research FUND must include the applicable costs of benefits as detailed below

Bargaining Unit	Contract length (A)	Benefit rate** (yearly revision) (B)	Vacation (C)	Holidays (D)	Example:
TRAC RA* (student RA's)	N/A	10.1%	4% Included in hourly rate	3.6%*** Included in hourly rate	Basic salary(\$17/hr x 100) \$1,700.00 Plus (B) 10.1% \$171.70 Total commitment \$1,871.70
CARE Research Associates	Less than 12 months	21.4%	4%	8 holidays As provided in employment guidelines for Research personnel	Basic salary (\$17/hr x 100) \$1,700.00 Plus (D) 4% \$68.00 \$1,768.00 Plus (B & C) 21.4% \$378.35 Total commitment \$2,146.35
	12 months or more	21.4%	8.8%****%	12 holidays As provided in employment guidelines for Research personnel	Basic salary (\$17/hr x 100) \$1,700.00 Plus (D)8.8%**** \$149.60 \$1,849.60 Plus (B & C) 21.4% \$395.81

					Total commitment	\$2,245.41
CARE Research Professional & Technical support	Less than 12 months	21.4%	4%	8 holidays As provided in employment guidelines for Research personnel	Basic salary (\$17/hr x 100) Plus (D) 4%	\$1,700.00 \$ 68.00 \$1,768.00 Plus (B & C) 21.4% \$378.35 Total commitment \$2,146.35
	12 months or more	21.4%	8.8****%	12 holidays As provided in employment guidelines for Research personnel	Basic salary (\$17/hr x 100) Plus (D)8.8****%	\$1,700.00 \$ 149.60 \$1,849.60 Plus (B & C) 21.4% \$395.81 Total commitment \$2,245.41
Research Support staff	Less than 12 months	21.4%	4%	8 holidays As provided in employment guidelines for Research personnel	Basic salary (\$17/hr x 100) Plus (D) 4%	\$1,700.00 \$ 68.00 \$1,768.00 Plus (B & C) 21.4% \$378.35 Total commitment \$2,146.35
	12 months or more	21.4%	8.8****%	12 holidays As provided in employment guidelines for Research personnel	Basic salary (\$17/hr x 100) Plus (D)8.8****%	\$1,700.00 \$ 149.60 \$1,849.60 Plus (B & C) 21.4% \$395.81 Total commitment \$2,245.41
Visiting collaborators	Usually covered under CUFA agreement					27.6%

*Salaries charged to account codes beginning with 662xx and 665xx). On payroll forms select "student status" and provide the student's I.D. number

This rate includes the cost of all legally required payments such as CSST, EI, QPP, etc. As well, the cost of the pension plan (employer portion) is included in certain instances. Please note this **charge is not related to the actual eligibility of the employees to benefits, such as Health and Dental benefits. Eligibility to benefits for each category of employees is determined by virtue of the employment contracts/collective agreements **Benefit rates are subject to change every year (this table include the 2016-2017 rates)**.

***Please contact Payroll at extension 3666 for calculation of paid statutory holidays.

**** 8 Holidays: January 1st, Good Friday or Easter Monday, Monday preceding May 25th, St-Jean-Batiste (June 24th), National holiday (July 1st or July 2nd when the 1st falls on a Sunday), Labour day (1st Monday in September) Thanksgiving Day (2nd Monday in October), December 25th.

***** The 8.8% is paid only in the current year (June 1 to TR date). Any period before this, employee accumulates vacation days that can be taken or paid at termination if not taken. If employee takes vacation days during employment, commitment will be less than calculation shows.

BURSARIES

The payment of bursaries to graduate students is permitted under specific conditions where the relationship is that of a student to a professor, as identified below. However, the policies of a granting agency or the terms of a Research Contract (as defined in the University's Policy on Contract Research) with respect to bursaries supersede those of the University. It is the PI's responsibility to ensure that the payment of a bursary to a graduate student is allowed by the sponsoring party(ies). Please note that a recent change in the Fonds de Recherche du Québec ("FRQ") administrative guidelines indicate that students must be remunerated through salaries as bursaries are no longer eligible.

Prior to the payment of a bursary to a graduate student for his or her participation in a research project, an assessment of the nature of the relationship between the student and the researcher must be done. The relationship may be that of (i) employee to employer or (ii) student to a professor.

- (i) If the relationship is that of employee to employer, payments made to the graduate student are considered employment income. For example, a graduate student hired by his or her professor to perform laboratory, clerical or other similar functions is considered an employee and may not be paid a bursary.

- (ii) Where the graduate student participation in the research project was primarily undertaken to assist the student in qualifying for a degree or other academic recognition in the field in which the research is being carried on, the relationship is that of a student to a professor. For example, this may include the graduate student's participation in the writing of a research paper related to the research project. In such a case, a bursary may be paid to a graduate student from a research account subject to the prior approval of the sponsor.

