

# Update on the New, Principles-Based Tri-Agency Guide on Financial Administration

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# Learning Objectives

By the end of this session, you should be able to:

- Understand the key differences between the new and old Tri-Agency Guide on Financial Administration (TAGFA), including the four principles and other important changes
- Understand the impact of the new TAGFA on the administration of Tri-Agency research funds at U of T
- Navigate available resources for more information about the new TAGFA implementation

# Agenda



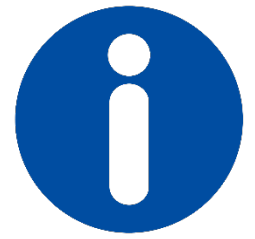
Part 1: About the Guide



Part 2: Use of Grant Funds



Part 3: Implementing the New  
Guide at U of T



# Part 1: About the Guide

# Background

- In 2017, CIHR, NSERC and SSHRC launched a renewal initiative to update the Tri-Agency Guide on Financial Administration (TAGFA).
- The renewal of the Guide is intended to:
  - Streamline and simplify the administration and use of grant funds
  - Strike a balance between control and flexibility
  - Maximize the use of existing institutional policies, processes and controls
  - Harmonize Tri-Agency's policies and guidelines

# What Has Changed?

- Shift from a prescriptive list of eligible and ineligible expenses to a **principles-based approach** under the new Guide.
- New Guide provides a framework for institutions to determine eligibility of expenses in accordance with their own policies and procedures.
- In general, anything eligible under the old Guide will continue to be eligible under the new Guide based on the principles.

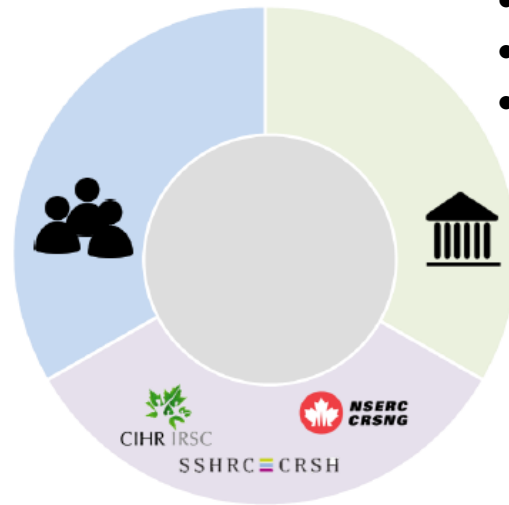
# Roles & Responsibilities

## Grant Recipients (and Delegates)

- Provide authorization
- Manage public funds soundly; best value
- Expense ownership and justification

## Administering Institutions

- Apply guidelines and policies
- Establish sound controls
- Respond to grant recipient queries
- Prepare annual reports to Tri-Agency
- Maintain eligibility status
- Adhere to Institutional Agreement



## Agencies

- Release of payments
- Administration guidelines and policies
- Respond to questions / provide support
- Monitoring visits; review of Form 300s
- Ensure transfer payment policy is adhered to
- Ensure T&Cs are adhered to
- Determine eligibility status
- Administer and review Institutional Agreement

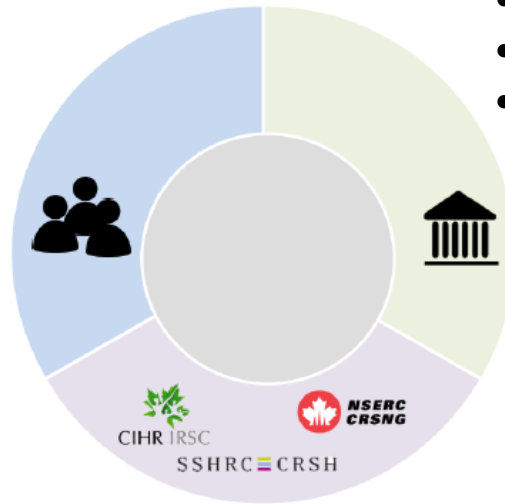
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# What Does this Mean for Us?

- The new Guide takes effect on **April 1, 2020**
  - *The old Guide will no longer be available on the Tri-Agency website.*
- In general, “business as usual” for grant recipients.
- U of T policies will play a more important role in the interpretation of expense eligibility questions.



