

Research Residual Funds: Procedure

OVERVIEW

The University regularly receives funding for its research activities from a number of sources, primarily through grants, contracts, and agreements. Occasionally, some of the received funds remain unspent following completion of the planned research activities and are not required to be returned to the Sponsor. This procedure outlines the management of any unspent balances remaining in a Research Fund upon the completion of the project. Excluded from this procedure are Tri-Agency funds, which are governed according to the Tri-Agency Financial Administrative Guide (TAFAG).

This procedure, approved by the Vice-Principal (Research and Innovation), defines the use of any unspent Residual Balance remaining in a Research Fund held at the University in the following situation:

- Upon completion of a project;
- Once all deliverables have been met;
- Once all expenses have been incurred;
- When the Sponsor does not require that an unspent balance be returned.

PURPOSE

- To clarify conditions dictating the use of Research Residual Balances held at the University;
- To outline the process by which the University manages Research Residual Balances and allows Principal Investigators to access these balances, provided the above-mentioned conditions have been met;
- To set out the responsibilities of the Vice-Principal (Research and Innovation) (or delegate), Faculty Deans, Department Chairs, Research Financial Management Services (RFMS), and the Principal Investigator in the management of Residual Balances in Research Funds and requests for their continued use;
- To promote the responsible use of Research Residual Balances in support of University research activities.

DEFINITIONS

Research Fund	A fund held at the University for revenues originating from a research grant, contract, or agreement, identified by a six-digit code assigned by Financial Services
End Date	The date indicated in the grant, contract, or agreement as the end of the project activities (e.g. completion of deliverables, delivery of final financial report)
Residual Balance	Any unspent funds within a Research Fund as of the End Date, once the project has been completed, all expenses have been incurred, and all deliverables met
Sponsor	The entity (organization, company, institution, agency, etc.) that has provided research funds to the University through a research grant, contract, or agreement
Principal Investigator	The faculty member at the University named in the grant, contract, or agreement as leading the research activities funded by the Sponsor. This person is the Fund Financial Manager, who is authorized to approve commitments and expenditures in accordance with the approved budget associated with the Research Fund, with University policies and procedures, and with the terms and conditions specified by the Sponsor.

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GUIDING PRINCIPLES

1. Within 120 days of the End Date, a Principal Investigator holding an ongoing academic appointment at the University may submit a request to RFMS to have a Residual Balance transferred to a Research Residual Fund to be used by the Principal Investigator for research purposes at the University.
2. All transfers to Research Residual Funds are subject to the approval of the Director RFMS and, in the case of Adjunct or Emeritus Professors, the approval of their Department Chair, Faculty Dean, and the Vice-Principal (Research and Innovation) (or delegate).
3. These funds must be spent on research-related activities in accordance with McGill University policies and procedures. Payment of salaries to the Principal Investigator is not permitted.
4. If the Principal Investigator no longer holds an academic appointment at the End Date or has failed to request a transfer within the timeframe set out above, the Residual Balance will be transferred as follows:
 - a. 80% to the Principal Investigator's Dean to be used at the Dean's discretion to support research within the Faculty;
 - b. 20% to the Vice-Principal (Research and Innovation) to be used at the discretion of the Vice-Principal to support research activities within the University.

Residual Balances will remain at McGill University to be used as specified above. Transfers to other institutions will not be authorized.

5. When a Research Residual Fund is inactive for 18 months or more, it will be transferred as follows:
 - a. 80% to the Principal Investigator's Dean to be used at the Dean's discretion to support research within the Faculty;
 - b. 20% to the Vice-Principal (Research and Innovation) to be used at the discretion of the Vice-Principal to support research activities within the University.

PROCEDURE

1. Following the End Date, RFMS, assisted by the Principal Investigator, will ensure that all funds have been received and all outstanding obligations to the Sponsor have been met. If specified within the terms and conditions of the research grant, contract, or agreement, any unexpended funds must be returned to the Sponsor.
2. If the Sponsor does not require that an unspent balance be returned and the Principal Investigator still holds an academic appointment at the University, a Research Residual Fund will be opened in their name.
3. In the case of Principal Investigators holding Adjunct or Emeritus appointments, the Director RFMS must first obtain the approval of the Principal Investigator's Department Chair, Dean, and the Vice-Principal (Research and Innovation) (or delegate). After confirming that all outstanding obligations to the Sponsor have been met, the Director RFMS will approve the transfer.
4. Once approved, the Residual Balance will be transferred to a Research Residual Fund, which may be used by the Principal Investigator for future transfers of Residual Balances. The original Research Fund will be closed.
5. When a Research Residual Fund remains inactive for 18 months, the balance will be transferred to the Principal Investigator's Dean and the Vice-Principal (Research and Innovation), according to section 5 of the Guiding Principles above.