



Tri-Agency Guide on Financial Administration (TAGFA)

Companion

Revised July 2, 2020

ABOUT THIS COMPANION

This Companion is intended as a ready reference for the new Tri-Agency Guide on Financial Administration (TAGFA) that came into effect at the University of Toronto (U of T) on **April 1, 2020**.

This document summarizes the key sections of the TAGFA and integrates the content of the TAGFA with applicable U of T policies, guidelines, and resources. The Companion is intended to be used by all members of the U of T research community who apply for, hold, manage or administer Tri-Agency grants and awards.

Please note: This Companion is a reference to, not a replacement of, the TAGFA, Tri-Agency program/funding opportunity literature, Tri-Agency agreements and policies, and U of T policies and guidelines which take precedence over this Companion.



Tri-Agency Resources

- [Tri-Agency Guide on Financial Administration](#)
- [Frequently Asked Questions](#)
- [Roles & Responsibilities](#)

PART 1: ABOUT THE TAGFA

Section	Summary
Effective date	<ul style="list-style-type: none"> The TAGFA takes effect on April 1, 2020.
Scope	<ul style="list-style-type: none"> Applicable to CIHR, NSERC, SSHRC, and/or New Frontiers in Research Fund grants, unless otherwise specified in program/funding opportunity literature and any relevant agency agreements.
Order of precedence and interpretation	<ul style="list-style-type: none"> The TAGFA is superseded by: <ul style="list-style-type: none"> The Agreement on the Administration of Agency Grants and Awards by Research Institutions Program/funding opportunity literature Any relevant agency agreements with grant recipients and/or administering institutions In the presence of both Tri-Agency principles/directives and U of T policies, the most stringent policy applies. If the TAGFA is silent on a specific subject, U of T's policies and pronouncements will apply.
Financial monitoring	<ul style="list-style-type: none"> Tri-Agency will periodically review U of T's use and administration of grant funds to assess the effectiveness of policies, systems and internal controls, and to ensure compliance with relevant agency requirements. Compliance with the TAGFA is a condition of applying for, holding or administering Tri-Agency grant funds.
Enquiries	<ul style="list-style-type: none"> For questions related to the use of grant funds, grant recipients and department/division staff should contact the "Authorized By" contact on the Funded Research Digest (FReD) for a grant or award.

PART 2: USE OF GRANT FUNDS

Section	Summary
Equity, diversity and inclusion (EDI)	<ul style="list-style-type: none"> • U of T is responsible for recognizing the importance of EDI in its policies and practices. • Grant recipients are responsible for ensuring that they carry out their grant activities in accordance with U of T's and Tri-Agency's EDI policies and practices. • Tri-Agency's commitment to EDI is captured in the Tri-Agency Equity, Diversity and Inclusion Action Plan.
Roles & responsibilities	<p>Tri-Agency</p> <ul style="list-style-type: none"> • Release of payments • Administration of guidelines and policies • Responses to questions / provision of support • Monitoring visits; review of Form 300s • Ensuring transfer payment policy is adhered to • Ensuring terms/conditions are adhered to • Determination of eligibility status • Administering and review of Institutional Agreement <p>University of Toronto</p> <ul style="list-style-type: none"> • Application of guidelines and policies • Establishment of sound controls • Responses to grant recipient queries • Preparation of annual reports to Tri-Agency • Maintaining eligibility status • Adherence to Institutional Agreement <p>Grant recipients (and their delegates)</p> <ul style="list-style-type: none"> • Providing spending authorization • Managing public funds soundly and for best value • Expense ownership and justification

U of T Policies & Resources

- [Equity & Diversity in Research & Innovation Working Group Report](#)
- [Human Resources & Equity EDI Policies & Statements](#)



PART 2: USE OF GRANT FUNDS

PRINCIPLES

There are **four principles** of the use of grant funds. 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**



What are direct costs?

- *Essential expenditures that would not have been incurred had the grant not been undertaken.*

What makes an expense “effective and economical”?

- *It achieves the intended outcome with due regard for minimizing cost by avoiding unnecessary expense. Does not necessarily mean the “lowest cost.”*

What does “provided by the administering institution” mean?

