

Financial Management

A. Preamble

The Applied Research & Innovation (ARI) Standard Operating Procedures (SOPs) have been developed to guide responsible and ethical research and innovation activity at Humber College Institute of Technology & Advanced Learning. Canada's federal research and innovation granting agencies, the Natural Sciences and Engineering Research Council of Canada, Social Sciences and Humanities Research Council, and Canadian Institutes of Health Research – collectively, the “Tri-Agencies” – are committed to fostering and maintaining an environment that supports the responsible conduct of research. As an institution that is eligible for Tri-Agency funding, Humber, and by extension all Humber researchers, is bound by agreements that govern, support and promote positive research environments. The information in this SOP reflects the obligation of Humber to comply with these agreements for management and administration of funding for research and innovation projects¹, as well as internal policies, procedures and processes that have been established to promote effective research operations.

B. Budget Planning and Preparation

A budget is prepared at the beginning of a project and represents the best estimation by the researcher(s) of what is needed to complete the project as outlined in the proposal and/or project plan. A complete budget includes direct and indirect costs of research. Direct costs that are paid in cash include hiring new research staff, purchasing project-related supplies and travel. Direct costs that are paid in-kind include the reassignment of a current cost or resource (e.g. office space), salary for existing staff who will commit time to work on the project, specialized equipment that has already been purchased, and donated supplies. Indirect or overhead costs include the ongoing expenses of operating an institution (e.g. costs associated with facilities and basic utilities), the purchase or repair of office equipment, administration fees, insurance for equipment and research vehicles, and basic communication devices. The complete budget should detail all direct and indirect costs associated with a project (cash and in-kind), classified in such a way that all stakeholders understand what costs will be covered and by whom.

The budget is an integral part of a grant application and must be developed with ARI staff and the heads of Schools or Departments that are impacted by a project. The Dean of ARI must provide written approval of a project and related budget for internal and external funding opportunities.

C. Eligible and Non-eligible expenses

As a Tri-Agency eligible institution, Humber adheres to the [Tri-Agency Financial Administration Guide](#) to manage research-related expenses. This guide includes a detailed list of typical eligible and ineligible project-related expenses. ARI practice regarding specific project-related expenses that are commonly requested by potential researchers is outlined below. Expenses not listed below or in the guidelines for the project-specific funding opportunity will be managed on a case-by-case basis.

¹ This includes the [2014 Tri-Agency Financial Administration Guide](#).

Salaries: The practices regarding compensation for faculty members involved in ARI projects can be found in SOP IV: Roles and Responsibilities of Employees Involved in Applied Research & Innovation Projects. In summary, full-time faculty and staff members cannot be compensated for involvement in an ARI project; rather they may receive release time from teaching or administrative duties as approved by their Dean or Director. If the funds to cover the agreed salary replacement costs of a full-time employee come from an ARI account, the amount will be transferred directly to the appropriate school or department. The school or department will use those funds to pay salary replacement costs. Part-time employees may be directly compensated for their time spent working on an ARI project. In these cases, they will be required to sign a contract with ARI that stipulates the number of compensated hours per week as approved by a) the employee's Dean or Director; b) the Dean of ARI; and c) a Human Resources (HR) representative. Salaries for research assistants and other research staff will be administered through ARI (refer also to "SOP I: Responsibilities of Humber ARI"). All paid project team members will be required to sign a contract that complies with Humber HR policies and will submit documentation of hours worked as per their respective contracts.

Equipment

Funding to purchase equipment for research projects must comply with the requirements of the funder. The costs associated with project-related equipment, including long term storage and maintenance costs, will be discussed and managed on a case-by-case basis.

Consulting fees

Where possible, the expertise needed to complete a project must come from 1) Humber; 2) the industry partner as an in-kind contribution; and/or 3) another partner or collaborator as an in-kind contribution.

External funding: inclusion of consulting fees will comply with the guidelines of the funding agency.

Internal funding: consulting fees are not eligible expenses for projects funded by ARI internal funds. The expertise to complete an internally funded project must either come from Humber employees or project collaborators.

Travel

Reasonable local travel costs deemed necessary to complete a project may be eligible. In most cases, these costs cannot be more than 20% of the entire budget.

Conference travel: travel costs for conferences will comply with the guidelines of the funding agency. For internally funded projects, travel costs for conferences may only be approved if all of the following are met:

- Costs are included in the budget that is prepared at the beginning of a project;
- The applicant must be presenting research that was supported by ARI;
- A copy of the abstract submitted to the conference is required before committing to any travel related costs;
- The travel must be for a conference within Canada;
- For travel outside of Ontario, a Request to Travel form must be completed and approved by the researcher's Dean and the VP-Academic; and
- Other supporting documentation may also be requested.

Recurring costs

Professional membership fees are only eligible if they are deemed necessary to complete the project. Monthly expenses (e.g. rental costs, cell phone plans, etc.) are not typically eligible expenses.

D. Budget Spending

All funded research projects will be assigned a unique account number for tracking expenses. All project-related expenses must be charged directly to the project-specific account wherever possible. Project leads or team members must consult ARI before making any project-related purchases with personal cash or credit cards. Out-of-pocket expenses that violate applicable funding guidelines will not be reimbursed.

Project leads must provide ARI with detailed purchasing information for materials and supplies included in an approved budget. To order supplies for a project, the project lead or a designate must forward to ARI either 1) an invoice/quote from the supplier that complies with requirements of Humber Financial Services and Planning or 2) detailed information about the specific item to be purchased. It is the responsibility of the project lead to ensure that all details regarding the materials and supplies to be purchased are correct.

Equipment purchased by grant funds is the property of Humber and will be managed by ARI. It is neither the property of the industry partner nor the researcher. Equipment purchased by research funds must be made available to all researchers and industry partners working on Humber projects. Storage, maintenance and use of project-related equipment will be managed by ARI on a case-by case basis.

Travel costs must be approved in advance of the travel dates and must comply with Humber [Financial Services Policies and Procedures](#). Researchers must consult with ARI before making any travel plans or incurring any travel-related expenses. Out-of-pocket expenses that violate applicable funding guidelines will not be reimbursed.

E. Overhead and Administration Costs

Some external funding agencies will provide funding for overhead and administrative costs relating to research operations. Wherever possible, a budget submitted to an external agency or industry partner will include a portion of overhead costs. These funds are used by Humber to cover administrative research costs, as described above. For more information, refer to the Recovery of Indirect Costs section in Humber's "[Research Contracts and Fund Administration](#) Procedure".

F. Budget Reports

ARI will provide researchers with budget updates on a regular basis, usually quarterly. Researchers can request an updated budget at any time and can expect to receive an updated budget within five business days of the request. It is the responsibility of the project lead to review all budget updates to identify potential budget issues as soon as possible.

G. Project Extensions

All funding is awarded with a start and an end date. It is the responsibility of the project lead to manage the project to ensure funding is spent in compliance with the project milestones and deliverables.

Extensions to use funding beyond the end date may be approved in accordance with the funder's requirements. For external funding agencies, requests for project extensions must be in compliance with the terms of the funder and must be made at least 30 days prior to the approved end date. For internally funded projects, any funds not spent by the project end date will be returned to the appropriate fund to be reallocated to future projects. It is the responsibility of the project lead to work closely with ARI staff to ensure that all project funds are spent in a timely manner.