PROCEDURE FOR THE PAYMENT OF A BURSARY TO A GRADUATE STUDENT FROM A RESEARCH ACCOUNT

In order to pay a bursary to a graduate student from a research account, both the graduate student and the PI must complete the Research Bursaries/Fellowships (Graduate Studies) form. This form must be approved by the Chair of the Department.

b. DIRECT EXPENDITURES:

REIMBURSEMENT OF ALLOWABLE PERSONAL OR TRAVEL EXPENDITURES

Reimbursement of eligible out-of-pocket expenses per the University's *Policy for Travel and Other Allowable Expenses* may be claimed against a research FUND by completing an Expense Report Reimbursement form available at the University Bookstore.

Please note that where the Expense Report Reimbursement form includes a request for reimbursement of expenses incurred by the PI, such form must be signed and approved by the person to whom the PI reports.

The appropriate FUND and EXPENSE ACCOUNT codes must be indicated on the Expense Report Reimbursement form and original receipts must be attached. The Expense Report Reimbursement form must be approved by the PI or their delegate and forwarded to **Accounts Payable GM-730.00**.

NO INVOICE

When invoices are not typically available, as for registration fees, membership fees or allowable contribution to a partner institution based on correspondences and pre-existing agreements (in other words transfer to a co-investigator), a Cheque Requisition form must be used in these or similar cases where invoices are not available. Cheque Requisition forms can be obtained at the University Bookstore.

TRAVEL – RELATED EXPENDITURES

I. In "**Expense Report Reimbursement Form**" the following information must be provided:

- Travel Start Date
- Travel End Date
- Destination
- Purpose of Trip
- Affiliation to Research Grant: ie Principal Investigator, Co-Investigator, Collaborator
- For training and conferences, the official conference program or prospectus is required.

Note: Travel-related expenditures funded by a research account must be processed via the "Expense Report Reimbursement Form" or "Travel voucher form" only.

Credit card slips in place of itemized receipts are not acceptable to the agencies and expenses **will not be reimbursed**.

- 2. Separate trip reporting:** As per the granting agency guidelines, please ensure that each trip is claimed on a separate expense reimbursement form. Also note, if part of the travelling cost was incurred/claimed prior to the final expenses report (ex: plane tickets bought through an University travel agency) all expenses should be showing on the last report however the amount should be recorded as already paid by the university.
- 3. Approval:** All Expense Report Reimbursement Forms must be reviewed and approved by the **person to whom the claimant reports**.

For more information, please refer to the Federal Granting Agencies' (NSERC/SSHRC/CIHR) Financial Administration Guide which can be found at <http://www.nserc.gc.ca>

c. PROCUREMENT OF GOODS AND SERVICES

Please refer to the Financial Services web site under **Purchasing Services'** section for the University's policies and procedures with respect to purchase/payment cycles (web requisition, corporate card,...).

All goods or services charged to a research account, regardless of their value, must be ordered through Purchasing Services. Goods or services needed are submitted, by the researcher, to Purchasing Services via the online web requisitioning tool (WebReq).

CORPORATE CARD

Corporate Cards are governed by the University's Policy for Travel and Other Allowable Expense and are intended to facilitate allowable travel and entertainment expenses.

ALLOCATING FUNDS FOR FEDERAL AND PROVINCIAL TAXES

Federal and provincial taxes must be paid on material and supplies, equipment, and consulting services rendered by a registered business. As of January 1, 2013, the rate for G.S.T. is 5%, and the rate for Q.S.T. is 9.975 %. The University receives a rebate of 67% of the G.S.T., and 47% of the Q.S.T. **When preparing your research proposal you must budget for the difference between the amount of taxes payable on such material and supplies, equipment, and consulting services rendered by a registered corporation and the amount of the rebate.**

Calculating G.S.T. and Q.S.T. on goods or services - The difference between the G.S.T. payable and the rebate received by the University is 1.65% of the amount of the taxable goods or services. The difference between the Q.S.T. payable and the rebate received by the University is 5.29%. To calculate the total taxes which will be charged to your fund for goods or services, multiply the cost of the goods or services by 6.94% (1.65% + 5.29%).

Example 1:

Consulting fees due to a registered business -	\$1,000.00
$\$1,000.00 \times 6.94\% =$	\$69.40
The total to be budgeted -	\$1,069.40

Example 2:

Restricted Funds – August 2016

When only \$1,000.00 is available for consulting fees to be paid to a registered business, **including all taxes**, divide \$1,000.00 by 1.0694 to determine the amount available before tax.

\$1,000.00/1.0694= \$935.13 Consulting Fees

Detailed calculation:	\$935.11	Consulting Fees
	46.76	plus 5% G.S.T.
	(31.33)	less 67% G.S.T. rebate
	93.28	plus 9.975% Q.S.T.
	<u>(43.84)</u>	less 47% Q.S.T. rebate
	<u>\$1,000.00</u>	total cost

5-FORMS & GUIDES

All forms and guides are available on the **Cspace** under

-Section Services/financial

Or

-Section Human resources /research related forms

6. CONTACTS:

Financial Services

Restricted Funds – Project account manager – Angela Luciano – Ext. 4924

Restricted Funds – Project account manager – Chao Ling Pan – Ext. 5761

Accounts Payable - General Info. – Ext. 4940

Purchasing Services - General Info. – Ext. 3650

General Accounting - Accountant - Ext. 4932

Human Resources

Pension & Benefits -Ext. 3666 benefits@concordia.ca

Payroll - General Info. - Ext. 4920 or payroll@concordia.ca