- *If an administering unit normally provides a good or service, it cannot be charged to the grant.*

What is personal gain?

- *A benefit or advantage to a particular person, including the grant recipient and/or member of the research team, rather than to the grant-funded research/activities.*

PART 2: USE OF GRANT FUNDS

DIRECTIVES

Directives are mandatory requirements that provide a framework for administering institutions and grant recipients to exercise sound judgment and due diligence in their decision-making process concerning the use of Tri-Agency grant funds.

There are **five directives** summarized on the pages that follow for:

1. Employments & Compensation
2. Travel & Subsistence Costs
3. Goods & Services
4. Hospitality
5. Gifts, Honoraria, Incentives

General Directives

- If the approver of an expenditure considers that the grant-related purpose for the expenditure is unclear, a justification must be obtained from the grant recipient.
- Adjustments made to grant accounts in respect to any expenses require documentation (such as a journal voucher, etc.) justifying the adjustment, as well as the grant recipient's or delegate's authorization.
- All supporting documentation must be kept for at least 7 years.

PART 2: USE OF GRANT FUNDS

Category	Directive
Employment & Compensation	<p>Eligible</p> <ul style="list-style-type: none"> ✓ Individuals employed to work on funded research/activities can be compensated from the grant funds (with exceptions; see Ineligible section). ✓ International Researchers (employer must attest, by letter, that the individual is not being compensated by the employer for time spent on the grant). ✓ Mandated benefits (those mandated by legislation and/or U of T employment policies and collective agreements). ✓ Only the portion of mandated severance pay for the period the individual worked on the current grant (Note: consult with your Divisional HR office for further guidance).
	<p>Ineligible</p> <ul style="list-style-type: none"> ✗ 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.



U of T Policies & Resources (Employment/Compensation)

- [Academic Administrative Procedures Manual \(AAPM\)](#)
- [Human Resources & Equity: Policies & Guidelines](#)
- [School of Graduate Studies: Policies & Guidelines](#)
- [Policies for Post-Doctoral Fellows](#)

PART 2: USE OF GRANT FUNDS

Category	Directive
Goods & Services	<p>Eligible</p> <ul style="list-style-type: none"> ✓ Goods and services expenditures, in accordance with the four principles.
	<p>Ineligible</p> <p>Consulting fees to:</p> <ul style="list-style-type: none"> ✗ 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 & Travel-Related Subsistence	<p>Eligible</p> <p>Travel and travel-related subsistence claimed:</p> <ul style="list-style-type: none"> ✓ In accordance with the Guide to Financial Management (GTFM). ✓ For the grant recipient and other individuals who contribute to the funded research/activities.
	<p>Ineligible</p> <ul style="list-style-type: none"> ✗ Alcoholic beverages.



U of T Policies & Resources (Goods/Services/Travel)

- [Guide to Financial Management \(GTFM\)](#)
- [Expense Reimbursement Checklist – Template](#)
- [Procurement Policy](#)
- [Financial Advisory Services & Training \(FAST\) Team: Contact Information](#)

PART 2: USE OF GRANT FUNDS

Category	Directive
Hospitality	<p>Eligible</p> <p>Hospitality costs must be directly related to the funded research and be incurred for:</p> <ul style="list-style-type: none"> ✓ 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.
	<p>Ineligible</p> <ul style="list-style-type: none"> ✗ Alcoholic beverages. ✗ Costs incurred for interactions between participants involved in day-to-day funded research/activities.
Gifts, Honoraria, Incentives	<p>Eligible</p> <p>Gifts, honoraria and incentives can be offered to an individual/group:</p> <ul style="list-style-type: none"> ✓ 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.
	<p>Ineligible</p> <p>Gifts, honoraria and incentives cannot be offered to:</p> <ul style="list-style-type: none"> ✗ Tri-Agency grant recipients. ✗ A member of the grant team.



