



Natural Sciences and Engineering Research Council of Canada (NSERC)

GRANT FUNDING

- How Grant Funds Can Be Used
- Reporting and Supporting Evidence

How Grant Funds Can Be Used



General Principles

- Grant funds must contribute towards the direct costs of the research for which the funds were awarded, and the benefits should be directly attributable to the grant.
- The funds must be used effectively and economically, and the expenses must be essential for the research for which the funds were awarded.
- Contributions to shared expenses must be directly attributable to the funded research program or project, and agreed to and authorized by the grantee.

Retroactive Expenses

In exceptional circumstances, NSERC will agree to consider the eligibility of certain retroactive costs incurred prior to the official start date of a grant (NSERC project grants only). The four following criteria apply, which must be "eligible expenses":

- they must be identified as Retroactive Expenses and justification provided at the time of submission of the original application;
- they must relate to a project grant application that has been approved for funding; and
- the cost must be incurred between the submission date of the original application and the official start date of the approved project.

Retroactive Expenses

Ineligible Expenses

Indirect or overhead costs refer to the ongoing expenses of operating an institution but cannot be associated with the direct costs of the research grant/award for which the funds were awarded. The institution provides for indirect or overhead costs such as the costs associated with:

- facilities and basic utilities,
- the purchase and repair of office equipment,
- administration fees,
- insurance for equipment and research vehicles, and
- basic communication devices such as telephones and fax machines.

Compensation-Related Expenses

Salaries and the actual cost of related federal, provincial and institutional non-discretionary benefits for work performed by research personnel that contributes towards the direct cost of research for which the funds were awarded.

- Institutional non-discretionary benefits normally include long- and short-term disability insurance; life insurance; pension benefits; medical, vision and dental care benefits and parental leave. Institutional non-discretionary benefits must not contravene Agency guidelines.
- Salaries to postdoctoral fellows are limited to 2 years' support (NSERC and SSHRC).

Compensation-Related Expenses

- 3 years' support is acceptable, when justified, to attract exceptional candidates from outside Canada. The three appointment must be offered up front and reported to the Agency, with a written justification, within one month of offer being accepted (NSERC only).
- Grant funds may be used to supplement salaries paid from other sources, such as other Agency grants and individual training awards.

Compensation-Related Expenses

Stipends paid to trainees (e.g. undergraduate, graduate students, postdoctoral fellows).

- Stipends to postdoctoral fellows are limited to 2 years' support (NSERC and SSHRC).
- 3 years' support is acceptable, when justified, to attract exceptional candidates from outside Canada. The three-year appointment must be offered up front and reported to the Agency, with a written justification, within one month of an offer being accepted (NSERC only).
- Grant funds may be used to supplement stipends paid from other sources, such as other Agency grants and individual training awards.

Compensation-Related Expenses

Stipends (continued)

- Trainees may be hired as research personnel on a grant (normally on a part-time basis, i.e., hourly) and/or be paid a stipend from a grant (in which case the work done is part of the training of the student and constitutes the thesis or comparable academic requirement).
- Trainees and research associates may receive a stipend on grants including those on which they are co-applicants (CIHR only).
- Stipends to visiting researchers up to a maximum of \$2,000 per month for up to 125 days per year, not including travel and subsistence costs (NSERC only).

Compensation-Related Expenses

Stipends (continued)

- For those with a PhD degree (or equivalent), the maximum period of support is 3 years and candidates will only be eligible for support until the end of their fifth year of post-PhD training (CIHR only).
- For those with a health professional degree who are not enrolled in a graduate degree program, the maximum period of support is 3 years (CIHR only).
- For those with a health professional degree who are enrolled in a graduate degree program, the maximum period of support to complete the degree is 5 years and includes funding received to complete a Master's degree or non-degree research training (CIHR only).

Other Eligible Compensation-Related Expenses

Eligible Expenses

- Consulting fees.
- Fees paid for the purpose of participant recruitment, such as modest incentives to consider participation (i.e. to establish a potential participant pool), approved by a Research Ethics Board.
- Fees paid to research participants, such as modest incentives for participation, where approved by a Research Ethics Board.
- Subcontract costs.

