




# Tri-Council Compliance and University Procedures

April 23, 2007

# Today's Agenda

	What	When	Who
1.	Tri Council Monitoring Visit – Results & Overview of University Response	1.00 to 1.15	John
2.	Travel – policy and procedures	1.15 to 2.00	Glenn
3.	Chart of Accounts/Journal Entries	2.00 to 2.45	Barry/Manny
	Break	2.45 to 3.00	
4.	Authorizations – (Signatures)	3.00 to 3.30	Ray
5.	Non-Financial Observations	3.30 to 4.15	Dave
6.	Any Questions, Wrap-Up and Next Steps	4.15 to 4.45	John



# Tri-Council Financial Monitoring Visit

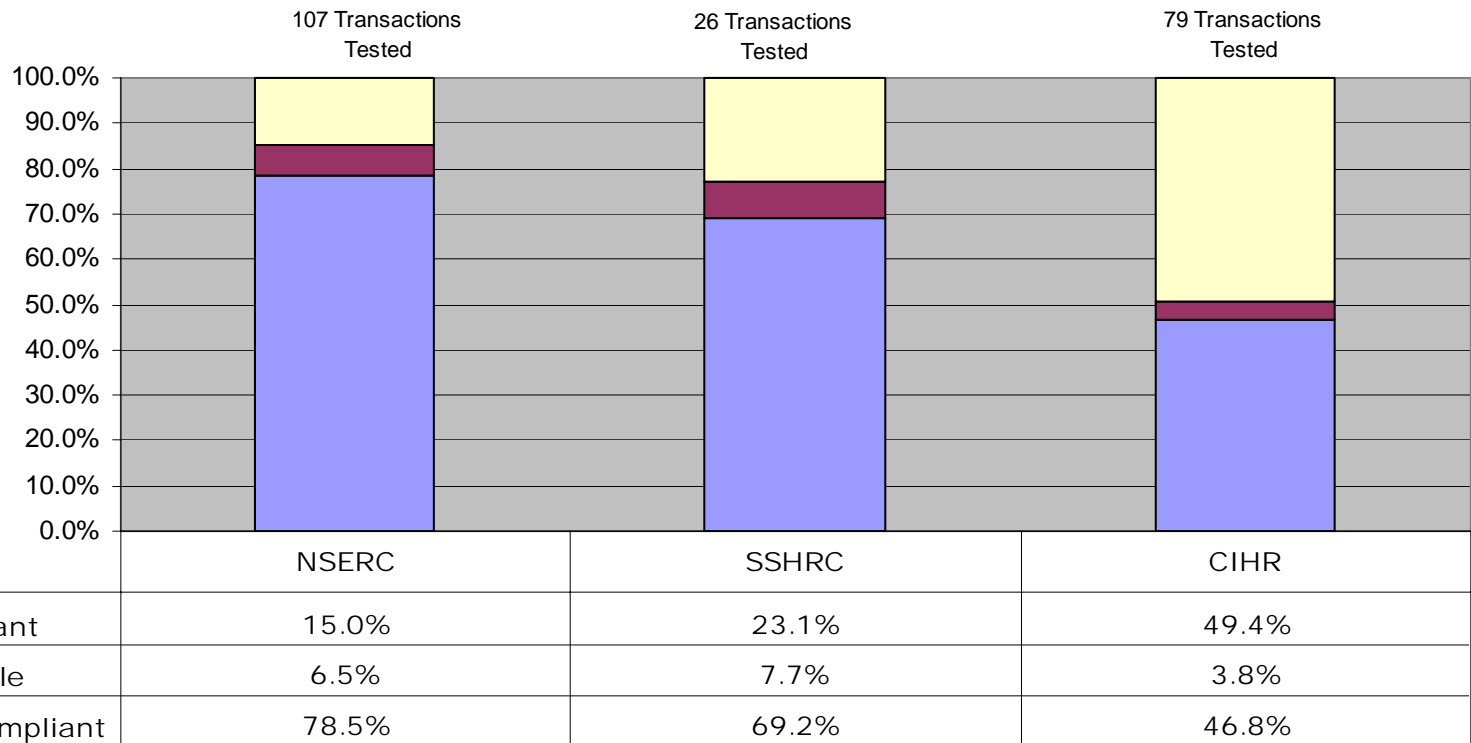
## **Tri Council Monitoring Visit – Results & Overview of University Response**

# Tri Council's Approach

- Periodic Review for Compliance with all tri-council rules/guidelines (completed May 2006)
- All universities: experiencing more “rigorous” review
- More than financial: Research ethics, use of animals & humans, biohazards
- Documentary (paper) evidence, interviews
- NSERC, SSHRC, CHIR each selected transactions
- Approach and Results:
  - Materiality not a factor in selection (i.e., non-compliance an error on \$5.00 as well as \$5,000)
    - Yes/no (compliant/ineligible or NOT)
  - Wanted processes “to ensure that.....” we are compliant
  - Communication and Training

