



STAR | STRENGTHENING
ADMINISTRATION
OF RESEARCH

Workshop Series



STAR Workshop #13

Understanding the Research Fund Lifecycle: An administrators guide to success

Part B

Keziah Lo, Senior Auditor, Research Compliance, Internal Audit

Olga Ledeneva, Director, Research Financial Reporting & Audit Research Oversight & Compliance Office, Division of the Vice-President, Research & Innovation

Rames Paramsothy, Senior Business Analyst, Financial Services

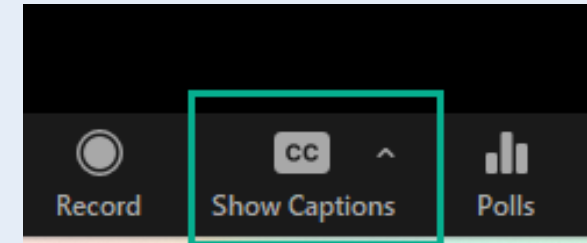
Renee Cheng, Senior Procurement Officer Research Portfolio, Procurement Services

Wendy Ng, Audit Manager, Internal Audit

Thursday, February 6, 10:00-11:30am

Reminders

- Please mute your audio and turn off your video.
- We will have time for questions at the end of the session. **Please type your questions into the chat box.**
- **Turn on captioning** if needed.
- We will be **recording** today's session.
- Slides and recording will be shared following the session.
- **Minimize distractions** to focus on learning!
- As needed, move your body (stretch, stand up) so that you can stay focused.



Access Check

Access is a shared responsibility between everyone in this space. In doing this together, we strive to welcome disability, and the changes it brings into this space for learning and growth.

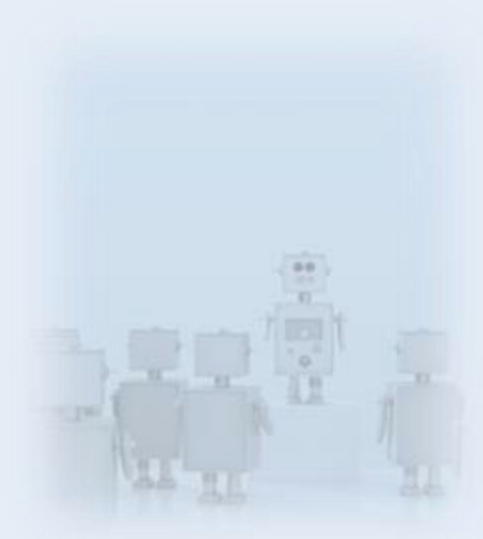
If there is anything that may affect your participation in this session, please use the Zoom chat to send a private chat message to **Won Yoo**

Land Acknowledgement

"I (we) wish to acknowledge this land on which the University of Toronto operates. For thousands of years it has been the traditional land of the Huron-Wendat, the Seneca, and the Mississaugas of the Credit. Today, this meeting place is still the home to many Indigenous people from across Turtle Island and we are grateful to have the opportunity to work on this land."