Other Eligible Compensation-Related Expenses

Eligible Expenses (continued)

- Clerical salaries directly related to dissemination activities including manuscript preparation.
- Honoraria for guest lecturers.
- Research Time Stipends only when awarded (SSHRC only).
- Salary Research Allowances (SSHRC only).
- Salary to Project Coordinators (SSHRC only).

Other Eligible Compensation-Related Expenses

Non-Eligible

- Any part of the salary, or consulting fee, to the grantee or to other persons whose status would make them eligible to apply for grants from the Agency.
- Administrative (or management) charges and fees.
- Compensation-related benefits to recipients of stipends.
- Discretionary severance and separation packages.
- Payments to practicing clinicians who wish to participate in the research on a part-time basis, or to individuals who wish to participate in the research as an investigator and who at the same time receive remuneration for teaching or service work, except when deemed eligible in a particular funding opportunity (CIHR only)

Other Eligible Compensation-Related Expenses

Non-Eligible (continued)

- Release time allowance (RTA) requests will not be considered for the following (CIHR only):
 - Individuals with salaried academic research appointments.
 - The cost of teaching time to allow the individual to engage in research.
 - Supplementing or replacing part of the salary of a researcher on sabbatical from their main appointment.

Travel and Subsistence Costs

Eligible Expenses

- Travel and subsistence costs (meals and accommodation) include reasonable out-of-pocket expenses for field work, research conferences, collaborative trips, archival work and historical research, for the grantee, research personnel and students working with the grantee, and visiting researchers.
- Air travel must be claimed at the lowest rate available, not to exceed full economy fare.
- Travel cancellation insurance and seat reservation charges.
- Travel health insurance for research personnel who do not receive any such benefits from their institution and/or other sources.

Travel and Subsistence Costs

Eligible Expenses (continued)

- Safety-related expenses for field work, such as protective gear, immunizations, etc.
- Entry visa fee (for grantees and/or research personnel) when required for the purpose of research.
- Collaborators may claim travel and subsistence expenses related to research planning and exchange of information with the grantee or for the dissemination of research results (NSERC and SSHRC only).

Travel and Subsistence Costs

Eligible Expenses (continued)

- Relocation costs for eligible research personnel and their immediate family members: economy airfare; or cost of land travel, up to the equivalent of economy airfare.
- Child care expenses while a nursing mother or single parent is travelling:
 - The eligible cost for a single parent is limited to overnight child care costs incurred while the grantee is travelling.
 - The eligible cost for a nursing mother who is travelling with a child is limited to the customary cost of child care and airfare if applicable. If travelling with a caregiver, travel and accommodation cost can be claimed in lieu of and up to the equivalent of child care costs. The maximum is \$1,000 (CIHR only).

Travel and Subsistence Costs

Non-Eligible Expenses

- **Commuting costs of grantees and associated research personnel between their residence and place of employment, or between two places of employment.**
- **Passport and immigration fees.**
- **Costs associated with thesis examination/defence, including external examiner costs.**
- **Reimbursement for airfare purchased with personal frequent flyer points programs.**

Sabbatical/Research Leave

Eligible Expenses

- Costs related to a vehicle necessary for field work (with prior institutional approval; the vehicle must be licensed and insured for the sabbatical period).
- Direct research expenses, including research assistance, bench fees and field work expenses, including travel and accommodations, when supported by appropriate documentation.

Sabbatical/Research Leave

Eligible Expenses (continued)

- Transportation costs to move research equipment or material to and from the sabbatical location.
- Travel costs to attend conferences.
- The costs of travel between the home institution and the sabbatical location, limited to one return trip ticket, except in unusual circumstances (NSERC and CIHR only).

Sabbatical/Research Leave

Non-Eligible Expenses

- Costs of transporting research personnel to and from a grantee's sabbatical location for supervisory or academic purposes.
- Costs of transporting the grantee to the home institution for supervisory or academic purposes.
- Living expenses.

Computers and Electronic Equipment

Eligible Expenses

- Computers, tablets, modems, emerging technology and other hardware and/or specialized software required for the research not normally provided by the institution, and with adequate justification.
- Monthly charges for the use of the Internet from the institution or the home, only when this service is required for the purpose of research and not normally provided by the institution free of charge.

