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MEMORANDUM

DATE: May 5, 2014

TO: McGill researchers and staff

CC: Suzanne Fortier, Principal and Vice Chancellor
Anthony C. Masi, Provost
Senior Administration
Academic Leadership

RE: New requirements for research grants: authorization of expenses by PIs and record retention

FROM: Michael Di Grappa, VP Administration and Finance
Rose Goldstein, VP Research and International Relations

Dear Colleagues

In November 2012, [we informed you](#) of the need to improve our practices and procedures in the management of research grants, following recommendations resulting from the 2010 Tri-Agency monitoring visit.

Two significant findings stemmed from difficulties in confirming that:

- 1) Principal Investigators had authorized signing authority to delegates, and
- 2) Principal Investigators or authorized delegates had approved, prior to incurrence, each expense charged to their research grants.

To address the first concern, a new online [Delegation of Temporary Signing Authority](#) application was implemented in May 2013 to better capture and document authorized delegates on research grants. Take note that this is now the only valid method for delegating authority on such funds.

To ensure compliance with the second Tri-Agency requirement, we wish to remind you that it is critical that Principal Investigators (PIs) or their delegates authorize all expenses allocated to their research funds. While certain transaction categories have built-in mechanisms that document such approvals, for

example expense reports and purchases made via McGill Marketplace, authorization for other transaction categories is captured and retained at the unit level.

The transaction streams which require greater diligence include:

Payroll:

- PIs must sign offer letters and timesheets for hourly-workers (revised timesheets were released in December 2013) and student stipend payment authorization forms (BSA).
- They must also authorize, either by signature on printed payroll forms or by email, all payroll distributions (% effort charged to research funds), or any changes thereof, prior to submission of payroll appointment forms via Minerva or retro adjustments.

Procurement Card (PCard): As stated in the PCard policy, all receipts must be retained and be easily accessible, even in the absence of the cardholder.

Journal entries to correct/reallocate expenses (commonly referred to as JE16s): if initiated by Unit staff, PI's approval must be obtained in writing (either via memo or email).

UPrint: authorization from the PI must be obtained prior to granting students or staff printing privileges and assigning a FOAPAL via the Minerva UPrint menu.

Record Retention Requirements

Consistent with Tri-Agency practices, lack of supporting documentation evidencing PI or delegate authorization will be deemed non-compliant. In addition, expenses approved by an individual, other than the Principal Investigator, authorized to do so via the Delegation of Temporary Signing Authority menu will also be deemed non-compliant. We acknowledge that in many instances, Principal Investigator or authorized delegate approvals are already being obtained on these types of expense categories. However, inadequate record retention practices have made it, at times, difficult to retrieve supporting documents proving authorization.

The appended table provides guidance on documentation and record retention requirements. Documents evidencing appropriate authorization must be retained by the Faculty/Department/Unit, either in electronic format or hardcopy, in shared folders, easily accessible and retrievable upon request by sponsoring agencies. While scanning original, signed documents is an acceptable means of preserving files, please be advised that the use of digital electronic signatures or images of a hand-written signature is not accepted as proof of PI or delegate approval.

Faculties must therefore review record retention and PI/delegate authorization processes and promptly implement improvements as needed. Record retention best practices were introduced to Faculty Financial Officers in December 2013 and representatives from Financial Services have had ongoing meetings with Faculty representatives to discuss this initiative. Ongoing monitoring and compliance testing by Research Financial Management Service (RFMS) will verify conformity with these requirements.

We rely on each Faculty, with assistance from Departments and Centres, to ensure unit-specific implementation. If you have any questions or concerns, please contact your Faculty Financial Officer or

Financial Services Team. They will convey any difficulties in meeting these requirements to our respective offices.

Please be advised that authentication of Principal Investigators' or delegates' approval of expenses resulting from shared resources, as well as internal stores and service providers, continues to pose challenges. Solutions will be communicated as they are implemented.

We thank you in advance for making every effort to implement these new practices. You are vital to ensuring compliance with granting Agencies requirements and safeguarding our good standing as stewards of public funds.