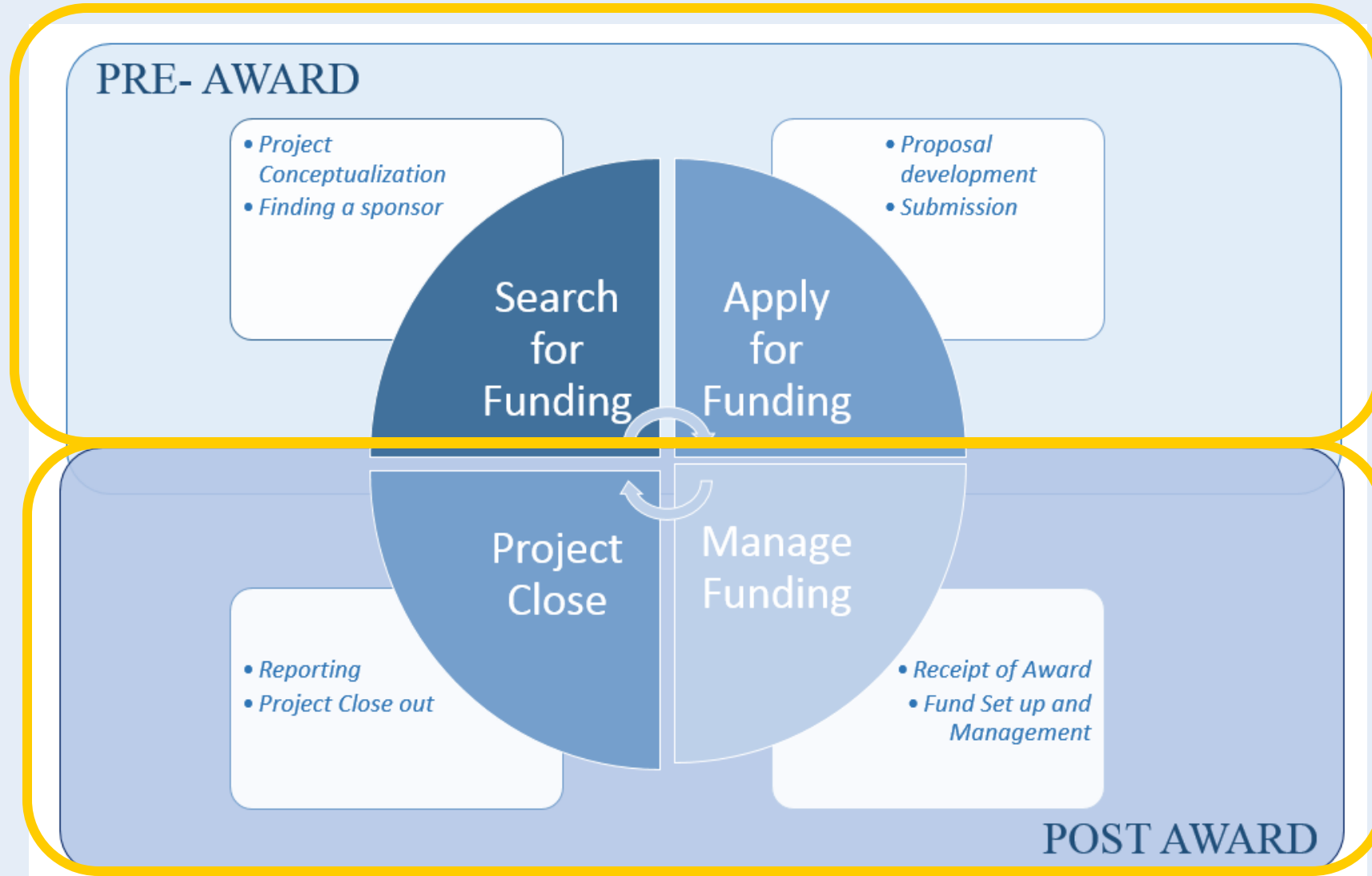
AGENDA

- Overview of the Research Fund Lifecycle: 4 phases
- Research Ecosystem: Post-award elements
- Post-Award: Research Procurement
- Post-Award: Manage Funding
- Post-Award: Closing the Project – Funds & Reports
- Post-Award: Internal Audit
- Key Points
- Question & Answer