Computers and Electronic Equipment

Eligible Expenses (continued)

- Cellular phones, smartphone or other electronic devices when they are necessary for research purpose (e.g. data collection), and/or for personnel safety reasons with adequate justification.
- Monthly plan fees for electronic devices when being used for the research purposes (e.g. data collection), and/or for personal safety reasons only.

Computers and Electronic Equipment

Non-Eligible Expenses

- Standard monthly connection or rental costs of telephones.
- Connection or installation of lines (telephone or other links).
- Voice mail.
- Library acquisitions, computer and other information services provided to all members of an Institution.

Equipment and Supplies

Eligible Expenses

- Research equipment and supplies (e.g., laboratory notebooks, paper used for laboratory operation in context of a funded research project, paper used for data collection as in surveys, printing of an equipment user manual, printing of e-journal articles relevant to research project).
- Travel costs to visit manufacturers to select major equipment purchases.
- Transportation costs for purchased equipment.

Equipment and Supplies

Eligible Expenses (continued)

- Extended warranty for equipment.
- Brokerage and customs charges for the importation of equipment and supplies.
- The costs of training staff to use equipment or a specialized facility.
- Maintenance and operating costs of equipment and vehicles used for Agency-supported research.

Equipment and Supplies

Non-Eligible Expenses

- Office accessories for laboratory employees, researchers and students (paper clips, pens, file folders, writing pads, ring binders, day planners, wastebaskets)
- Insurance costs for equipment and research vehicles.
- Costs of the construction, renovation or rental of laboratories or supporting facilities.

Dissemination of Research Results

Eligible Expenses

- Costs of developing Web-based information, including Web site maintenance fees.
- Costs associated with the dissemination of findings, i.e., through traditional venues as well as videos, CD-ROMs.
- Page charges for articles published, including costs associated with ensuring open access to the findings (e.g. costs of publishing in an open access journal or making a journal article open access).

Dissemination of Research Results

Eligible Expenses

- Costs of preparing a research manuscript for publication
- Paper and ink cartridges for printing of different manuscript versions.
- Translation costs associated with dissemination of findings.
- Costs of holding a workshop or seminar, the activities of which relate directly to the funded research (including non-alcoholic refreshments or meal costs, paper documents, posters and pamphlets for distribution at event).

Services and Miscellaneous Expenses

Eligible Expenses

- Recruiting costs for research personnel, such as advertising and airfare for candidates, etc.
- Costs for safe disposal of waste.
- Costs for the purchase of books or periodicals, specialized office supplies, computing equipment and information services not formally provided by the institution to all its academic and research staff.
- Costs involved in providing personnel with training and/development in novel techniques required for the conduct of the research project.
- Specialized courses with adequate justification.

Services and Miscellaneous Expenses

Eligible Expenses (continued)

- Hospitality costs (non-alcoholic refreshments or meals) for networking purposes in the context of formal courtesy between the grantee and guest researchers and research-related activities in the context of assemblies that facilitate contribute to the achievement of the research objectives (e.g. grantee meeting with partners, stakeholders, guest researchers).
- Costs of membership in professional associations or scientific societies if necessary for the research program/project.
- Monthly parking fees for vehicles specifically required for field work and only for month(s) when field work was conducted

Services and Miscellaneous Expenses

Non-Eligible Expenses

- Costs of alcohol.
- Costs of entertainment, hospitality and gifts, other than those previously specified such as regular interactions with colleagues from the institution and personnel meetings.
- Costs related to staff awards and recognition.
- Education-related costs such as thesis preparation, tuition and course fees, leading up to a degree.
- Costs related to professional training or development, such as computer and language training.

Services and Miscellaneous Expenses

Non-Eligible Expenses (continued)

- Costs involved in the preparation of teaching materials.
- Costs of basic services such as heat, light, water, compressed air, distilled water, vacuums and janitorial services supplied to all laboratories in a research facility.
- Insurance costs for buildings or equipment.
- Costs associated with regulatory compliance, including ethical review, biohazard or radiation safety, environmental assessments, or provincial or municipal regulations and by-laws.