The provision of gifts and incentives to participants requires the prior approval of the appropriate Research Ethics Board (REB). For more details, see below:

- **Compensation & Reimbursement for Research Participants**

PART 3: FINANCIAL MATTERS

Section	Summary
Availability and payment of funds	<ul style="list-style-type: none"> • Tri-Agency reserves the right to defer or suspend instalments if: <ul style="list-style-type: none"> ▪ Parliamentary appropriations are reduced/cancelled ▪ The need for funds is not demonstrated. • All payment conditions detailed in the program/funding opportunity literature must be met.
Direct versus indirect costs	<ul style="list-style-type: none"> • Tri-Agency grant funds must contribute to the direct costs of research. • Indirect costs of grant activities can only be covered when explicitly permitted by the funding opportunity.
Authorization of grant expenditures	<ul style="list-style-type: none"> • Only the grant recipient can delegate authority to use the grant funds, and approval of delegated authority must be formally documented in accordance with U of T policy. • Each expenditure made against the grant account must be authorized by the grant recipient or delegate. • The grant recipient or delegate must not be the same individual who is responsible for reviewing, processing, and approving expenses.
Oversight of the appropriate use of grant funds	<ul style="list-style-type: none"> • U of T has the authority to withhold or withdraw approval of expenditures from the grant account if the expense: <ul style="list-style-type: none"> ▪ Is not an appropriate use of grant funds ▪ Is not clearly related to the funded research/activities ▪ Contravenes agency or institutional policy, or a term or condition of the grant.



U of T Policies & Resources

- **Delegation of Authority: Policy & Form**

PART 3: FINANCIAL MATTERS

Section	Summary
Deviation from proposed budget	<ul style="list-style-type: none"> • Unless otherwise specified in the program/funding literature and any agency agreements, grant recipients may deviate from the proposed research/activities as long as they use their grant for the broad purpose for which it was originally awarded.
Retroactive expenses	<ul style="list-style-type: none"> • Expenses cannot be incurred between the date that the grant recipient is formally notified of the funding decision and the effective grant start date (where notification occurs before the grant start date). • Exceptions may be considered in consultation with the “Authorized By” contact on the FReD. Expenses must be eligible in accordance with the TAGFA, program / funding opportunity literature and institutional policies.
Transfer of funds	<ul style="list-style-type: none"> • U of T may transfer a portion or all of grant funds to an eligible member of the grant team at a secondary administering institution. • A secondary administering institution may in turn transfer a portion or all of grant funds to an eligible member of the grant team at a tertiary institution, if permitted by U of T. • Funds must be directly related to the funded research/activities. • Grant recipient must approve each transfer and delegate authority to use grant funds. • The transfer must be governed by an agreement whereby both parties agree to certain terms (see Appendix 2 of the TAGFA). • NSERC/SSHRC permit the transfer of grant funds to co-applicants, but not to collaborators (see Appendix 1 in the TAGFA). • NSERC only permits the transfer of grant funds to NSERC-eligible institutions.

PART 3: FINANCIAL MATTERS

Section	Summary
Deferral of grant instalments	<ul style="list-style-type: none"> • Deferrals extend the authority to use grant funds period (without additional funding) for a <u>maximum</u> of two years by postponing the expiry date and scheduled release of funds. • It is strongly recommended that deferrals be requested in one-year increments. • The grant recipient should inform the “Authorized By” contact on the FReD if they believe that a deferral of the next instalment is necessary. <ul style="list-style-type: none"> ▪ The ‘Authorized by’ contact will submit the request to Tri-Agency via the Grant Amendment Form. • Tri-Agency may opt to defer a grant recipient’s next instalment upon review of the Form 300 if the accumulation of funds has not been properly justified.
Extension period for the authority to use grant funds	<ul style="list-style-type: none"> • The grant recipient should inform the “Authorized By” contact on the FReD if they wish to submit an extension request for their grant. <ul style="list-style-type: none"> ▪ The ‘Authorized by’ contact will submit the request to Tri-Agency via the Grant Amendment Form. • Tri-Agency automatically provides an extension period for some funding opportunities (see Table 1 in the new TAGFA).
Residual balances	<ul style="list-style-type: none"> • CIHR: <ul style="list-style-type: none"> ▪ Any residual balance remaining in the grant account must be returned to Tri-Agency. • NSERC & SSHRC <ul style="list-style-type: none"> ▪ Any residual balance remaining in the grant account may be transferred to a special agency-specific account known as a General Research Fund (GRF) after approval by the relevant agency.