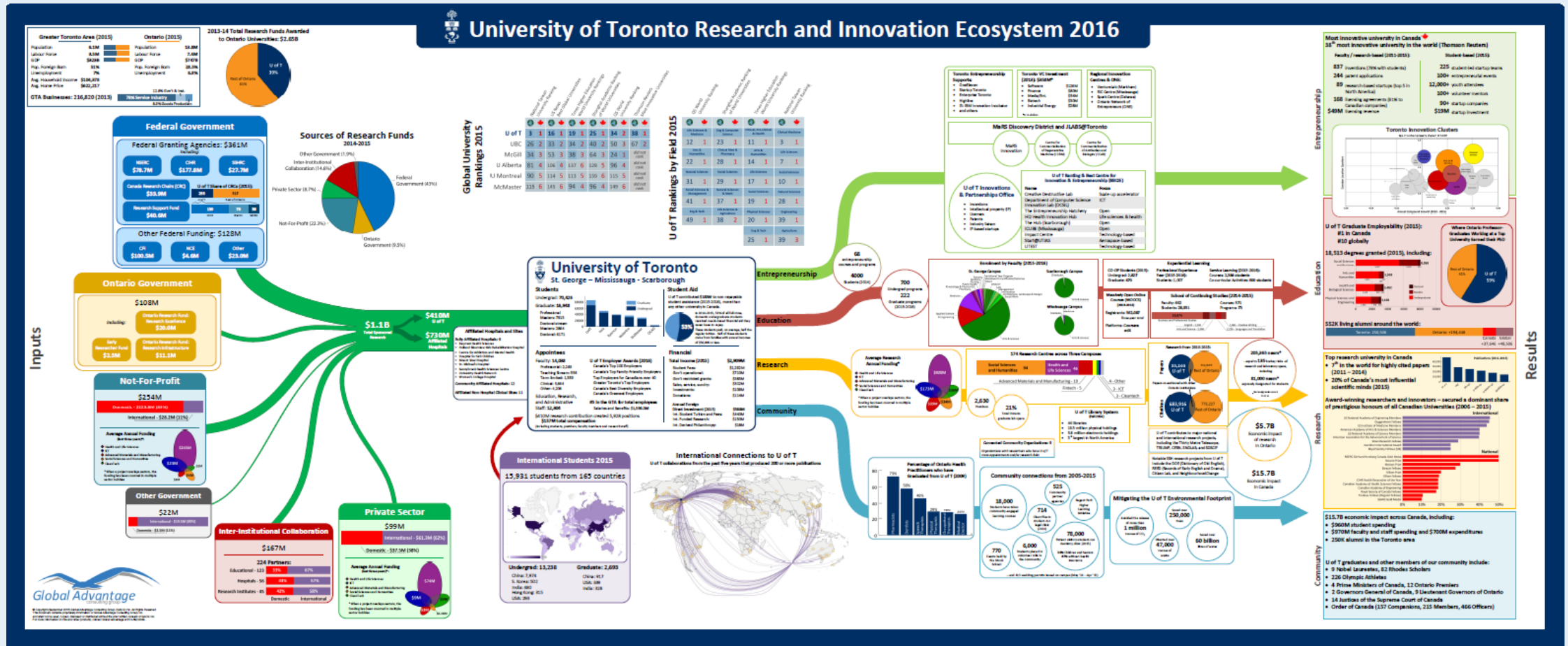


Research Fund Lifecycle: Overview

Part A



Research Funding Ecosystem (Post-Award focus)

