

 <b>BRANDON UNIVERSITY</b>	<b>Self-funded Research Grant Guidelines</b>	<b>Approved by:</b> President's Administrative Council <b>Administered by:</b> Vice-President (Academic & Provost)
<b>Administrative Procedure</b>	<b>First Approved:</b> January 10, 2001	<b>Revised:</b> April 13, 2018

The Collective Agreement between the University and the Faculty Association (Article 20.40) permits a Member to apply to receive part of their salary as a research grant in accordance with existing Canada Revenue Agency (CRA) policy and regulations. For more information and eligibility criteria see [CRA Income Tax Folio S1-F2-C3, Scholarships, Research Grants and Other Education Assistance](#).

**Self-funded Research Grant (SFRG) Description**

The SFRG permits, under certain conditions, a BUFA Member or Administrator whose appointment includes research responsibilities to receive a research grant in lieu of salary through a mechanism that includes institutional review. The grant may be used for the purposes outlined in [Appendix A](#). Salary for the principal investigator is an ineligible expense. The SFRG covers only research activities and is not intended to cover projects directed at teaching or development of teaching-related skills.

Once the grant is awarded, the funds are no longer considered to be salary but constitute a research grant that is subject to the guidelines of the Brandon University Self-funded Research Grant (SFRG) (Appendix B) and the research-related policies of the University.

SFRGs are regarded as taxable income. However, the grant payment will be treated as T4A income for tax purposes and, accordingly, no income tax will be deducted by the University. The award recipient is responsible for reporting the income to Canada Revenue Agency (CRA) and declaring eligible expenditures against it.

**Eligibility**

Faculty members and Administrators, either full-time or part-time, who wish to perform research during any academic year, including a year when on research leave, may be eligible.

**Submission Dates**

The process of reviewing SFRG applications and completing financial arrangements can be a lengthy one and, therefore, the application form should be submitted to the Office of the Vice-President (Academic & Provost) six (6) months in advance of when the grant is needed.

**Application Procedures**

- Applicants are encouraged to consult with CRA in advance of applying.
- Applicants must complete the Application for Self-funded Research Grant (SFRG) (Appendix C).
  - Approval must be obtained by the respective Dean or Director
  - All research projects must adhere to the Brandon University Research Committee (BURC) Policies and Procedures: <https://www.brandonu.ca/research/funding/burc/>

- It is the applicant's responsibility to ensure their application is complete and submitted to the Office of the Vice-President (Academic & Provost) in time for approval to be obtained before the grant is required, normally a minimum of six (6) months, particularly if CRA approval is requested.
- Only complete applications will be considered by the Vice-President (Academic & Provost), who may consult on eligibility and any other matters with the Dean/Director or BURC. Incomplete applications will be returned to the applicant.
- Submitting an application does not guarantee approval.

In completing the application, applicants should provide a sufficiently detailed description of the research activity to allow a proper review by the Vice-President (Academic & Provost). Where the proposed research expenditures are not an extension of a project that has undergone peer review, the Vice-President (Academic & Provost) may forward the application to the Dean/Director or BURC for review. Proposed expenditures must be warranted in the context of the research outlined.

Please note that if the applicant intends to conduct research involving human participants, animals, or biohazardous materials, they must seek and receive approval by the [Brandon University Research Ethics Committee \(BUREC\)](#), [Brandon University Animal Care Committee \(BUACC\)](#), or [Brandon University Biosafety Committee \(BUBC\)](#), respectively, before the grant can be awarded. The application must be approved by the Dean/Director of the Faculty/Unit to which the applicant reports and the Vice-President (Academic & Provost).

#### **Grant Duration**

The period of the designated grant may not exceed 12 months.

Please note that according to CRA, research expenses must be incurred in the same calendar year in which the SFRG is received in order to be claimed against the grant. In some cases, it may be advisable to time the receipt of the SFRG to coincide with the timing of the anticipated expenditures.

