Research Finance

• Tri-Council Financial Monitoring Review
• Delegation of Signing Authority
• Tri-Council Financial Administration
Tri-Council Financial Monitoring Review Results
• Monitoring visit every 5 years

• Reviews University’s administrative and financial control framework

• The monitoring visit was not a financial audit, but was a compliance review
Objectives of the Monitoring Review

- To review the effectiveness of the policies, controls and systems
- To ensure that CIHR, NSERC and SSHRC policies and regulations are followed
- To review for eligibility of expenses
- To assess if researchers are well supported by Research & Financial Services
- To share and disseminate information on guidelines and expectations for financial accountability and integrity
By The Numbers

- 2012 funding totaled $62.3 million (40% of total research dollars)
- 1152 Tri-Council research projects in 2012

- 121 projects sampled
- 237 transactions sampled, totaling $1,002,740
- 4 days, 6 auditors, 17 meetings
- 10 transactions deemed ineligible, totaling $1,934 (0.2%)
- 118 transactions deemed non-compliant, totaling $231,563 (23.1%)
Findings and Recommendations

1. Roles and Responsibilities, including segregation of duties
2. Signing authorities
   a. Delegation
   b. Purchase orders
   c. Speed codes (preferred vendors and internal operations)
3. Supporting documentation / information for travel, hospitality and internal charges
4. Approval of travel expenditures incurred through our preferred vendors and PCards
5. Employee benefit charges
6. Annual progress reports for student award recipients
Addressing the Findings

- Drafted and distributed the *Roles and Responsibilities* documents
- Revised the Delegation of Signing Authority form
- Monitoring travel/expense claims for the required supporting documentation and information
- SGPS has implemented a new process within the HE system
- Additional reference material on our website
- Developing additional training and information sessions
- Consulting with Human Resources and senior management on employee benefit charges
Ongoing Work

- Capturing authorizations through our internal operations (ChemBio stores, University Machine Services, Bookstore, etc.)
- Capturing one-over-one approvals on travel incurred through our preferred vendors and Pcard
- Employee benefit charges
- Training and information sharing – educate, educate, educate
Delegation of Signing Authority
Delegation of Signing Authority

• Tri-Council requires that each expenditure made to the PeopleSoft Project is authorized by the Recipient, or by their delegate - provided the delegation is clearly documented.

• Means the sharing of spending authority with others.

• A delegated authority should:
  – Understand the purpose of the project.
  – Be able to verify eligibility of the expense relating to the project.
Delegation of Signing Authority

The Form:

- Provided with each New Research Project Notification email
- Can be found on Financial Services website under forms
- Is only valid for active projects at time of signing
General Principles:

• The Account Holder may delegate authority for expenditures
• The Account Holder cannot delegate accountability
• A delegate may not further delegate signing authority
• Delegation is **to a person** and **not to a position**
• Account Holder notifies Research Finance when delegation changes or terminates
• The Account Holder cannot delegate the signing of financial reports
Delegation of Signing Authority

Best Practices

• Account Holder ensures that the delegation of the authority is communicated, and confirmed in writing

• Account Holder exercises control over the persons to whom signing authority has been delegated

• Account Holder should provide delegate(s) a copy of the approved project description, budget, and sponsor’s guide on eligibility and compliance matters
Delegation of Signing Authority

What the form does not provide:

• Completion of this form **does not** provide access to the PeopleSoft Financials system

• Completion of this form **does not** provide authorization to the Purchasing or requisition systems

• Completion of this form **does not** transfer review, authorization or approval duties for on-line Expense Report or Pcard transactions
Delegation of Signing Authority

Is Delegation of Signing Authority required?

• If an Account Holder would like the department Administrative Officer (AO) to complete a purchase requisition for some lab supplies as requested via an email, does the AO require delegated signing authority?
  
