

Project Implementation

- Reasons for delays in equipment purchase:
 - Misunderstanding about timing of funds availability
 - Assumption that award duration is automatically 4 or 5 years
 - Fund end date on FReD is the “project end date” selected by PI on Award Finalization form
 - Newer models or technology is arriving soon...
 - Equipment is no longer needed
 - POs issued late and delivery cannot occur before funds close

Project Implementation

- Extension of project and fund end date:
 - PI can request a 6-month extension from Research Services
 - Research Services sends email notification when funds are closing 6-months prior to fund end date
 - Option to request a 6-month extension (no sponsor approval required)
 - One time only deal (with one caveat)!

Project Implementation

- Extension of project and fund end date:
 - PI can request a formal extension from sponsors
 - Initial 6-month extension is utilized
 - If extension is greater than 6 months
 - Requires written justification that should include:
 - Rationale for delay in spending
 - Outstanding item(s) or equipment to be purchased
 - New project end date

Poll Question

Professor Jones' project had previously received an initial 6-month extension from Research Services. He planned to complete all purchasing before the funds close on February 28, 2018. Today, he realized a key equipment had not been ordered and he needs an extension. When should he start/have started the process to request an extension?

- A) Any time after the funds close on February 28, 2018
- B) Now is a good time
- C) One month ago
- D) Six months ago

Correct answer is D. If you chose C, one month is risky and the funds will likely close before the sponsors make a decision.

Financial Reporting and Audits

Submission deadlines

- For projects that have a CFI contribution **under** \$1 million, a financial report is due every **2** years,
- Otherwise, an **annual** financial report needs to be submitted.
- All reports are due to the CFI by **June 15** (reporting April 1 - March 31)

Submission deadlines

- For certain projects, the sponsors may require quarterly or semi-annual reports.
- Interim Reports are reported at Category Level, not Individual Item Level and thus are a high level overview of the project status

Submission deadlines

- If a final financial report is submitted by September 30, an interim report is not needed.
- The final financial report is submitted within six months of the project's end and is completed at Item Level. This report is more detailed and includes specific quantities and costs incurred of each item.
- Within the University, the report needs to be signed by:
 1. the Business Officer
 2. the PI

Content of financial report

The financial report includes information on:

- actual and forecasted eligible costs (for ongoing projects);
- actual and forecasted contributions to eligible costs from eligible partners;
- actual and forecasted changes that have not been previously approved by the CFI;
- for the final financial report only, any changes to the infrastructure.

We must disclose the various funding sources and the full actual cost of all items, even if the cost exceeds the budget cost

U of T Financial Reporting Process

Responsibility for the preparation of the financial report – either Interim or Final Financial Report – lies with the Research Oversight and Compliance Office (ROCO).

By preparing the financial report, ROCO can complete a general overview for eligibility of expenditures and reasonableness of In-kind contributions reported on the project.

U of T Financial Reporting Process

A Research Accountant will email the Principal Investigator and Business Officer in early April requesting identification of:

- Budget Line Item number matched to each transaction charged to the CFI and ORF funds
- Any matching cash contribution towards the project – department/division/PI cash contribution is typically used to support a portion of the cost
- Document # which identifies the cost to an internal UofT Fund is required

U of T Financial Reporting Process

Reporting items continued...

- In-kind associated with the purchases made – supporting documentation is needed for ROCO to assess reasonability of In-kind recognized for all in-kind contributions
- Forecast for the next 2 reporting periods for interim reports

U of T Financial Reporting Process

Reporting items continued...

- For Final Financial report – location of infrastructure
- For any Variance greater than \$50,000 or decrease in # of items purchased, an explanation for the change

Deadline for returning this information to ROCO is typically **mid May** – which provides us time to complete the Interim Report due June 15

U of T Financial Reporting Process

Once the information is provided by the Principal Investigator and/or Business Officer, ROCO will review the supporting documentation for reasonableness/completeness and contact the Business Officer/Principal Investigator should any follow up be needed.

U of T Financial Reporting Process

- A Research Accountant (RA) in ROCO will then prepare the financial report and forward a completed report to the Business Officer/Principal Investigator for review and signoff.
- Once this is returned to ROCO, if institutional signatures are needed, they are obtained by ROCO
- Lastly, a copy is electronically submitted to CFI.

Monitoring and auditing activities

- The CFI conducts periodic monitoring visits and contribution audits of projects to ensure that the institution complies with the guidelines and manages the funds properly.
- The CFI reserves the right to make the final determination of eligible costs and fair market value, to disallow expenditures and to reduce the CFI award.
- ORF relies on these due diligence activities and reports for their determination of eligibility.

