

## RESEARCH GRANTS IN LIEU OF SALARY POLICY

**University Policy No.:** RH8205  
**Classification:** Research  
**Approving Authority:** Board of Governors  
**Effective Date:** May/17  
**Supersedes:** June/97  
**Last Editorial Change:**  
**Mandated Review:**

### PURPOSE

- 1.00 The purpose of this Policy is to enable eligible Faculty Members and Librarians, who propose to undertake or continue Research, to make an application to receive a portion of their salary as a Research Grant in Lieu of Salary and thereby enable the recipient to pay some of the expenses associated with undertaking the Research.

### DEFINITIONS

- 2.00 **Applicant** is a person who is eligible to apply for a Research Grant in Lieu of Salary in accordance with this policy.
- 3.00 **Faculty Member and Librarian** are as defined in the Collective Agreement between the University Of Victoria and the Faculty Association.
- 4.00 **Grantee** means a person whose application for a Research Grant in Lieu of Salary has been approved in accordance with this policy.
- 5.00 **University** means the University of Victoria.

### POLICY

- 6.00 The primary purpose of the Research Grant in Lieu of Salary must be to carry out research as currently defined by the Canada Revenue Agency.
- 7.00 Because a Grantee will normally intend to deduct research expenses from the amount of a research grant, the University requires, as a condition of deducting expenses, evidence that the work to be carried out is in compliance with Canada Revenue Agency requirements. The type of research to be carried out must be different from the type of research work ordinarily expected of the Faculty Member or Librarian under her or his terms of employment.
- 8.00 Procedures for the implementation of this Policy, including, without limiting the generality of the foregoing, for the application and approval process for Research Grants in Lieu of Salary, the method of payment, and expenses eligible for payment out of the grant funds, will be established and amended, as required from time to time, by the Vice President Research in consultation with the Vice- President Academic and Provost.

### **Eligibility to Apply**

- 9.00 All applications are subject to peer review in accordance with this policy. An individual is eligible to apply for a Research Grant in Lieu of Salary provided he or she holds a remunerated appointment as a Faculty Member or Librarian at the University and is a resident of Canada for the purposes of the Income Tax Act of Canada.

### **Amount of Research Grant in Lieu of Salary**

- 10.00 The amount of a Research Grant in Lieu of Salary:
- 10.01. must be an amount that is reasonably commensurate with an anticipated reduction of the extent of research endeavors that would be ordinarily expected of the Grantee under her or his terms of employment at the University to enable the Applicant to carry out the research project that is the subject of the application; and
  - 10.02. must not exceed 60% (sixty percent) of the gross annual salary that would become payable to the Grantee during the period of the Research Grant in Lieu of Salary.
- 11.00 Notwithstanding Section 10.00, the maximum amount of a Research Grant in Lieu of Salary must not exceed the balance of salary that will normally become payable to the Grantee during the balance of the fiscal year of the University to which the Research Grant in Lieu of Salary applies.

### **Research Grant Period**

- 12.00 The period during which a Research Grant in Lieu of Salary may be paid by the University to the Grantee may not extend beyond two fiscal years.

### **Treatment of Research Grant under the Income Tax Act**

- 13.00 Research Grants in Lieu of Salary under this program are regarded as taxable income under the Income Tax Act. The University will report all research grant payments as T4A income in the taxation year (calendar year) in which the payments are made to the Grantee. Accordingly, no income tax, Canada Pension Plan or Employment Insurance Act premiums will be deducted at source by the University with respect to payments made as a Research Grant in Lieu of Salary. Payment of a Research Grant in Lieu of Salary under this program reduces the salary portion of a Grantee's income that is used for calculating a Grantee's "contribution room" for the purposes of making contributions to an RRSP under the Income Tax Act.
- 14.00 The Grantee is responsible for complying with provisions of the Income Tax Act and Regulations and the requirements of the Canada Revenue Agency.

### **Treatment of Research Grant with Regard to Payment of GST**

- 15.00 A self-funded Research Grant is regarded by the Canada Revenue Agency as constituting a contract by the Grantee to supply research services to the University. It is the responsibility of the Grantee to determine if he or she must become registered with the Canada Revenue Agency for the purposes of the assessment of Goods and Services Tax.

### **Equipment Purchase – Ownership**

16.00 Ownership of equipment purchased with a Research Grant in Lieu of Salary rests with the Grantee. Purchase of equipment with funds from a Research Grant in Lieu of Salary is a personal transaction and should not be made through the University's Purchasing Department or the Grantee's academic Department. The cost of maintaining and insuring the equipment remains the responsibility of the Grantee.