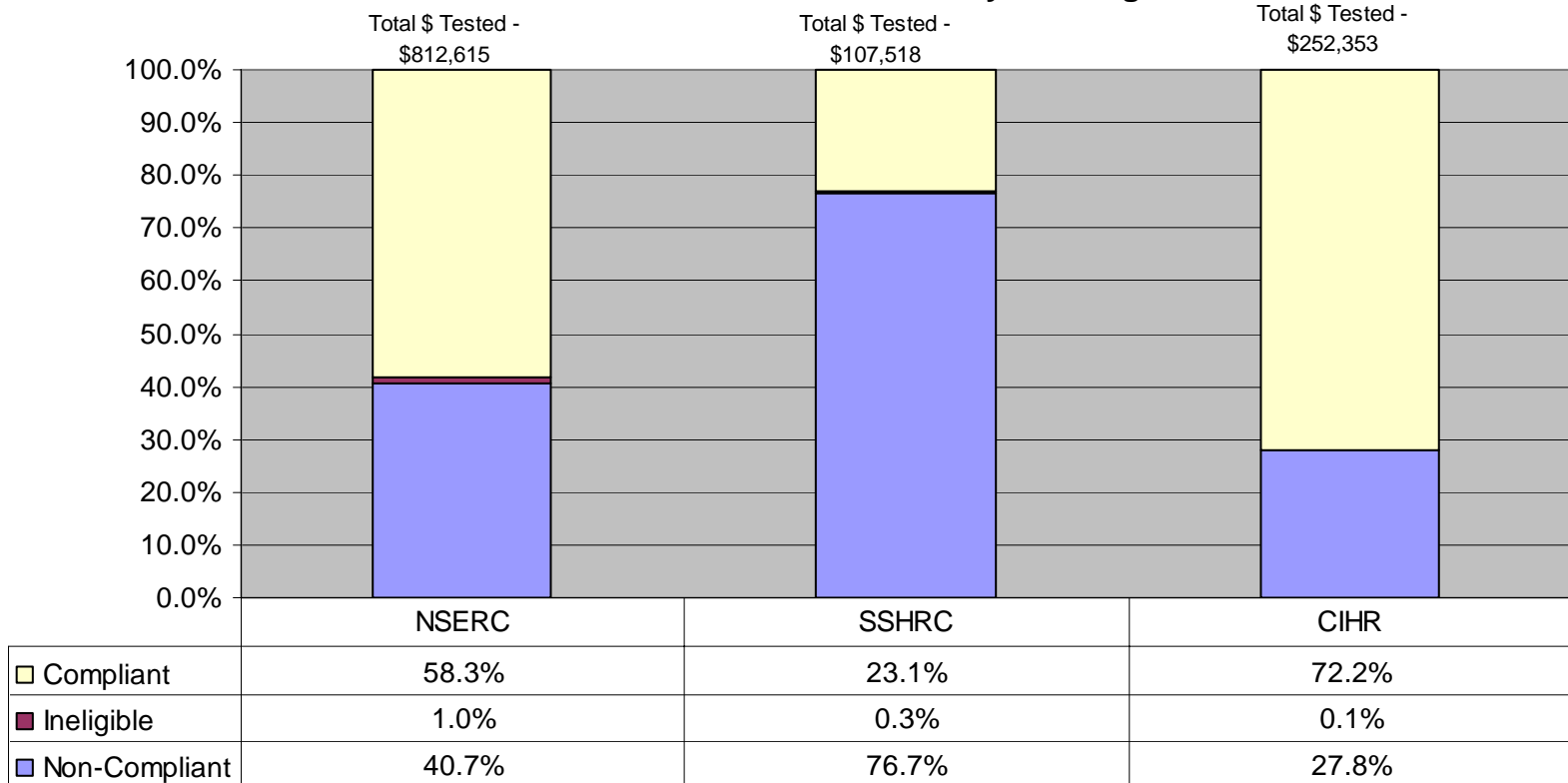
# Results: 51% to 85% of Transactions Ineligible or Non-compliant

Tri Council - % of Transactions Tested by Funding Source



# Results: 30% to 42% of Dollars Ineligible or Non-compliant

Tri Council - % of Dollars Tested by Funding Source



# Major Challenges

- Lack of supporting documentation:
  - Travel:
    - Purpose of the trip,
    - Boarding passes
    - One claim, one person, one trip
  - Internal Service Charges, costs allocations using journal entries:
    - Insufficient justification and detail
  - Bio-hazard purchases, change in research, transfer of funds to other organizations
- “Authorization” → signatures!
  - Grantee signature on each transaction (systems, paperless contracts) or
  - Written evidence of delegation by grantee