  • **No**, delegation is not required because:
    
    • the AO is not making the decision of what to purchase
    • the AO is carrying out the process of placing the order only
    • the AO has the request in writing by the Account Holder or delegate

  • Written authorization is documented assurance the Account Holder authorized the purchase and is required at time of audit
Is Delegation of Signing Authority required?

- The Account Holder is away at a conference and cannot be reached and the research associate requires some lab supplies for a Tri-Council funded project, does the research associate require delegated signing authority?

  - **Yes**, delegation is required because:
    - the research associate is making the decision as to what needs to be purchased
    - there is no way to contact the Account Holder for authorization
    - the Account Holder has indicated this person should be making these types of decisions
Tri-Council Financial Administration
Administration of Tri-Council Grants

• Includes CIHR, NSERC, SSHRC, CRCs and NCEs

• Funding agencies amend their guidelines periodically and some programs with exceptions

• Current version of guidelines at: http://www.nserc-crsng.gc.ca Use of Grant Funds.
Roles and Responsibilities – Account Holder

- Account holder must operate in compliance with the relevant Agency guideline

- No one may initiate or authorize expenditures from a project without the Account Holder’s written authority or delegation.
Roles and Responsibilities – AO

• Ensure written authorization is received from Account Holders or their delegate (as documented) before processing transactions against their research accounts.

• This authorization must be retained for audit purposes or for review by Research Finance, Internal Audit and/or the sponsor.

• Ensure university policies and sponsor guidelines are followed when procuring goods and services or authorizing expenditures against research accounts.
General Principles

- Expenses must be for direct costs of research for the funded project
- Equipment purchased belongs to Western
- For internal acquisitions / service costs:
  - Documentation describing the costs
  - If a shared cost, the method of calculating the allocation between the parties involved
- If no Agency policy, Western policy applies
Supporting Evidence Required

- Name of the person
- Position or category of employment
- Salary or stipend
- Duration of compensation
- Authorization of Account Holder or delegate
Travel and Subsistence Expenses

Supporting Evidence Required

- Purpose of trip, prospectus, dates and destination
- Original detailed receipts (credit card summary is not acceptable)
- Original air travel ticket and boarding passes
- One claim per trip, per person. For any subsequent related expense(s), a new claim must reference the original claim number.
- Claimant’s affiliation to the Principal Investigator’s research project
- Signature or electronic approval of claimant and Account Holder or delegate
- One-over-one signature or electronic approval for the Account Holder’s travel claim
Equipment and Supplies Expenses

Supporting Evidence Required

• Original invoices, contracts, receipts
• Justification for supplies expenses (cannot be academic or office related)
• Authorization of the Account Holder or delegate
Supporting Evidence Required

- Original invoices, contracts and receipts
- Documented Agency approval for cell phones and smartphones
- Justification for home internet services
- Authorization of Account Holder or delegate
Hospitality Expenses

Supporting Evidence Required

• Purpose of the event
• Date(s) of the event
• Number of participants and preferably list of participants’ names
• Original detailed receipts (no credit card slips or statements)
• Authorization of Account Holder or delegate
Consequences

Non-compliance could result in the following:

• Freezing or closing of grants
• Repayment of expenses
• Agency can terminate grants or declare researcher ineligible from applying for future funding
Tri-Council Contacts

• CIHR – expense-eligibility@cihr-irsc.gc.ca

• NSERC – Shawn Ricard shawn.ricard@nserc-crsng.gc.ca

• SSHRC – Shawn Ricard shawn.ricard@sshrc-crsh.gc.ca
Questions??

www.uwo.ca/finance/res-finance

Financial Services

Research Finance supports the research community at Western in the financial management of research grants and contracts awarded to individual researchers and to the institution. Together with several stakeholders, including researchers, faculties, departments and the Office of Research Development and Services, Research Finance ensures funds are utilized in accordance with the terms, conditions and regulations of the funding source and/or policies of the University. This unit is involved in a wide scope of activities and provides services that include financial reporting, financial analysis and forecasting, expenditure monitoring, compliance oversight, cash flow management and audit facilitation.