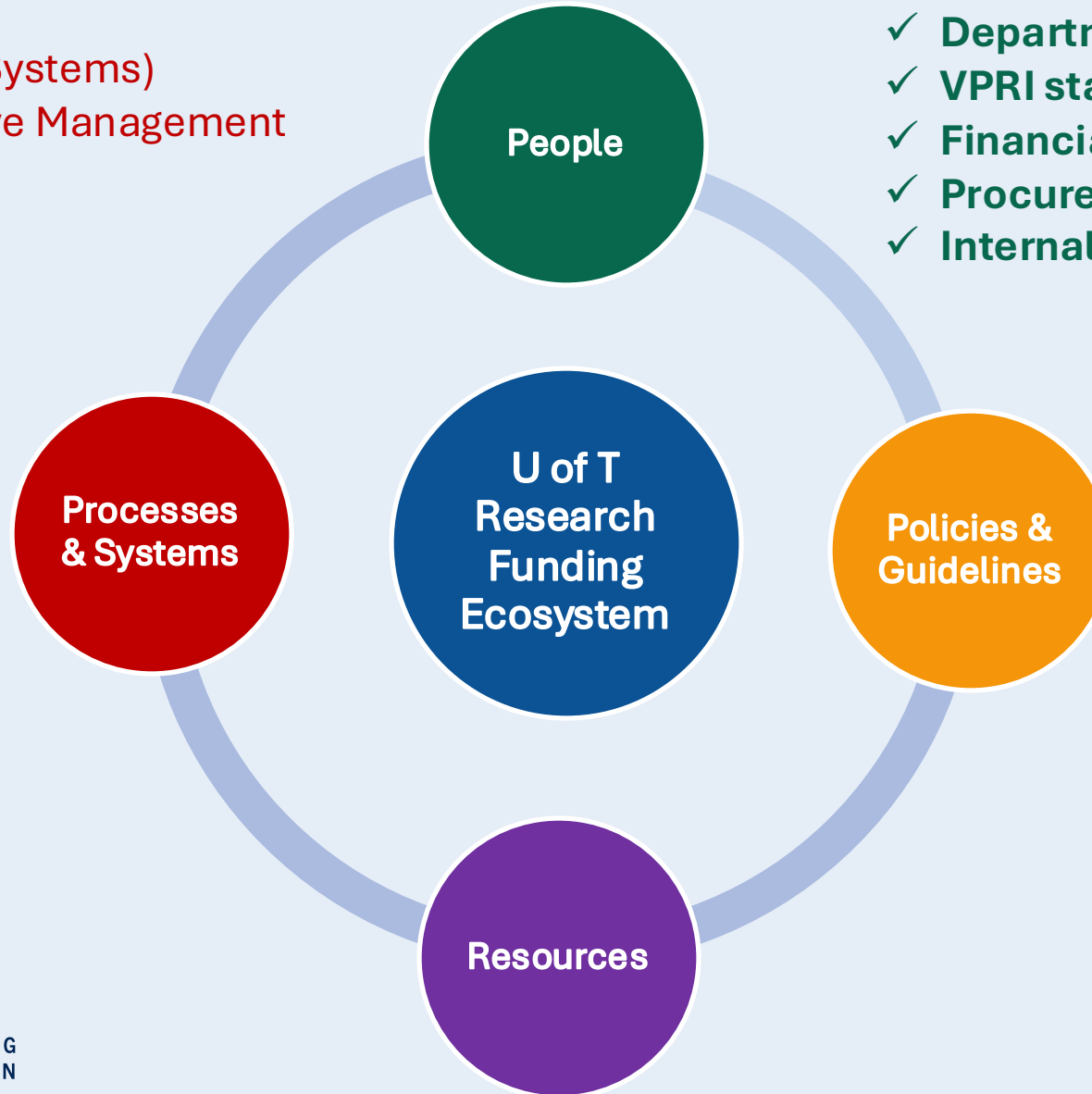


<https://research.utoronto.ca/reports-publications/research-innovation-ecosystem>

Research Funding Ecosystem (Post-Award focus)

- ✓ **MR** (My Research Systems)
- ✓ **AMS** (Administrative Management Systems)
- ✓ **SOPS**

- ✓ **VPRI Website**
research.utoronto.ca
- ✓ **FAST Team Website**
finance.utoronto.ca/fast/
- ✓ **Procurement Website**
procurement.utoronto.ca/
- ✓ **Internal Audit**
governingcouncil.utoronto.ca/internal-audit



- ✓ **Department/Faculty Staff**
- ✓ **VPRI staff**
- ✓ **Financial Services**
- ✓ **Procurement Services**
- ✓ **Internal Audit**

- ✓ **Sponsor Policy**
- ✓ **Guide to Financial Management**
- ✓ **Indirect Costs**
- ✓ **Procurement Policy**
- ✓ **Policy on Conflict of Interest- Academic Staff**
- ✓ **Research Ethics**
- ✓ **Environmental Health & Safety**
- ✓ **Human Resources & Equity**

Research Procurement

What we'll cover...

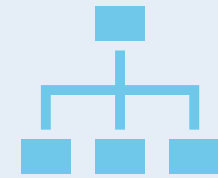
- Central Procurement Services Introduction
- Procurement Policy and Thresholds
- Calculating Total Cost of Ownership
- Procurements < 100K
- Procurements > 100K
- Procurement Policy Exemptions (Non-Competitive Procurement)
- Non-Competitive Procurement Common Pitfalls
- Additional Procurement Resources



Research Procurement

As steward of the University's Procurement Policy, Central Procurement Services:

- **Provides guidance** related to University's policy, government legislation and regulations in the **acquisition of goods and services**, including consulting services and information technology **with University funds**, over which **Faculties and Departments have delegated authority**.
- Conducts open competitive procurements on behalf of the **St. George Campus**



Research Procurement

Procurement Policy

U of T's Procurement Policy

(<https://governingcouncil.utoronto.ca/secretariat/policies/procurement-policy-april-28-2020>) is governed by multiple internal policies, provincial legislation, and federally negotiated trade agreements.