In some cases, research expenses may be incurred in the year immediately preceding or immediately following the year in which the grant is received: please see the [CRA Income Tax Folio S1-F2-C3, Scholarships, Research Grants and Other Education Assistance](#)

#### **Grant Funding Level**

In the case of a faculty member on research leave, the grant is limited to 20% of the researcher's salary. In the case of a faculty member not on research leave, the amount of the research grant should be reasonably commensurate with the value of the reduction in the non-specific research component of the faculty member's normal responsibilities. Non-leave awards are limited to 20% of annual salary. The University will not make any alteration to salary payments already made to the applicant at the time of approval of the grant; hence, the grant may not exceed the balance of the portion of salary owed to the applicant in the year in which the grant is approved. Any grant made is in lieu of salary. For example, the total sabbatical salary, (either 80% or 100% of salary) is reduced by the amount of the grant.

### **Budget and Budget Justification**

All applications must include an itemized budget that details all projected research expenses with explanations as required. The need for each budget item in relation to the proposed research project must be justified. Only the direct costs of research will be considered.

Typical research grant expenditures included the following (not an exhaustive list):

- a) Travel and subsistence;
- b) Materials, supplies and other consumables;
- c) Personal services (research assistance, data entry);
- d) Laboratory (bench) or other user fees;
- e) Memberships and conference registration fees;
- f) Equipment purchase or rental; and
- g) Dissemination.

### **Eligible/Ineligible Budget Items**

To determine the eligibility of research budget items, please refer to the [Tri-Agency Use of Grant Funds](#) and the [CRA Income Tax Folio S1-F2-C3, Scholarships, Research Grants and Other Education Assistance](#).

### **Equipment**

Equipment can be purchased with designated grant funds and ownership of the equipment remains with the researcher, not Brandon University.

### **Payment of Research Personnel**

Grantees should be aware of their responsibilities concerning statutory deductions (CPP and EI) and other related payroll costs when hiring research assistants or other employees on a grant. Consult [CRA Income Tax Folio S1-F2-C3, Scholarships, Research Grants and Other Education Assistance](#) for further information regarding payments to research assistants. Please note that Brandon University Payroll may not be used to process payroll for a Self-funded Research Grant as the University is not the employer in these instances.

### **Travel and Related Costs**

Travel costs are allowable if essential to the research outlined in the application. The SFRG adheres to University guidelines regarding allowable rates for transportation and subsistence. With respect to subsistence costs while travelling, reasonable costs for meals and standard accommodation costs can be claimed per [CRA Income Tax Folio S1-F2-C3, Scholarships, Research Grants and Other Education Assistance](#). Travel expenses for spouses and children are ineligible.

For more information see Sections 3.75 and 3.76 in the [CRA Income Tax Folio S1-F2-C3, Scholarships, Research Grants and Other Education Assistance](#).

### **Adjudication**

The Vice-President (Academic & Provost) will review all applications. Applications will be assessed on the basis of the quality of the proposal, the justification of the budget in relation to the proposal, and the applicant's past research record. The Vice-President (Academic & Provost) may consult on the proposed research, eligibility, and other matters with the Dean/Director or BURC. Incomplete applications will be returned to applicants. All applications will not necessarily be approved.

**Grant Payment**

Applicants and their respective Deans/Directors will be informed of the results via email. After an application is approved, the Office of the Vice-President (Academic & Provost) will initiate the appropriate payment process to Human Resources. The SFRG will be paid in equal installments within each calendar year included with the regular bi-weekly salary payment. The gross bi-weekly amount of grant and salary (before deductions) may not exceed the normal gross bi-weekly salary.

**Tax Information**

Please note that although the University approves a SFRG, the awardee is not required to submit an accounting for these funds to the University. Deductibility of expenses for income tax purposes must be determined by the awardee in accordance with CRA regulations and such deductions should be claimed when the awardee files their personal income tax return. Any questions with respect to the eligibility of expense deductions must be resolved between the awardee and CRA. The awardee alone is responsible for any additional income tax which may become payable as a result thereof. Brandon University is not liable for ineligible claims.