Services and Miscellaneous Expenses

Non-Eligible Expenses (continued)

- Monthly parking fees for vehicles, unless specifically required for field work.
- Sales taxes to which an exemption or rebate applies.
- Costs of regular clothing.
- Patenting expenses.
- Costs of moving a lab.

WHERE IS THE

EVIDENCE?

Research Activity

Research activity reports, both progress and/or final, may be required for some grants. Consult the individual program descriptions for specific requirements.

Financial Reporting

- Institutions are required to submit an annual Statement of Account to the Agency, signed by the designated official at the institution, for every grant for the period ending March 31 of each year, using the Agency's Form 300.
- If the Form 300 sent to the Agency is not signed by the grantee, then the institution must retain a copy of the Form 300 signed by the grantee.

Financial Reporting (continued)

- In addition to the Form 300, each institution must review a reconciliation report provided by the Agency's Finance Division. The institution must return the Form 300, as well as the reconciliation report, by June 30 for the period ending March 31.
- Note: institutions that use the on-line Financial Data Submission and Reconciliation (FDSR) system are not required to return the reconciliation report.
- Institutions are required to submit other financial reports as requested by the Agency.

Supporting Evidence

For each grant, the institution and/or the grantee must keep complete and accurate records on the use of Agency funding, including verifiable audit trails with complete supporting documentation for each transaction, for a minimum of seven years.

All claims must have the grantee or delegate's signature.

Supporting Evidence (continued)

The signatures certify that:

- all expenditures on the claim are for the purpose for which the grant was awarded;
- all expenditures on the claim are eligible expenses;
- all goods and/or services have been received;
- the charges included have not been claimed for reimbursement from other sources; and
- reimbursements for expenditures received from other sources or institutions must be disclosed to the administering institution.

Supporting Evidence (continued)

Grantees must be able to provide “supporting documentation” for all expenditures charged to their grant accounts. Such documentation includes:

- salaries or stipends paid to research personnel:
 - signed records regarding personnel paid from grant funds, including names, categories, salary levels, affiliation to the grant;
 - length of time supported in each case;
 - details of employee benefits charged and relevant calculations.

Supporting Evidence (continued)

- **equipment and supplies:**
 - supplier invoices indicating details of purchases;
 - prices paid.
- **internal expense allocations or shared expenditures:**
 - documentation indicating the exact charge made;
 - the method of calculation or attribution;
 - the grantee's authorization for those assigned to the Agency account.

Supporting Evidence (continued)

- **hospitality for networking and research-related activities**
 - the date(s) of the event(s);
 - number of participants;
 - purpose of the event;
 - counter signature by the department head or dean for hospitality expenses claimed by the grantee.

Supporting Evidence (continued)

- incentives paid for research recruitment and participation:
 - supplier invoices indicating details of incentive purchases;
 - the application to a Research Ethics Board (REB) detailing incentive plan (method of distribution, value of incentives, number of people receiving incentive);
 - the REB approval of the incentive;
 - proof of payment of incentives (e.g. signed receipts, coded list of recipients, attestation of researcher and/or others involved in incentive payment).

Supporting Evidence (continued)

- **Travel-related expenses**
 - Individuals claiming travel-related expenses from a grant must prepare a separate claim for each trip.
 - These claims must also conform to the standard travel policies and procedures of the grantee's institution.
 - For claimants other than the grantee, the affiliation with the grantee's research group must be specified.
 - If the traveler is a student, the claim must be signed by the grantee.
 - In the event that the traveler is the grantee or a visiting researcher, the claim must be countersigned by the department head or dean confirming the relevance of the travel to the research being funded.

Supporting Evidence (continued)

- The travel claim must include the following information:
 - purpose of trip;
 - dates and destinations (person or location visited);
 - official supporting documentation (e.g. prospectus or program, indicating the dates of conferences and workshops);
 - details of daily claims for expenditures relating to those visits;
 - details of any vehicle used;
 - original receipts, such as hotel invoices and car rental agreements (credit cards slips are not valid receipts); and
 - original air travel ticket receipts and boarding passes (if available) and any other evidence that supports travel expenses claimed (e.g. an attestation from the grant holder).