See the Procurement Services website for more detail
[University of Toronto Procurement Services](#)



Research Procurement

Procurement Thresholds

Procurement Method	INFORMAL (1 written quote)	INVITATIONAL (2 written quotes)	INVITATIONAL (3 written quotes)	OPEN (Tender Call / RFx)
Goods	Up to \$9,999	\$10,000 – \$49,999	\$50,000 – \$99,999	\$100,000
Non-Consulting Services	Up to \$9,999	\$10,000 – \$49,999	\$50,000 – \$99,999	\$100,000
Consulting Services ⁱ	N/A	N/A	Up to \$99,999	\$100,000
Construction	Up to \$9,999	\$10,000 – \$49,999	\$50,000 – \$99,999	\$100,000
Procurement Authority	Local Unit			Procurement Services

i. **Consulting Services** must be competitively sourced regardless of dollar value.

Research Procurement

Calculating Total Cost of Ownership

- Formula:

Equipment Purchase Value	+	Annual Maintenance Service	x	Number of years	+	Delivery / Installation fee	+	Training	=	Total Cost of Ownership
--------------------------	---	----------------------------	---	-----------------	---	-----------------------------	---	----------	---	-------------------------

- Sample Calculation: $\$25,000.00 + (\$10,000.00 \times 5) = \$75,000.00$

- [Supplier Quote Checklist](#)

Common Pitfalls

- Splitting orders to avoid requesting quotes or open competitive process
- Unclear or incomplete specifications or requirements
- Ordering goods or services without meeting procurement policy compliance requirements

Research Procurement

Procurements < CAD \$100,000

- **All the principles still apply** to ensure fairness, openness, transparency, value for money and process standardization
- **Ask these questions first:** is this a one-time only need, or will I need more often? And if so, will it drive the total cost of ownership over \$100,000? If yes, contact Procurement Services.
If not....
 - Ensure funding is available
 - Ensure accurate specifications provided to all suppliers
 - Evaluate quotes to determine best value
 - Create PO with all back-up documentation attached
 - Pay after goods have been received
 - Ensure compliance with other grant reporting requirements

Research Procurement

Procurements > CAD \$100,000

- For St. George Campus, it is recommended that the [Competitive Bid Request form](#) be completed a minimum of 6 months prior to awarding a contract to a supplier.
- Business Officer's Primary Responsibilities:
 - To direct the P.I. or their representatives to submit a Competitive Bid Request form to initiate project
 - After award, create FIS Purchase Order
 - Ensure compliance with other grant reporting requirements

Comprehension Question 1

What procurement steps should be undertaken if the estimated value of the equipment is USD\$55,000, with required services for 5 years at an annual cost of USD\$7,000, and a delivery cost of USD\$2,000? (Select all that apply)

- a) Split the order into smaller amounts to avoid the competitive process
- b) Conduct invitational procurement process to obtain 3 quotes
- c) Initiate open competitive procurement process
- d) Contact the Central Procurement Services after the funding expires
- e) Submit the Competitive Bid Request form minimum of 6 months before awarding the contract to a supplier



Research Procurement

Procurement Policy Exemptions

- Procurement Policy Exemptions are non-competitive procurements
- Procurement Policy Exemption Justification ([PPEJ](#)) form must be completed and approved prior to making a commitment to supplier
- Consulting Services: The President of the University must authorize all procurement policy exemptions for consulting services, regardless of dollar value, after approval from the Budget Owner and One-Level Up Approver

Research Procurement

Non-Competitive Procurement Common Pitfalls

These are **invalid** justifications for non-competitive procurement:

- ✘ A researcher has included a specific supplier or equipment in their grant application
- ✘ Grant funding is expiring soon
- ✘ The supplier has offered an excellent discounted price for a limited time
- ✘ Preferred technical specifications are provided by a Supplier
- ✘ The supplier's fiscal year ends in 3 weeks, and the pricing will increase afterwards

Comprehension Question 2

A researcher has listed one supplier with their equipment and budgetary quote (est. CAD\$85K) in the NSERC grant application that has been approved. Can this justify a single-source procurement?
(Select one answer)

- a) Yes, I can use PPEJ process as the supplier was named in the grant application
- b) No, University's Procurement Policy requires competitive procurement process
- c) Yes, the supplier offers a discount to stay within budget



Credit: Opinion icons created by noomtah

Research Procurement

Additional Procurement Resources

- [University of Toronto Procurement Services](#) website:
 - Procurement Policy
 - Trade Agreements
 - Open Competitive Procurement
 - Non-Competitive Procurement
 - [Tools, Templates and Forms](#)
 - Invitation to Quote (ITQ)
 - Approved Suppliers
 - Invitation to Quote Standard Operating Procedure
- Procurement Services Helpdesk: purchasing.help@utoronto.ca

Post-Award: Manage Funding

There are several FIS reports that can be used to manage research grants post award.