PART 3: FINANCIAL MATTERS

Section	Summary
Over-expenditures	<ul style="list-style-type: none"> • Tri-Agency assumes no responsibility for over-expenditures or over-commitments.
Annual reporting	<ul style="list-style-type: none"> • Tri-Agency will provide U of T with the annual reconciliation report and process details for completion. • Form 300 financial reporting is due to Tri-Agency by U of T annually by June 30th. • Final Form 300 is due to Tri-Agency for all grants that have expired. • Grant recipients are responsible for reviewing and signing all completed Form 300 for their accounts. • Business Officers are also responsible for reviewing and signing completed Form 300.

PART 4: GENERAL ADMINISTRATION

Section	Summary
Policies for grant recipients and administering institutions	<ul style="list-style-type: none"> • Rights to intellectual property, copyright or inventions related to Tri-Agency grant funds vests with U of T. • Tri-Agency policies: <ul style="list-style-type: none"> ▪ Intellectual Property (NSERC) ▪ Intellectual Property and Copyright (SSHRC) ▪ Tri-Council Policy Statement: Ethical Conduct for Research Involving Humans – TCPS 2 (2018) ▪ Tri-Agency Open Access Policy on Publications ▪ Tri-Agency Statement of Principles on Digital Data Management
Ownership of items	<ul style="list-style-type: none"> • Ownership of all items, including equipment, purchased with Tri-Agency funds vests with U of T.
Transfer of equipment	<ul style="list-style-type: none"> • Grant recipients must obtain prior U of T approval to transfer equipment purchased with Tri-Agency funds to another institution. • An agreement letter between institutions should confirm ownership and associated responsibilities for maintenance, use and access of transferred equipment.

U of T Policies & Resources

- [Inventions, Commercialization & Entrepreneurship](#)
- [Ownership of Equipment and Related Matters](#)
- [Transfer of Capital Assets to Another University](#)



PART 5: PROVISIONS FOR LEAVES FROM GRANT ACTIVITIES

Section	Summary
Leaves (grant recipient)	<ul style="list-style-type: none"> • Grant recipients are able to take research and study leaves provided that: <ul style="list-style-type: none"> ▪ The leave is approved by U of T in accordance with the Academic Administrative Procedures Manual. ▪ The grant funded research/activities continue. ▪ Grant recipients or their delegate demonstrate that their responsibilities, as outlined in the TAGFA, continue to be met. ▪ Grant recipients continue to meet agency-specific eligibility and program requirements.
Leave for maternity, parental, medical, or family-related responsibilities (grant recipient)	<ul style="list-style-type: none"> • Grant recipients are able to take these leaves and Tri-Agency will continue to issue payments as scheduled and/or with an extension period, with or without supplemental funds, provided that: <ul style="list-style-type: none"> ▪ The leave is taken in accordance with the Academic Administrative Procedures Manual. ▪ Grant recipients or their delegate demonstrate that their responsibilities, as outlined in the TAGFA, continue to be met (only if the research continues while on leave). ▪ Grant recipients continue to meet agency-specific eligibility and program requirements. • Grant recipients may request an extension of up to 2 years beyond the expiry date of the grant, subject to Tri-Agency approval. • Grant recipients should notify the 'Authorized by' contact in the FReD, who will submit the request to Tri-Agency via the Grant Amendment Form.

U of T Policies & Resources

- [Academic Administrative Procedures Manual \(AAPM\) – Leaves](#)
- [Human Resources & Equity – Faculty & Librarians: Vacations & Leaves](#)



PART 5: PROVISIONS FOR LEAVES FROM GRANT ACTIVITIES

Section	Summary
<p>Paid maternity/parental leave for students and postdoctoral fellows</p>	<ul style="list-style-type: none"> • Eligible students and post-doctoral fellows paid from a Tri-Agency grant are eligible for maternity/parental leave supplements for up to 12 months to cover the leave period, provided that: <ul style="list-style-type: none"> ▪ They are the child’s primary caregivers ▪ The request is submitted within 12 months following a child’s birth or adoption. • If both parents are supported by grant funds, each parent is eligible for a portion of the leave for a combined maximum of 12 months. • The supplement will be prorated accordingly for part-time personnel. • Eligible students and post-doctoral fellows should notify the ‘Authorized by’ contact in the FReD, copying their supervisor (grant recipient). <ul style="list-style-type: none"> ▪ The ‘Authorized by’ contact will submit the request to Tri-Agency via the Grant Amendment Form. • Grant recipient supervisors and trainees should consult with the Family Care Office for further guidance.

