AP1100 – RESEARCH FINANCE

Interior Health would like to recognize and acknowledge the traditional, ancestral, and unceded territories of the Dãkelh Dené, Ktunaxa, Nlaka'pamux, Secwépemc, St'át'imc, syilx, and Tŝilhqot'in Nations, where we live, learn, collaborate, and work together.

Interior Health recognizes that diversity in the workplace shapes values, attitudes, expectations, perception of self and others and in turn impacts behaviors in the workplace. The dimensions of a diverse workplace include the protected characteristics under the human rights code of: race, color, ancestry, place of origin, political belief, religion, marital status, family status, physical disability, mental disability, sex, sexual orientation, gender identity or expression, age, criminal or summary conviction unrelated to employment.

1.0 PURPOSE

To provide integrity to the administration and recovery of financial resources designated for research within Interior Health (IH) in compliance with IH financial policy and funding agency requirements.

2.0 DEFINITIONS

TERM	DEFINITION
Account Administrator	*IH employee with the responsibility for ensuring a Special Research Fund account is used in alignment with IH policy and funding Agency requirements.*
Agreement	*A contractual agreement with a funding agency outlining the financial commitment, terms and conditions governing the use of the funds, and the terms and criteria for unspent funds.*
Direct Cost	*The cost that is attributable to a specific research project.*
Funding Agency	*A private or public sponsor, funder, donor, or granting agency providing financial resources specific for a research project.*
Indirect Cost	*The central, and/or departmental, and/or facility cost that IH incurs to support research but that is not attributable to specific research projects.*
Overhead Cost	*Indirect expenditures incurred by IH in the conduct of research and are not readily identifiable as specific expenses in a protocol. They are real costs to IH which enable the conduct of research in accordance with regulatory, ethical and operational standards*
Overhead Charge	*The amount set out in a research budget to cover the indirect costs associated with a specific research project.*

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Researcher	*A principal or qualified investigator conducting a disciplined inquiry and responsible for the conduct of the research.*
Special Research Funds (SRFs)	*Any funds designated to be used to pay allowable expenses related to the conduct of research directed to the IH Research Department through third party grants, awards and other internal or external contractual funding arrangements.*
Special Research Fund (SRF) Operating Account	*A cost centre or financial account established to manage Special Research Funds received on condition that they are spent only for stated purposes.*

3.0 POLICY

3.1 This policy applies to all grant funded and sponsored research conducted within IH facilities, using IH resources and/or IH personnel.

3.2 IH manages Special Research Funds (SRFs) for research activities. These funds are held in SRF Operating Accounts.

3.3 Researchers utilizing SRFs are responsible for monitoring their budget and ensuring deficits do not occur. Cost overruns and deficits are not permitted in SRF Operating Accounts.IH is not responsible for any cost overruns and deficits for SRF Operating Accounts.

3.4 IH departments must capture education funds, supplier contributions, and ancillary revenue through regular IH operating funds. Similarly, donors should direct donations and endowments to one of the Foundations that support IH-based facilities and programs.

3.5 The IH Research Department has ownership and fiduciary responsibility for SRFs. The Research Department works in collaboration with IH Financial Services to provide transparent and timely administration, management and reporting of SRFs in compliance with applicable IH policies and Funding Agency requirements.

3.6 Based on the premise that the Research Department is the owner of SRFs, the non-profit status and GST/HST status of IH includes the activities of these accounts.

Special Research Fund Operating Account

3.7 Requests for SRF Operating Accounts must detail the purpose of the SRF and meet the criteria for the creation of an account. There must be one designated signing authority for each SRF Operating Account who has the authority to approve or commit funds as per IH policy AP0700 Signing Authority.

3.8 Only employees and medical staff of IH are able to have spending authority for SRF Operating Accounts. Accounts are not opened for students, visitors, or temporary staff.

3.9 The Funding Agency, IH's external auditors, or authorized IH staff may audit the financial statements for SRFs as prescribed per Agreement.

Overhead Rates

3.10 The Research Department charges an Overhead Fee to cover Indirect Costs to IH. This applies to all research that are not publicly funded, including Industry sponsored, grant and grant-in-aid.