Common Research Financial Reports:

- ZFM1 – Funding: Funds Center or Fund report
- ZFTR008 – Total Funding Activity report
- ZRIR003: Research Funds Summary Report
- ZFIR079A – All Postings Line Item report
- ZFIR079 – FI Postings Line Item report
- ZFTR017F – Funds Center/Fund Balance Listing Report



Click here for a full list and summary of [FIS and RIS reports](#).

Post-Award: Manage Funding

Revenue Collection

Research Oversight & Compliance Office (ROCO) is responsible for:

Preparing & Submitting to Sponsors:

- Fixed invoices
- Cost-recovery invoices



Receiving from Sponsors:

Payments for processing:

- Wire Transfer (WT)
- Electronic Fund Transfer (EFT)
- Cheque

Post-Award: Manage Funding

Financial Deliverables

- Adhere to the Sponsors' financial policies and restrictions
- Sponsor policies and guidelines **overrule** the University's Guide to Financial Management (GTFM)
- Budget vs. Actual Expenses
- Reporting periods & due dates



Credit: Deliverable icons created by
Prosymbols Premium - Flaticon

Comprehension Question 3

What are the responsibilities of VPRI's Research Accounting Team? (Select all that apply)

- a) Collecting revenue from Sponsors
- b) Preparing and submitting financial deliverables to Sponsors
- c) Approving and processing expenses relating to a research project
- d) Requesting a budget adjustment



Credit: Opinion icons created by noomtah

Post-Award: Closing the Project



Concluding a research fund is conducted when a fund is ending **and** no extensions or amendments/renewals are in process.

Post-Award: Closing the Project

Activities include:

- Reconciliation of budget and actual expenses
- Coordination with the department (Business Officer and the PI) to
 - review and possibly update Purchase Orders reserved against the Fund
 - ensure all expenses have been posted to the grant fund
 - update the cost assignments in HR records for employees who have been paid from the grant to prevent payroll re-directs
- Preparation of the final financial report or a Cost Recovery Invoice (if applicable)



Comprehension Question 4

Which of the following are tasks should be completed by **departments** prior to closing a research grant (select all that apply):

- a) Ensure all relevant expenses are posted to the research grant
- b) Update the end date in the Fund
- c) Release any Purchase Order reserves against the grant that are no longer needed
- d) Update the UTRAC
- e) Prepare the final financial report
- f) Update the cost assignments in any relevant HRIS
- g) All of the above



Credit: Opinion icons created by noomtah

Post-Award: Closing the Project

Steps to Close a Restricted Research Fund

- Prepare the final invoice
- Prepare the final financial report
- Goal: **Revenue = Budget = Expenses**
- Arrange an external audit if required by sponsor
- Put an “Inactive Status” on the fund once all the above are achieved



Marathon icons created by Vector Stall - Flaticon

Comprehension Question 5

What elements must be considered before a fund can be closed? (Select all that apply)