### **Termination of Employment with University**

17.00 If, at any time during the period of a Research Grant in Lieu of Salary, the Grantee ceases to be an employee of the University or ceases to be in receipt of income from the University:

- 17.01. the Research Grant in Lieu of Salary shall be deemed to have been terminated by mutual agreement as of the date when the Grantee ceased to be an employee of the University or in receipt of income from the University;
- 17.02. no further payments by way of a Research Grant in Lieu of Salary will be made to the Grantee; and
- 17.03. where funds have been advanced that have not been earned by the Grantee, such funds are a debt owing by the Grantee to the University.

### **AUTHORITIES AND OFFICERS**

- i) Approving Authority – Board of Governors
- ii) Designated Executive Officer – Vice-President Research
- iii) Procedural Authority – Vice-President Research
- iv) Procedural Officer – Associate Vice-President Research Operations

### **RELEVANT LEGISLATION**

*University Act*

### **RELATED POLICIES AND DOCUMENTS**

[External Research Funding Agreements policy RH8200](#)

[Indirect Costs of Research policy FM5400](#)

[Research Policy RH8100](#)

[Research Funding Management and Financial Accountability policy FM5405](#)

[Signing Authority policy FM5100](#)

## PROCEDURES FOR THE IMPLEMENTATION OF A RESEARCH GRANT IN LIEU OF SALARY

**Procedural Authority:** Board of Governors  
**Procedural Officer:** Vice President Research  
**Parent Policy:** Research Grants in Lieu of Salary RH8205

**Effective Date:** May 2017  
**Supersedes:** January 2006  
**Last Editorial Change:**

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### APPLICATIONS FOR A RESEARCH GRANT IN LIEU OF SALARY

#### Application Deadlines

- 1.00 Applications must be submitted to the Office of Research Administration by May 1, July 1, November 1 or March 1 for Research Grants in lieu of salary that will commence on or after July 1, September 1, January 1 or May 1, respectively.

#### Form of Application

- 2.00 An application must be made on a form that is available from the Office of Research Administration and must include the following information:
- 2.01. A description of the research project with sufficient detail to enable adjudication by the adjudication panel.
  - 2.02. A description of how the type of research proposed to be carried out under the research project is different from the type of research that is ordinarily expected of the Applicant under her or his terms of employment with the University. The research must be of a type that is separate and apart from the research ordinarily carried on by the Applicant. This description must be written so as to be comprehensible to scholars unfamiliar with the Applicant's specialized field of study.
  - 2.03. The amount requested as a Research Grant.
  - 2.04. A research budget completed in accordance with the application form depicting how the requested amount of the Research Grant will be spent.
  - 2.05. The period during which the Research Grant in Lieu of Salary will be paid to the Grantee and deducted from the Grantee's salary.

#### Approval of Applicant's Chair and Dean

- 3.00 The Chair of the Applicant's Department (in a departmentalized Faculty) and the Applicant's Dean, or, in the case of a Librarian, the University Librarian, must:
- 3.01. state whether the Applicant's proposed research project is beyond the extent of research endeavours that would be ordinarily expected of the Grantee under her or his terms of employment at the University; and
  - 3.02. where the research project will be conducted at the University of Victoria, state whether the Department and Faculty or Library can accommodate any space requirements or resource requirements that are in addition to those specified in the application for the Research Grant in Lieu of Salary.

- 4.00 Where the Applicant holds a joint appointment, agreement must be obtained from the Chair or Director of each academic unit in which the Applicant holds an appointment.