# Major Challenges -continued

## ■ Compliance with policies:

### ○ Biohazards:

(*Laboratory Biosafety Guidelines*, 3rd Edition, Health Canada)

- Must **ensure** that certificates are verified **prior** to purchase
- Must **ensure** that agencies are informed if changes occur to research that now require certification

### ○ Human Subjects

(Tri-Council Policy Statement: *Ethical Conduct for Research Involving Humans*, Government of Canada)

- Must **ensure** review by REB prior to transfer of funds
- Must request that receiving institution reviews project prior to release of funds

# Immediate Actions: Internal

- Training and Communication;
  - Web based training module (soon)
- Travel:
  - New forms and documentation requirements
  - More review especially for Tri-council reporting
- New signing authority forms
  - Grantee delegation
  - Chair's approval
- New Journal Entry and Internal Charges Requirements:
  - better documentation including purpose, justification and audit trail
- More documentation:
  - E.g., Bio-hazard policy, notification

# Actions: External

- CAUBO seeking clarification on:
  - “authorization” in relation to modern procurement practices
  - Materiality
  
- University seeking clarification (from Tri-councils) on:
  - Systems contracts
  - Review of their conclusions (transaction details)
  - What constitutes “processes to ensure that.....”
  - Timelines for changes
    - Tri-council initial deadline of November 30, 2006!
    - Now May for responses

A decorative graphic consisting of a thin gold circle on the left side. A thick black bracket is positioned on the left side of the circle, and a thick gold bracket is on the right side. A horizontal bar with a gold-to-white gradient is overlaid across the middle of the circle.

# TRI-COUNCIL INFORMATION SESSION - ITEM 2

## Travel and Hospitality

# Travel – What has Changed?

- Travel Policy and Procedure - rewritten
- New Travel Form
  - EXCEL based form
- New object codes implemented
- Tri-Council Compliance specifics
- Training

# Travel - Policy and Procedure

- Complete rewrite - clearer, more instructive
- More complete documentation requirements e.g.,
  - Details on what was purchased
  - Proof of payment
- Meals: there are NOW two approaches:
  1. Meal Costs to be reimbursed by submitting receipts.
  2. In the absence of receipts, a traveller may claim at a rate of \$ 60.00 CAD per day.
    - [Breakfast \$ 12.50, Lunch 12.50 and Dinner \$ 35.00]
- Additional Information on insurance while traveling:
  - Auto
  - accident

# New Travel Form: Functionality

## ■ Excel Form:

- New Form performs calculations; additions, extensions, etc..
- Excel format allows form to be saved to PC
- Easy to Print (use of the Print button on the form)
- Form is accessible by downloading from Financial Services web-site

*<http://www.fin.uoguelph.ca/>*

## ■ Online Help is available in filling out the new form

- One Page First time users guide included
- Help Buttons: information on how fill out the Travel Form is at the user's fingertips
- Web based Training module has been developed

***.....resulting in a form that is easier to fill in, review & approve!***

# Object Code Changes

- New Form summarizes Travel into Object categories
  - Old code: 1 code – 62401 > \$ 10 Mil annually
- New Travel Object Code breakdown:
  - Airfare (62407)
  - Surface Transport (62408)
  - Accommodation (62406)
  - Meals (62405)
  - Auto (km) (62409)
  - Conference Reg. (62553)
  - Hospitality (62402)
  - Travel – Incidentals (62401)

# New Travel Form: Cover Page

- General Information
  - Who, where, when

- Purpose

- Special Notes

- Summary is calculated (from expense input form)

- Signature Box

The screenshot shows an Excel spreadsheet with the following content:

**TRAVEL & BUSINESS EXPENSE CLAIM**

Travel Claim Ref: 00000000-1000

Sample Name: [Text Box] Employee Number: 00000000

Claimant: [Text Box] Employee Number: [Text Box]

Department Name: [Text Box] Claim Date: 1-Jan-07

Trip Date start: [Text Box]

Trip Date end: [Text Box]

Destination: [Text Box]

Purpose: [Text Box]

Special Notes: [Text Box]

Tri-council:  Check (left click box) if this is a tri-council claim (NSERC/SSHRC/HR/CRC/NCE)

Expense Claim Summary

	Total Trip Expense	Previously Claimed or Direct Billed	Expense Reimbursed This Claim
Airfare	\$ -	\$ -	\$ -
Surface Transport	\$ -	\$ -	\$ -
Accommodations	\$ -	\$ -	\$ -
Meals	\$ -	\$ -	\$ -
Auto KM (\$)	\$ -	\$ -	\$ -
Conference Regist.	\$ -	\$ -	\$ -
Hospitality	\$ -	\$ -	\$ -
Travel - Incidentals	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -
<b>Total Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Deduct Advance amount: [Text Box] Reference #: [Text Box]

Due to Employee: \$ -

Due to University: \$ -

Approvals

Signature of Claimant: [Text Box]

Approved by: [Text Box]

Chair / Supervisor: [Text Box] Print Name: [Text Box]



# Travel - Tri-Council Compliance

Gaps identified in the Travel expense claim process.