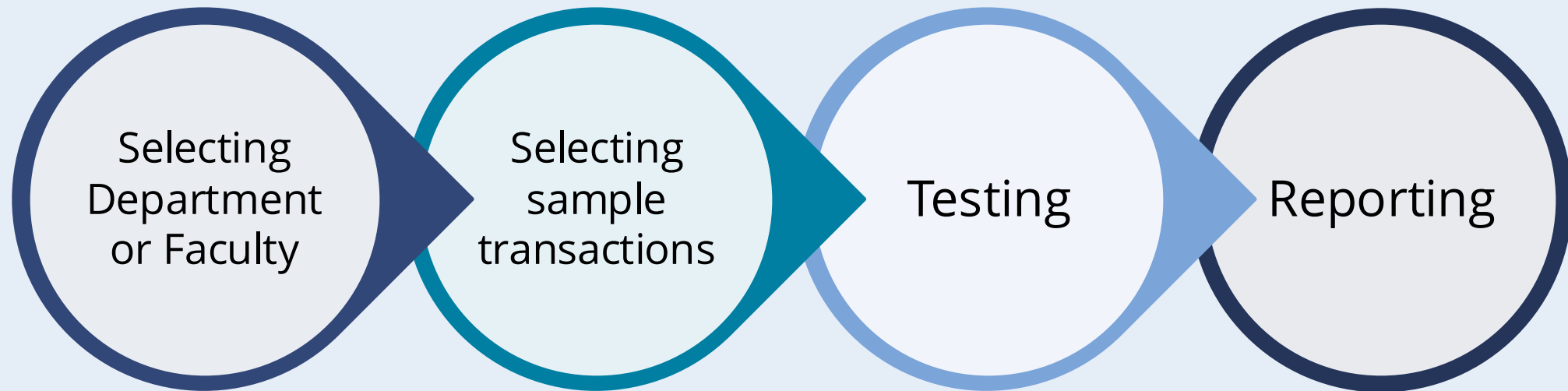
- a) All expenses relating to the project are posted
- b) All payments from Sponsor are received
- c) All financial deliverables are submitted
- d) Revenue = Budget = Expenses



Credit: Opinion icons created by noomtah

Post-Award: Internal Audit

- Research Expenditure Continuous Audit Program (RECAP) overview for Tri-Agency grant funds:



- Based on institutional data insights

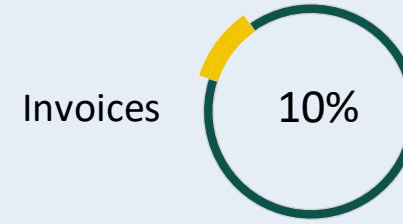
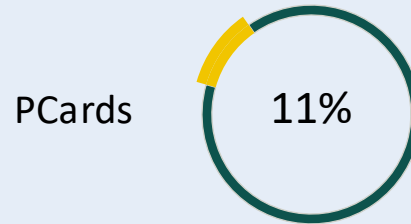
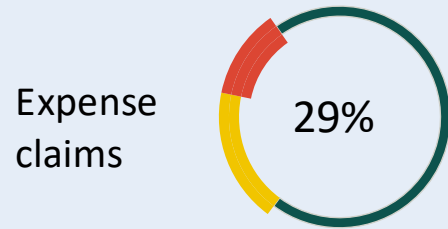
- Focus on higher risk items using data analytics

- Review supporting documents against criteria

- Department/ Faculty
- VPRI

Post-Award: Internal Audit

- Testing results FY2024 – percentage of sample transactions with deviations



- Common deviations
 - Eligibility
 - Unclear research purpose
 - Missing supporting documentation

Post-Award: Internal Audit

Principles governing the appropriate use of Tri-Agency grant funds

These four basic principles govern the appropriate use of grant funds.

Grant expenditures must:

1. be a direct costs of research for which the funds were awarded, with benefits directly attributable to the grant
2. not be provided by the administering institution to their research personnel
3. be effective and economical
4. not result in personal gain for members of the grant team

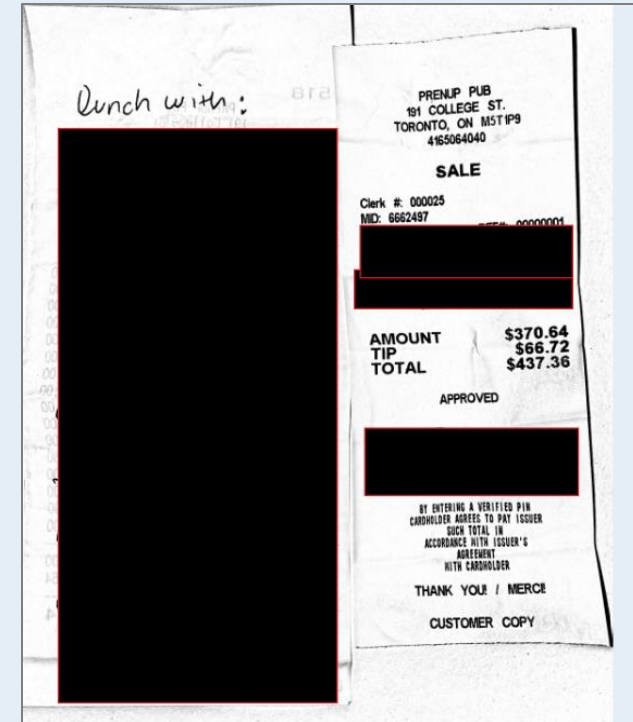
Post-Award: Internal Audit

Example: Ineligible Expenses

"Hospitality costs incurred for interactions between participants involved in day-to-day funded research/activities, such as regular interactions with colleagues from the institution, personnel meetings and staff recognition events, cannot be reimbursed for agency grant funds"



"The cost of alcoholic beverages cannot be reimbursed from agency grant funds."



