



Date: May 13, 2010

To: Deans, Principal Investigators

cc: **Anthony C. Masi, Provost**
Michael Richards, Interim Vice-Principal, Administration and Finance
Cristiane Tinmouth, Controller
Elvie Coletta, Senior Manager, Research and Restricted Funds

Subject: Use of Research Funds in accordance with Agency Guidelines

Further to the previous communications regarding the misuse of research funds at a peer, Canadian University, we have investigated our own practices with a view on improving documentation practices, consistent with the Tri-council expectations. Adhering to the research spending requirements will greatly decrease the risk of disallowances on research spending, in case of audits by the Agencies.

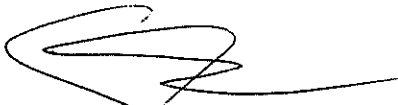
From the various internal audits and monitoring activities performed over the past 12 months, common non-compliant (Tri-council) issues/comments/observations which have been detected lead as to remind the research community of the following:

1. Agencies require airline **boarding passes**, in addition to the airfare receipt and proof of payment, as part of the documentation attached to the expense report.
2. The **conference prospectus** (official documentation indicating dates and information about the event) must be attached to the expense report.
3. The expense report must **disclose the affiliation** of the claimant to the grant (if not the Principal Investigator).
4. Each trip requires a single and complete expense report with sufficient descriptions to be understood by all internal and external parties.
5. If an original receipt does not carry evidence such as 'Paid' or a zero balance, a proof of payment is required such as a credit card chit (or as a last resort, a credit card statement).
6. Meal per diems or receipts cannot be claimed when the meal is included in the conference registration. Exceptional reasons must be documented.
7. Granting agencies cannot be used to pay for general expenses such as costs associated with office supplies and accessories normally provided by the university. Expenses which are not obvious direct costs of research must be adequately described to avoid disallowance.
8. The lack of actual receipts will result in disallowances by granting agencies. **Granting agencies expect that actual receipts are provided at all times.** Other supporting documentation which attempts to justify the spending may not be sufficient for the agencies.




Requirements vary by Agency, so please ensure to verify the agency specific guidelines applicable to your expenses. In addition, if you still require clarification, please consult with your local Financial Service Teams (FSTs) or our central agency experts in Financial Services. The attached APPENDIX provides a summary of the issues. Suggestions are also provided to help you comply with the expense eligibility and documentation requirements of your respective funding agencies.

Best regards,



Sandra Crocker
Assistant Vice-Principal
(Research & International Relations)



Albert Caponi, C.A.
Assistant Vice-Principal
(Financial Services)

CLARIFICATION OF ELIGIBLE EXPENSES: APPENDIX 1
Understanding McGill's Reimbursement Policy and Granting Agency Policies

	ISSUE:	REQUIREMENTS OF GRANTING AGENCIES: <i>{Granting agency policies supersede University Policies and as a result all supporting documentation as outlined by the agencies must be complied with.}</i>
Supporting documentation lacking	1. Non-compliance with <u>Boarding passes</u> requirement	Airline boarding passes, in addition to the airfare receipt and proof of payment, must be attached to the expense report.
Supporting Documentation lacking	2. Non compliance with <u>conference prospectuses</u>	The conference prospectus (official documentation indicating dates and information about the event) must be attached to the expense report.
Disclosure of affiliation not provided	3. Non compliance with <u>disclosure of affiliation</u> with the Principal Investigator (PI)	The affiliation of the claimant to the grant (if not the Principal Investigator) must be disclosed on the expense report.
Description Field underutilized	4. Non-compliance with granting agency requirement to submit only one expense report per trip.	<p>Each trip requires a single and complete expense report with sufficient descriptions to be understood by all internal and external parties.</p> <p>Tip - To ensure expense reports are reimbursed upon initial submission, brief comments are required if not claiming certain "expected and associated" travel expenses. For example, if not claiming lodging while on a trip because alternative arrangements were made, simply ensure the claimants state "no lodging claimed".</p> <p>It is not required to explain the reason(s) for such exclusions.</p>

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Evidence of Proof of Payment	5. Certain supporting documentation lack evidence of payment. On the other hand, some claimants are providing excessive information to prove payment.	<p><i>If an original receipt does not carry evidence such as 'Paid' or a zero balance, a proof of payment is required such as a credit card chit (or as a last resort, a credit card statement).</i></p> <p>Tip - Credit card statements are not required as "proof of payment" if the invoice clearly states "Paid" or indicates a zero balance. "Express Checkout" option available at hotels do not necessarily denote "Paid" or indicate a zero balance, hence proof of payment method would be required.</p>
Ineligibility of meal expenses (during conferences)	6. Claiming meals when already included as part of the conference cost/registration fee.	<p><i>Meal per diems or receipts cannot be claimed when the meal is included in the conference registration. Exceptional reasons must be briefly documented on your claim.</i></p> <p>Tip -</p>
Ineligibility of Stationary and Office Supply expenses	7. Non-compliance when claimant does not document why cost incurred was a direct cost of research.	<p>PER DIEMS charged in above situation, will continue to be questioned as there may be a perception of double payment.</p> <p><i>Grant funds cannot be used to pay for general expenses such as costs associated with office supplies and accessories normally provided by the University.</i></p> <p>Tip - Expenses not an obvious direct cost of research must be adequately described to avoid disallowance.</p>