3.11 Overhead Fees are calculated as a percentage of the total Direct Costs of a research project unless another calculation has been negotiated. The Overhead Fee charges are:

- Industry = 40%
- Government or academic institutions = 25%

3.12 Overhead Fees include, but are not limited to:

- Accounting support
- Administrative services for applicable IH departments
- Administrative supplies
- Budget negotiation
- Clinical research unit facilities
- Clinical trial contracts & budget negotiations
- Clinical trial pharmacy compliance
- Clinical trial regulatory management
- Clinical trial study management
- Communications and Digital Health support (including data security)
- Document storage and archiving
- Equipment purchase, maintenance, and upgrade
- Facilities maintenance and upgrade
- Hazardous goods pick up and destruction
- Knowledge translation activities
- Library and electronic resources
- Quality management system development and maintenance
- Regulatory requirements and compliance training
- Research facilitation and methods support
- Standard operating procedures (SOP) development and maintenance

3.13 The VP responsible for the research department may grant discretionary approval for research projects that do not meet the above requirements based on scientific merit or exceptional cases (e.g. funding from charitable organizations, institutional cooperative group trials).

Management of Special Research Funds

3.14 Expenditures for the personal benefit of a Researcher or other parties are not allowed. These include any expenses that are not directly related to their role as Researcher or the research project.

3.15 IH can withhold or withdraw approval of expenditures from the SRF Operating Account if the expense does not constitute an appropriate use of the funds, is not related the funded research/activities, or contravenes a Funding Agency or IH policy or term of the award.

3.16 The accounting treatment for SRFs follows the applicable Generally Accepted Accounting Principles (GAAP) and the Canadian Institute for Health Information (CIHI) Standards for Management Information Systems.

3.17 The authorization of expenditures of SRFs follows all applicable IH policies and procedures. These include, but are not limited to, conflict of interest, fair purchasing practices, reimbursement of travel expenditures, and contract management.

4.0 PROCEDURES

4.1 Financial Services

- At the request of the Research Department, assigns and opens a SRF Operating Account for a SRF with a unique account number within IH's financial reporting system that is linked to the fund name, source of fund information, and assigned Account Administrator from the Research Department.

- Receives and processes SRFs, holding the funds in trust until they are expended by the Researcher or distributed in accordance with the terms and conditions of the SRF.

- Provides accounting, control and reporting of assets within the SRFs, based on financial monitoring requirements of the awards.

- Collapses the funds at the end of the project and administers the residual funds to the Funding Agency, in accordance with respective agreement.

- Closes SPF Operating Accounts upon the completion of all financial activity.

4.2 Research Department

- Negotiates project budgets and Overhead Fees to be sufficient to cover IH costs.
- Serves as the office of record for Agreement documents.
- Requests SRF Operating accounts from Financial Services. The Research Department provides a copy of the award notice (for grants only), contractual agreements with the funder and a copy of the terms and conditions governing the use of funds with each request.
- Oversees the release of SRFs once the Institutional certificate of Approval to Conduct a Research Project has been granted. The Corporate Director, Research and Evaluation may authorize the release of funds on a pro-rated basis following the "in principle" approval of a research protocol for activities enabling the start-up of any research involving human research participants on a case-by-case basis, and in accordance with an Agreement in place with the Funding Agency.
- Works with Researchers to make sure funds are released by Financial Services in accordance with study contracts, Funding Agency financial administration policies, and IH finance policies. This could be through Researcher-submitted invoices or payment schedules.
- Assigns an Account Administrator from the Research Department who provides financial and administrative support to SRF recipients to ensure sound management of funds.
- Manages Overhead Fees, as required.
- Where an exception to IH finance policy is required due to Funding Agency requirements, obtains the appropriate approval.

4.3 Researchers/SRF Recipients

- Understands the proper use of funds designated for research and ensures that all expenditures conform to the approved study budget, the terms and conditions of the Agreement, the regulations of the Funding Agency, and applicable IH policies and procedures.
- Provides copies of all proposals, Agreements, grant requirements and budgets to the research department.

- Delegates authority to manage or use funds. Approval of the delegated authority must be formally documented.

- Produces research deliverables in accordance with the terms and conditions of the funding Agreement to ensure that funds are received.

- In collaboration with the Research Department, secures sufficient funding to meet the anticipated costs of the research project and budgets their funds to ensure deficits are not incurred. If funding of a research project is discontinued, the Researcher proposes a plan whereby any outstanding financial commitments are covered.

5.0 REFERENCES

1. AP0300 – Travel Expense
2. AP0700 – Signing Authority