# Part 2: Use of Grant Funds

# Applying the new TAGFA: Use of Grant Funds

Eligible Expenses are determined by one of the following:

Program / Funding  
Opportunity

Principles on the Use of  
Grant Funds

Directives on Certain  
Expense Types

Institutional Policies

# Use of Grant Funds

## Program / Funding Opportunity

- Expenses not normally considered eligible on Tri-Agency grants
- Unique to the goal of the program or funding opportunity, cited specifically as eligible in the funding opportunity description
- Cited on the FReD

# Use of Grant Funds

## Principles on the Use of Grant Funds

Grant expenditures must:

1. contribute to the **direct costs of the research/activities** 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 research team

# Use of Grant Funds

## Principles on the Use of Grant Funds

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### *What are direct costs?*

- *Essential expenditures that would not have been incurred had the grant not been undertaken.*
- *Accordingly, they can be directly assigned to the grant activities with a high degree of accuracy.*

# Use of Grant Funds

## Principles on the Use of Grant Funds

Grant expenditures must:

2. not be **provided by the administering institution** to their research personnel

***What does Tri-Agency mean by “provided by the administering institution”?***

- *If an administering unit normally provides a good or service, it cannot be charged to the grant.*
- *Tri-Agencies are mindful that what is provided by an institution can vary both across and within institutions.*

# Use of Grant Funds

## Principles on the Use of Grant Funds

Grant expenditures must:

3. be **effective and economical**

***What makes an expense “effective and economical”?***

- It achieves the intended outcome with due regard for minimizing cost by avoiding unnecessary expense.*
- Optimal use of the funds; does not necessarily mean the “lowest cost.”*



# Use of Grant Funds

## Principles on the Use of Grant Funds

Grant expenditures must:

4. not result in **personal gain** for members of the research team

***How does the Tri-Agency define “personal gain”?***

- *A benefit or advantage to a particular person rather than to the grant-funded research/activities.*

# Use of Grant Funds

## Directives on Certain Expense Types

Employment and  
Compensation Expenses

Goods and Services

Travel and Travel-Related  
Subsistence Expenses

Hospitality Expenses

Gifts, Honoraria,  
Incentives

# Use of Grant Funds

## Directives on Certain Expense Types

### Directives: What are they?

- Mandatory requirements
- Provide a framework to make decisions
- Allow for sound judgement and due diligence

# Directives: Employment & Compensation

## Eligible

- ✓ 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 compensation benefits
- ✓ Only the portion of mandated severance pay for the period the individual worked on the current grant

## Ineligible

- ✗ \* 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

# Directives: Goods & Services

## Eligible

- ✓ Goods and services expenditures, in accordance with the four principles

## Ineligible

Consulting fees to:

- ✗ 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

# Directives: Travel & Travel-Related Subsistence

## Eligible

- ✓ Travel and travel-related subsistence claimed in accordance with the Guide to Financial Management (GTFM)
- ✓ Claimed for the grant recipient and other individuals who contribute to the funded research/activities

## Ineligible

- ✗ Alcoholic beverages

# Directives: Hospitality

## Eligible

Hospitality costs must be directly related to the funded research and be incurred for:

- ✓ 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.

## Ineligible

✗ Alcoholic beverages

✗ Costs incurred for interactions between participants involved in day-to-day funded research/activities

# Directives: Gifts, Honoraria, Incentives

## Eligible

Gifts, honoraria and incentives can be offered to an individual/group:

- ✓ 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

## Ineligible

Gifts, honoraria and incentives cannot be offered to:

- ✗ 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.



# Use of Grant Funds

## Institutional Policies

- For those situations where the new guide is silent and, where we want to get more detail once we look at the principles, we refer to the Institutional Policies for the answer.

For example:

- U of T's Guide to Financial Management
- U of T Governing Council Policies

**If in doubt, the most stringent policy always applies.**



# Part 3: Implementing the New Guide at U of T

# What Have We Accomplished So Far?

- ✓ Conducted a policy gap analysis to identify gaps and changes between the old Guide, the new Guide, and U of T's policies & guidelines.
- ✓ Established a Working Group that is developing a strategy to implement the Guide at U of T.
- ✓ Begun to work with relevant divisions to update U of T's policies & guidelines as needed.
- ✓ Developing a framework for tracking, resolving, and escalating questions and decisions on expense eligibility.