Post-Award: Internal Audit

Example: Unclear research purpose

UNIVERSITY OF TORONTO

EXPENSE REPORT / ACCOUNTABLE AD

TO BE COMPLETED BY CLAIMANT

Indicate reimbursement currency:
For expense reimbursements in a currency other than CAD, **DO NOT** convert expenses to CAD value.
 CAD
 USD
 Other
NOTE: Original receipts are required.

Claim Type: Select claim code, below, to complete G/L account is not listed appropriate G/L account or line.

TO BE COMPLETED BY CLAIMANT		EXPENSE CATEGORIES		AMOUNT	G/L ACCOUNT NUMBER
Personnel Number	Period of Travel	AIRFARE: Attach proof of payment & proof of air travel (*)	Travel within Canada		8 4 0 1 0
Last Name	Initial		Travel to USA from Ontario		
Address		ACCOMMODATION:	All other Airfare		
Purpose and Relevance to University Business		ON (13% HST)			
Camera, monitor purchase, video production online course purchases and Open access publication fee					
		ALLOWANCE:	USA / International		8 4 0 2 0
			Per Diem: Canada		8 4 0 3 0

“Camera, monitor purchase, video production online course purchases”

Post-Award: Internal Audit

Example: Unclear research purpose

Follow-up response:

The three items listed are needed for **supporting the knowledge translation component of our research project**. We film experiments and produce videos that get posted to our website. The video production course was to provide my students and I a better understanding on how we could produce higher quality videos. The Fuji camera is used for filming experiments/presentations like the one above. The computer monitor was needed to support editing this type of video production as a secondary monitor that is difficult to do working from a small laptop display.

Comprehension Question 6

What are the principles governing the appropriate use of grant funds according to the Tri-agency Guide on Financial Administration (TAGFA)? (Select all that apply)

Grant expenditures must:

- a) Be a direct cost of research for which the funds were awarded, with benefits directly attributable to the grant
- b) Not be provided by the administering institution to their research personnel
- c) Be effective and economical
- d) Not result in personal gain for members of the grant team
- e) All of the above



Credit: Opinion icons created by noomtah

Summary of Key Points

1. Engage Central Procurement Services early – at least 6 months before awarding the contract to a supplier - for purchases over CAD \$100,000. Use the tools and resources available on the Procurement Services website to ensure compliance.
2. Familiarize yourself with the purpose, inputs and output of common FIS reports used for research administration to help manage grants post-award.
3. Prior to closing a Fund, ensure you reconcile the account, coordinate with departments to update/release PO reserves, and update FIS accounts in HRIS records.



Summary of Key Points

4. Research Oversight & Compliance (ROCO) staff should submit financial reports to the Sponsor on behalf of the University of Toronto (U of T) to ensure proper completion of financial reports.
5. Remember the **four** guiding principles on use of Tri-Agency grant funds. Grant expenditures must:
 - i. be a direct cost of research for which the funds were awarded, with benefits directly attributable to the grant;
 - ii. not be provided by the administering institution to their research personnel;
 - iii. be effective and economical; and
 - iv. not result in personal gain for members of the grant team.



Questions & Answers



Post-Workshop Quiz

STAR | STRENGTHENING
ADMINISTRATION
OF RESEARCH

STAR Workshop - Understanding the Research Fund Lifecycle - Part B: *Post-Workshop* Quiz

Check how much your knowledge of the *post-award phases* of the Research Fund Lifecycle improved by completing this quick, anonymous quiz **after** the workshop.

* Required

1. What are the main phases of the research fund lifecycle? (Select one) (1 Point) *

Feedback, please!

Be one of the **first 30** people to submit feedback for a chance to **win a \$25 Indigo Gift card!**



Thank you!