It is the responsibility of the awardee to support claims for deductions to CRA with detailed records of research expenditures. The University is not in a position to offer more detailed tax information than that contained in the [CRA Income Tax Folio S1-F2-C3, Scholarships, Research Grants and Other Education Assistance](#) , nor will the University assist the awardee in the presentation of a case to CRA. Any questions about taxation regulations should be referred directly to CRA or to an external tax advisor.

**Leaving the University**

If, at any time during the term for which the grant has been made, the researcher ceases to be an employee of Brandon University and their salary ceases, the grant arrangement will terminate. The salary and the grant will be reconciled between the researcher and the University.

## APPENDIX A

### SELF-FUNDED RESEARCH GRANTS (SFRG) GENERAL INFORMATION

#### Information Related to the SFRG

1. The payment is research grant awarded in accordance with the University's ordinary rules and requirements respecting research grants.
2. Normally, SFRG applications should meet Brandon University Research Committee (BURC) Policies and Procedures as outlined in the regulations of BURC.
3. The guiding principle in evaluating SFRG applications is embodied in the question, "Is it a reasonable 'research proposal'?" If it is not, further information may be required to assist the Vice-resident (Academic & Provost) in fully understanding what is proposed.
4. Please note the following section in the Guidelines on SFRG:

Deductibility of expenses for income tax purposes must be determined by the awardee in accordance with CRA regulations and such deductions should be claimed when the awardee files their personal income tax return. Any questions with respect to the eligibility of expense deductions must be resolved between the awardee and CRA. The awardee alone is responsible for any additional income tax which may become payable as a result thereof. Brandon University is not responsible for any ineligible claims.
5. Established Members and Administrators are normally limited to a maximum of up to 20% of their salary when applying for a SFRG to the Vice-President (Academic & Provost). Only under exceptional circumstances will larger amounts be considered.
6. As is normally the case with grant applications, each application will be judged on its own merit.

## APPENDIX B

### SELF-FUNDED RESEARCH GRANT (SFRG) FREQUENTLY ASKED QUESTIONS

#### Frequently Asked Questions

**1. What is a Self-funded Research Grant (SFRG)?**

A SFRG is a designation of part of the researcher's salary as a "research grant" for an approved research project. No additional funds are paid by the University to the awardee. The SFRG is paid without income tax deducted which increases the available funds.

**2. How does it work?**

When a SFRG is approved, the awardee will receive a portion of their salary as a research grant paid on a bi-weekly basis over the period of the grant. At the end of the calendar year, the University will issue a T4A indicating the amount of salary paid as a research grant.

**3. What does the successful applicant do with the T4A?**

The T4A is reported on the income tax return as income for research. Allowed research expenditures for the named project are claimed against the research income.

**4. What happens if the total expenses are different from the amount of the grant approved?**

If the grant is greater than the amount of expenses, the difference is taxable. If the grant is less than the expenses, the difference is not deductible against other income. See [CRA Income Tax Folio S1-F2-C3, Scholarships, Research Grants and Other Education Assistance](#)

**5. What if the awardee has other external support for the same leave project?**

The income from the two sources is added and allowable deductions up to the total amount can be made. If there is a difference, then 4) applies or the awardee returns the unspent portion to the external granting agency.

**6. What is the benefit of a SFRG?**

The benefit is that the income is received without income tax deducted which increases the funds available. Allowable expenses may be applied against the grant income which may make no tax ultimately payable on the income.

**7. Is the process for application for a sabbatical leave the same as the process for application for a SFRG?**

No, it is not the same. A sabbatical leave application is sent to a Dean, Director, or Department Head. A SFRG application is obtained from the Office of the Vice-President (Academic & Provost). It should be completed six (6) months prior to when the grant is required. The completed application should be forwarded to the Office of the Vice-President (Academic & Provost) for consideration.