### **ELIGIBLE EXPENSES**

- 5.00 The proposed expenditures from a Research Grant in Lieu of Salary must be described in the application and must be warranted in relation to the proposed program of research. These procedures describe the type of research expenses that may be approved by the Adjudication Panel as part of the adjudication of an application (refer to Section 6.00 of these procedures). However, the deductibility of expenses for income tax purposes is determined by the Canada Revenue Agency in accordance with the Income Tax Act and Regulations.
- 6.00 An Adjudication Panel will assess the proposed expenses from a Research Grant in Lieu of Salary in relation to the research project and the costs of research that are normally allowed by federal granting councils. The Adjudication Panel may disallow any proposed expense.
- 7.00 Eligible expenses may include:
- Equipment purchases;
  - Service contracts on equipment including computer service contracts;
  - Payments to research assistants for research, translation and fact checking;
  - Copying charges;
  - Proof reading and editing charges;
  - Books and journals of an academic or technical nature that are directly related to the research project and that are not in the University of Victoria libraries;
  - Conference registration fees of the Grantee;
  - Travel and accommodation expenses that are directly related to the research project. Only expenses that adhere to the University's policies are eligible. Only economy fares are eligible expenses. Where the use of a personal vehicle is required, only the University's approved kilometer rate will be permitted as an eligible expense;
  - Travel from one temporary location to another; and
  - Travel on field trips connected with the research project.
- 8.00 Proposed expenditures that will not normally be approved by the Adjudication Panel include:
- Salary of the Grantee;
  - Conference or course fees of an assistant;
  - Membership fees in professional societies;
  - The fees associated with obtaining Visas;
  - Medical insurance;
  - Office rental;
  - Proportion of mortgage and other expenses for an in-home office;
  - Personal and living expenses of the Grantee (other than traveling and travel; accommodation expenses) incurred by the Grantee while away from home in the course of carrying out the research project
  - Amounts paid for meals and lodging while temporarily residing at another place outside Greater Victoria;

- Travel expenses of spouse and children, except in accordance with University travel policy;
- Commuting costs while sojourning; and
- Expenses for which the taxpayer will be reimbursed by the University or other research sponsors.

## **ADJUDICATION OF APPLICATIONS**

9.00 Each Dean of an academic Faculty and the Head of the Division of Medical Sciences will designate one Faculty member and the University Librarian will designate one Librarian to be available to serve as representatives on Adjudication Panels for the review of applications for a Research Grant in Lieu of Salary.

- 10.00 Each application will be reviewed by an Adjudication Panel convened by the Vice-President Research or designate, comprised of:
- The Vice-President Research or designate, as Chair;
  - A representative of the Faculty Association;
  - The representative of the unit (Faculty, Division or Libraries) in which the Applicant holds an appointment; and
  - Representatives from two other units, selected by the Chair.

### **Functions of Adjudication Panel**

- 11.00 The functions of Adjudication Panel are to:
- determine whether the proposed research project qualifies under this policy;
  - assess the scholarly quality of the proposed research project;
  - assess the Applicant's ability to carry out the proposed research project in relation to the Applicant's past research record;
  - determine the justification of the budget submitted by the Applicant in relation to the proposal;
  - determine the eligibility of the proposed expenses in accordance with Section 6.00 of these procedures; and
  - make a recommendation to the Vice-President Academic and Provost.

### **Consultations by Adjudication Panel**

12.00 The Adjudication Panel may consult the Applicant's Chair, the Dean, the Vice-President Academic, the University Librarian (where the Applicant is a Librarian) and any referees named by the Applicant or the Adjudication Panel.

## **APPROVAL OF APPLICATION**

13.00 If the Adjudication Panel determines that the application complies with the *Research Grant in Lieu of Salary* policy RH1220 and these Procedures and should be approved pursuant to these Procedures, the Adjudication Panel will recommend approval of the Research Grant in Lieu of Salary to the Vice-President Academic and Provost and will forward to the Vice-President Academic and Provost the grant application, together with their recommendation for final approval.

14.00 When an application has received final approval, the approved Research Grant in Lieu of Salary is no longer considered to be salary but constitutes a research grant, which is subject to:

- the regulations of this policy;
- the research related policies of the University; and
- the Income Tax Act and Regulations.

#### **PAYMENT OF RESEARCH GRANT IN LIEU OF SALARY**

15.00 Payment of a Research Grant in Lieu of Salary may be made either monthly or quarterly in advance except no advance payment will be made in one fiscal year with respect to funds that would not otherwise be earned by the Grantee until the next fiscal year.

16.00 The Grantee's salary for the period of the Research Grant will be reduced by an amount corresponding to the total amount of the Research Grant in Lieu of Salary that will be paid to the Grantee during that period.

17.00 The University will not make any alteration to salary payments that have already been made to the Grantee prior to the approval of the research grant.

#### **REPORT TO THE OFFICE OF RESEARCH ADMINISTRATION**

18.00 A person who has received a Research Grant in Lieu of Salary must submit a report to the Office of Research Services with a copy to the Grantee's Chair/Director if applicable and Dean within three months after the conclusion of the period of the Research Grant. The purpose of the report is to describe the outcome of the scientific inquiry or scholarly activity that was conducted with the Research Grant in Lieu of Salary.