U of T Policies & Resources

- [School of Graduate Studies – Leave of Absence Policy \(Graduate\)](#)
- [School of Graduate Studies – Postdoctoral Fellows Portal](#)
- [Family Care Office – Family Leaves](#)



PART 6: ADMINISTRATIVE CHANGES

Section	Summary
Continuing eligibility	<ul style="list-style-type: none"> • U of T will conduct the annual eligibility confirmation exercise with support from departments/divisions to verify that grant recipients remain eligible to hold their grants. • Grant recipients are responsible for ensuring they continue to meet eligibility requirements and should notify the 'Authorized by' contact on the FReD for their grant of any change in eligibility status. • Upon notification, the 'Authorized by' contact will notify Tri-Agency of a change in eligibility via the Grant Amendment Form. • Eligibility criteria: <ul style="list-style-type: none"> ▪ CIHR ▪ NSERC ▪ SSHRC
Change of primary administering institution	<ul style="list-style-type: none"> • Grant recipients should notify the 'Authorized by' contact on the FReD for their grant if they want to relocate their grant to another administering institution. • Upon notification, the 'Authorized by' contact will submit the change request via the Grant Amendment Form.

PART 6: ADMINISTRATIVE CHANGES

Section	Summary
<p>Changes to individuals on the grant team</p>	<ul style="list-style-type: none"> • A change to the grant recipient will be considered provided that: <ul style="list-style-type: none"> ▪ The grant recipient is no longer eligible or cannot carry out the research ▪ The change does not violate program / funding opportunity requirements or agreements ▪ The replacement meets all eligibility requirements and program / funding opportunity requirements. • Requests for changes to individual members of the team should be submitted to the ‘Authorized by’ contact on the FReD for the grant. <ul style="list-style-type: none"> ▪ Upon notification, the ‘Authorized by’ contact will submit the change request to Tri-Agency via the Grant Amendment Form. ▪ The grant recipient should inform the grant team of the approved change.
<p>Termination of a grant</p>	<ul style="list-style-type: none"> • Tri-Agency will authorize the termination of a grant if the grant recipient is no longer eligible or cannot carry out the research, and if the grant recipient cannot be replaced or the grant cannot be transferred to an eligible member of the grant team. • U of T will notify the Tri-Agency of the need to terminate a grant via the Grant Amendment Form. • Tri-Agency may authorize a phase-out period of up to 6 months (12 months in the event of a grant recipient’s death) to settle outstanding eligible commitments / expenses.

LEARNING RESOURCES

This four-part tutorial is aimed at helping grant recipients and their support staff understand the new TAGFA.

Module 1: Introduction to TAGFA

Gain a high-level understanding of the new TAGFA. This module includes highlights of changes from the previous TAGFA and what these changes mean for U of T.

- [Module 1: Introduction to TAGFA](#) (~6 minute video)
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Module 2: Use of Grant Funds

Learn how the new TAGFA is structured for determining expense eligibility on a Tri-Agency grant. This module presents the new TAGFA in the same order you would follow when determining expense eligibility.

- [Module 2: Use of Grant Funds](#) (~17 minute video)
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Module 3: Institutional Policy Highlights

Find highlights of applicable U of T policies and procedures for certain expenses where the new TAGFA defers to institutional policies or does not provide direction.

- [Module 3: Institutional Policy Highlights](#) (~9 minute video)
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Module 4: Scenario Walkthrough

In this self-paced learning module, try out your knowledge of the new TAGFA and institutional policies by working through a collection of sample expense scenarios.

- [Module 4: Scenario Walkthrough](#) (.pdf document)