# Highlight: Institutional Policies

## Expense Item

Child care and dependent expenses when traveling

## University Policy / Guideline

*“There are situations in which additional costs related to child care are incurred when an employee must attend a conference or other necessary business travel [...] The guiding principle is that employees should not be out-of-pocket for additional child care costs when on University business. Such additional costs, if reasonable and necessary, would be reimbursable. The responsibility is up to the approver to ensure these costs are reasonable and appropriate.”*

## Where To Find It

Guide to Financial Management – Allowable Miscellaneous Business Related Items  
– Section 10: Child Care and Related Expenses

# Highlight: Institutional Policies

## Expense Item

Subsistence for long-term travel

## University Policy / Guideline

*“For long-term travel in excess of 30 consecutive days in one location, the meal allowance rates will be reduced to 75% of the applicable per diem rate.”*

## Where To Find It

Financial Services Memorandum Re: Automobile and Per Diem Rates for Travel; dated January 27, 2020

# Highlight: Institutional Policies

## Expense Item

Post-doctoral fellowship term limits

## University Policy / Guideline

*“The maximum initial term of engagement is three years. In special circumstances, a further extension of up to three years is permitted with Decanal approval in multi-department faculties, and Provostial approval in single-department faculties.”*

## Where To Find It

University of Toronto Governing Council – Policies for Post-Doctoral Fellows - Term

# Highlight: Institutional Policies

## Expense Item

Home phone and internet costs

## University Policy / Guideline

*“Internet service costs are more commonly being treated similar to home phone costs in that the majority of homes today have internet services for non-work related requirements. For costs to be eligible the department would need to determine that there was a University of Toronto business requirement for the internet use and that it was used solely or primarily for those business purposes.”*

## Where To Find It

Guide to Financial Management – Allowable Miscellaneous Business Related Items  
– Section 9: Internet Service Costs Used Solely or Primarily for Business Purposes

# Highlight: Institutional Policies

## Expense Item

Business class airfare when traveling

## University Policy / Guideline

*“For domestic and international flights, the standard class of service is the least expensive economy class fare. All other business class and premium economy travel may be permitted (e.g., flights in excess of 6 hours, or for medical reasons) if pre-authorized by the principal, dean, director or senior executive to whom the traveler reports.”*

## Where To Find It

Guide to Financial Management – Air and Rail Travel – Section 3: Class of Service



# What Can We Do To Prepare?

- Familiarize yourself with the new Guide, particularly the **Principles** and **Directives**.
- Attend the STAR Conference workshop later this morning to work through some common expense eligibility scenarios.
- Stay tuned for more learning opportunities and resources in the coming months.

# Resources

- **Tri-Agency Website**

<https://www.nserc-crsng.gc.ca/InterAgency-Interorganismes/TAFA-AFTO/>

- **VPRI Website**

<https://research.utoronto.ca/engaging-research/tri-agency-policies-guidelines/tri-agency-guide-financial-administration-renewal>

- **Guide to Financial Management**

<https://finance.utoronto.ca/policies/gtfm/>

- **Financial Advisory Services and Training (FAST) Team**

<https://finance.utoronto.ca/fast/>

# Who Should You Contact for Help?

construction, purchase of laboratory furniture, Compensation-related benefits to recipients of stipends, passport and immigration fees for travel, discretionary severance and separation packages, etc.

## Eligible Expenses

Refer to "Use of Grant Funds" for Professors at

([http://www.nserc-crsng.gc.ca/Professors-Professeurs/FinancialAdminGuide-Guide.AdminFinancier/FundsUse-UtilisationSubventions\\_eng.asp](http://www.nserc-crsng.gc.ca/Professors-Professeurs/FinancialAdminGuide-Guide.AdminFinancier/FundsUse-UtilisationSubventions_eng.asp))

Items that can be charged to CIHR/NSERC grants include, but are not limited to the following: Travel related to the research program and in accordance with the University's guidelines; compensation for research assistants and technicians, in accordance with the University's salary scale; may also include the University's contributions such as, but not limited to, superannuation, group

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# Who Should You Contact for Help?

The role of the VPRI is to provide guidance and clarification regarding expense eligibility, and to support department and division staff in the application of expense eligibility rules and guidelines.

# Questions?