RECORD RETENTION OF SUPPORTING DOCUMENTATION TABLE

DOCUMENT TYPE	FUNCTION	TRANSACTION	SUPPORTING DOCUMENTATION TO BE RETAINED BY FACULTY/DEPT/UNIT ⁽¹⁾	COMMENT	Delegate Accepted ⁽²⁾
FINANCE	ACCOUNTS PAYABLE / PROCUREMENT	Invoice	N/A ⁽³⁾	Image of scanned invoice stored in Minerva.	N/A
		Packing slip	Yes	Faculty/Department/Unit is responsible for maintaining packing slip - Currently CFI only - reviewing policy with possible thresholds for other Sponsors	N/A
		Payment requests	N/A ⁽³⁾	Image of scanned invoice stored in Minerva.	YES
		Procurement Card (PCard) receipts	Yes	Faculty/Department/Unit/Cardholder responsible for retention.	YES
		Quotation/Proposal	N/A ⁽³⁾	Once requestor uploads quotation/proposal to MMP, the electronic form is stored in MMP/Banner.	N/A
	BANKING	Cash deposit (stamped receipt)	Yes	Stamped receipt must be kept by the unit for a period of 6 months from the deposit date.	N/A
		Cheque deposit memos & deposit slips	Yes	Retain relevant memos that provide explanation for what the cheque is for.	N/A
		Credit card authorization form	Yes	For the credit card information: 1. Black out the primary account number (PAN) (the first 6 and last 4 digits of the number may remain visible). 2. Photocopy the document that has the PAN blacked out. 3. Shred the original document. 4. Retain <u>only</u> the photocopied document. Refer to the McGill Merchant Manual for more information: http://www.mcgill.ca/financialservices/finance-users/merchants-credit-card-payments	N/A
	FEEDS	Feeds	TBD	TBD	TBD
	JOURNALS	JE16s and Inter-Departmental Charges	Yes	Applies to Research Grants only. PI must authorize these transactions <u>prior</u> to posting. Email is acceptable.	N/A
	TRAVEL	Advances	N/A ⁽³⁾	Original documents and receipts are kept centrally.	YES
		Expense reimbursements	N/A ⁽³⁾	Original documents and receipts are kept centrally. For the credit card information: 1. Black out the primary account number (PAN) (the first 6 and last 4 digits of the number may remain visible). 2. Photocopy the document that has the PAN blacked out. 3. Shred the original document. 4. Retain <u>only</u> the photocopied document.	YES
UPRINT	Assigning FOAPALs to users (Faculty/Staff) or to resource accounts	Yes	For Research Grants, written authorization (email/memo) of the PI must be obtained <u>prior</u> to assigning a FOAPAL through the Minerva uPrint menus. http://kb.mcgill.ca/fskb/easylink/article.html?id=3863	N/A	
HUMAN RESOURCES	PAYROLL	Hire/Offer letter/Letter of Agreements/etc.	Yes	Requirements apply to all salary expenses charged to Research Grants only. PI must sign these documents <u>prior</u> to the creation of an appointment in Minerva. Email from the PI that specifies the FOAPAL(S) to be charged must be retained and attached to the Offer Letter prior to processing via MINERVA. Please refer to standard templates for all positions (i.e. AMUSE, AMURE, MUNACA, Post-Doctoral Education, Academic Casual, etc.)	NO
		Retro FOAPAL adjustments to appointments and Changes to Labour Distribution	Yes	Applies to Research Grants only. PI must authorize these payroll transactions. Email is acceptable.	NO
		POPS Timesheet	Yes	FFM/PI or Delegate Signature and Date is required on Timesheet. Use Timesheets available on HR website: http://www.mcgill.ca/hr/getting-paid/timesheets	YES
SCHOLARSHIPS & STUDENT AID	BANNER STUDENT AID (BSA)	Student Stipend Payment Authorization	Yes	Requirements apply to Research Grants only. PI must sign this document. http://www.mcgill.ca/studentfunding/forms/paymentauthorization	NO

⁽¹⁾ Refer to Supporting Documentation & Retention Requirements

<http://www.mcgill.ca/financialservices/policies/documentation-and-retention-responsibilities>

⁽²⁾ Refer to Delegation of Signing Authority and Approvals Policies/Regulations, Associated Forms & Minerva Menu Option

<http://www.mcgill.ca/financialservices/policies/delegation>

⁽³⁾ N/A: denotes these documents are stored centrally. Therefore the Faculty/Department/Unit is not responsible for document retention.

LEGEND:

FFM: Fund Financial Manager

MMP: McGill Market Place

PI: Principal Investigator

POPS: Payroll One-Time Payment System