Monitoring Visits

The objectives of the monitoring visits are threefold and are typically conducted at **Institutional Level**:

Oversight

- Obtain an understanding of key policies, practices, processes and controls in place at the institution for the management of CFI awards and assess their adequacy.

Monitoring Visits

Monitoring visit objectives continued...

Value to the institution

- Disseminate information on CFI policies, guidelines and expectations for accountability and integrity, as well as share examples of good practices used by recipient institutions in managing CFI funds.
- Highlight opportunities to increase efficiencies.

Feedback and knowledge building

- Obtain feedback from the institution that will help the CFI ensure that its policies, guidelines and expectations are clear and adequate.
- Gain community knowledge in specific areas of interest to the CFI.

Contribution Audits

- The CFI conducts audits to ensure that funding received by an institution for **a given project** has been used in accordance with the agreed-upon terms and conditions of the Award agreement and with applicable policies and guidelines.
- The CFI reserves the right to audit any CFI-funded project, even when the final instalment for the holdback has been paid.
- All projects with a CFI contribution exceeding \$10 million are automatically subject to an audit.

Timelines

- The applications have been submitted, now what?
- The steps before funding can be released

CFI
RESULTS

Timelines

**CFI
RESULTS**

**ORF
RESULTS**

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Timelines

**CFI
RESULTS**

**ORF
RESULTS**

**CFI AWARD
FINALIZATION**



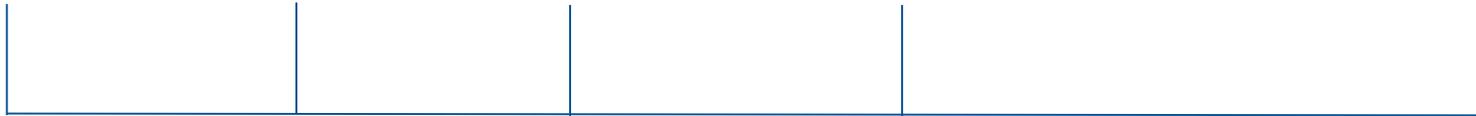
Timelines

**CFI
RESULTS**

**ORF
RESULTS**

**CFI AWARD
FINALIZATION**

**CFI AWARD
AGREEMENT**



Timelines

**CFI
RESULTS**

**ORF
RESULTS**

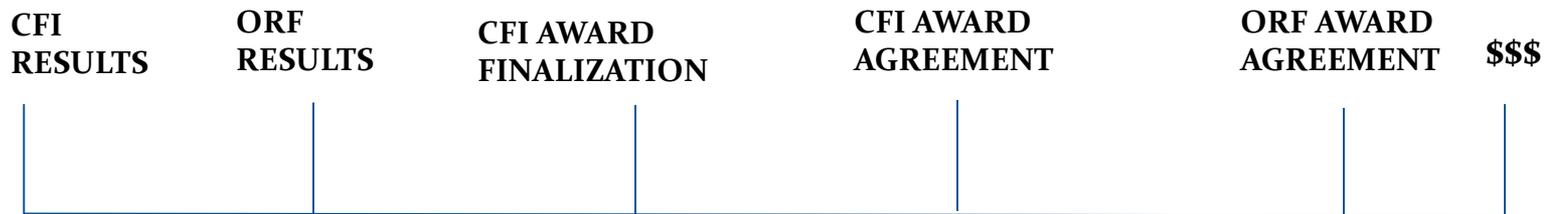
**CFI AWARD
FINALIZATION**

**CFI AWARD
AGREEMENT**

**ORF AWARD
AGREEMENT**



Timelines



The process takes anywhere from 1 1/2- 2 years for funds to be released

Timelines

- JELF Partnership - CRC



For JELF – CRC applications, the process takes @ 4 months longer when starting from the CRC results as they will come before the CFI results.

Progress Reports

- Project Leaders are required to submit annual progress reports in May (email reminder sent from RSO)
- Annual reports commence once the project is 'operational'.
- If the CFI award is $> \$1\text{M}$ the Project Leader is required to report for 5 years.
- If the CFI award is $< \$1\text{M}$, the Project leader is required to report for 4 years.

What is 'operational'?

- CFI defines 'operational' when the research project has been initiated.
- The Project Leader indicates that the project is 'operational' by logging into the CFI web portal (CAMS), once operational the progress reporting begins

Progress reporting continued...

ORF Annual Progress reporting:

- Form 4 (Milestone Report) annually until project is 'complete'
- Form 5 (Performance Measures) if paid in more than 2 installments (i.e. if ORF award > \$1M) and project is more than 2 years
- Form 4&5 sent by RSO staff to PI; when completed PI sends back to RSO and submitted to ORF.