**8. Is there a difference between a "research leave" and a "study leave?"**

Yes, there is. Normally, a "research leave" is based on a proposed research project and a "study leave" is usually for teaching related projects like curriculum development, program development, comparative studies of curricula, etc.

**9. Are study leave projects eligible for SFRG?**

In most cases no but each application is judged on its own merit as it depends on the research to be done during the study leave. It is solely CRA that ultimately determines the eligibility of any research project.

**10. Why are study leave projects not normally eligible?**

Study leave projects are usually directly related to teaching responsibilities which are not considered part of research.

The Vice-President (Academic & Provost) normally does not approve projects for a SFRG that are considered teaching oriented or teaching related such as: reviewing and assessing training programs, course evaluations, program development, curriculum development, or site visit of organizations for comparative purposes.

Possible exemptions to the above rule are determined by the following criteria:

- Will the project produce a publishable paper?
- If the applicant applied to a major external granting agency, would the project be supportable?

**11. What type of expenditures can normally be claimed under a SFRG?**

The direct costs of research can be claimed. See the SFRG Guidelines for examples of eligible expenses and see the [Tri-Agency Use of Grant Funds](#) for a more comprehensive list.

**12. What type of expenditures are not acceptable?**

Under the income tax rules governing SFRG, a distinction is made between travel expenses and sojourning. Eligible travel costs are those that are incurred by an awardee while travelling for research purposes between home and a place in which they sojourn (temporarily reside) and/or during brief field trips. Personal and living expenses, including meals and lodging, may not be claimed for periods when an awardee is sojourning (temporarily residing). See [CRA Income Tax Folio S1-F2-C3, Scholarships, Research Grants and Other Education Assistance](#)..

**14. Why is the size of the grant limited?**

- a) The employee is required to maintain their employment status with the University and to maintain employment benefits throughout the SFRG period. SFRGs are to be generally reflective of the reduction in other normal responsibilities while conducting the research. A normal limit of 20% is intended to reflect these requirements.
- b) The payment is a research grant awarded in accordance with the University's rules and regulations respecting research grants as outlined in the BURC Policies and Procedures: <https://www.brandonu.ca/research/funding/burc/>.

**15. Why is the University implementing the rules and regulations of the CRA?**

The University implements its own administrative policies and procedures with respect to research grants, not those of the CRA. SFRG applications are considered to fall under the BURC Policies and

Procedures <https://www.brandonu.ca/research/funding/burc/> and, therefore, should comply with these rules and regulations which must be consistent with the general regulations of the CRA [Income Tax Folio S1-F2-C3, Scholarships, Research Grants and Other Education Assistance](#).

**16. Does approval of a Self-funded Research Grant by Brandon University mean that the proposed research and expenditures will satisfy criteria established by CRA Income Tax Folio S1-F2-C3, Scholarships, Research Grants and Other Education Assistance?**

Brandon University is not expressing an opinion on whether the research project is eligible under [CRA Income Tax Folio S1-F2-C3](#) or whether any of the expenses claimed will meet the criteria established by CRA. Brandon University is verifying that the project is a “reasonable research proposal” and the budget and proposed expenses for the project are reasonable in quantity and type for a research project. As such, the researcher understands and agrees that Brandon University is not accepting any responsibility or liability for the claim of research income and research expense by the researcher to CRA. It is the responsibility of CRA and the researcher to determine eligibility for the project and the related expenses.

Researchers are advised to seek an advance ruling on the eligibility of research projects for SFRG. It is Brandon University’s interpretation that many research proposals are not eligible (see [CRA Income Tax Folio S1-F2-C3, Scholarships, Research Grants and Other Education Assistance](#)).

If you have any questions or concerns about the eligibility of your project or the eligibility of any expenses, it is highly recommended you obtain a prior ruling from CRA or you consult with a tax professional.