- Purpose of Trip – more detail required
  - Dates & destinations, persons visited (Certification form)
- One Claim – One Person - One Trip Principle
  - Record previously paid & direct billed items on Final Claim
- More Complete Documentation to Support expenditures:
  - Conference itinerary
  - Airline E-ticket with Boarding Pass
- Ineligible Expenses

# New Travel Form: Tri Council Certification

- For Tri-Council Travel claims
- Detailed Explanation of Trip
  - Participation in a Conference
  - Field Trip – details
  - Consultation with Colleagues

Microsoft Excel - Travel Claim v27 Feb 27 swilson-Claim#7b

File Edit View Insert Format Tools Data Window Help Adobe PDF

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**Tri-Council Travel Certification Form**

Travel Claim Ref #

**Instructions:**  
To be Completed for All Research / Tri- Council Funding:  
Check all boxes that apply below and describe the purpose of the trip related to the research being funded.

Grantee Grant Number

Jane Smith 400001

Traveler (if other than grantee, indicate the affiliation with the grantee's research group)

Date of Travel From  To

**Participation in a Conference** (attach official documentation showing dates of event; plus registration receipt and 1st page of program  
Documentation attached

**Field Trip** - provide details on activities, their dates, etc.

**Consultation with Colleagues** - indicate the name of person(s) or organization(s) & dates of each visit  
Met with Dr. Goran Ivanovich from the University of Texas to discuss his paper on the Similarity between the Vie and the War in Afghanistan and its effect on the American Soldiers. I also had lunch on Feb 12 with Dr. Tim Gre from Duke University to discuss doing a joint paper on the War in Iraq and the Effects on Soldiers returning home Civilian life.

Ready

start Mozilla Th... Oracle Cal... Windows ... Agenda Tri-C... Apr 13 Samp... Travel Claim v... Microsoft Pow... U of G phone...

11:59 AM

# RECAP: Completed Travel Form

- What's New:
  - NEW; Cover Page & Expense Input form (required)
  - NEW; Tri-Council Certification form (where applicable)
  - NEW; Object Codes
- Authorization:
  - “One-up” approval (existing policy)
  - Chair (or Acting Chair or Dean) must approve Tri-Council Travel claims (cannot delegate)
- Supporting Documentation: examples
  - Original Receipts: number receipts to cross reference to form
  - Boarding Pass
  - Purpose of Trip and Itinerary details
  - Procedure for Lost Receipts

# New Travel Form: When is it Effective?

- New Form is Available for Use Now!
  - Access the new form @ the Fin Services Home Page
- Tri-Council Travel Claims – effective now
  - Cover Page & Expense Input form (required)
  - Tri-Council Certification form
- Transition Period
  - For non tri-council, old form will be phased out starting now
    - No hard cut off at this time except for tri council ...
  - Implementation completed over the course of 2007/2008

# Where can I get more information?

- Refer to Services - Financial Services Web Site  
<http://www.fin.uoguelph.ca/>

## for Links to:

- Travel Policy & Procedure
- Travel Form
- Travel Advance form
- Web Based Training Module being developed
  - Exchange Rate info (Oanda.com web site)
  - Caubo Information (Hotel & Car Rental Rates info'n)
- Hands-On Training sessions to be offered:
  - Part of HR training

April 23<sup>rd</sup> 2007



**TRI-COUNCIL INFORMATION  
SESSION - ITEM 3**

**JOURNAL ENTRIES**

# Changing Financial Environment

Over the past 10 years significant legislation has been passed by major jurisdictions

- Sarbanes Oxley Act
- Federal Accountability Act

Result: organizations are being held more accountable;

- required to increase internal controls
- Increased documentation requirements
  - Policies, procedures, journal entries, audit trails
- Increased external audit procedures
- Impact to University
  - Tri-Council
    - What was OK.... is no longer compliant
    - Increased focus on authorizations
  - Inadequate documentation will lead to expenses being ineligible

# [ What has changed? ]

- Journal Entries Requirements (ADI)
- Chart of Accounts Tri-Council Codes
- Tri-Council Required Authorizations
- Training

# [ Journal Entries (ADI) ]

- Number of journal entries
- Main types of journal entries
- What is changing?
- Training module

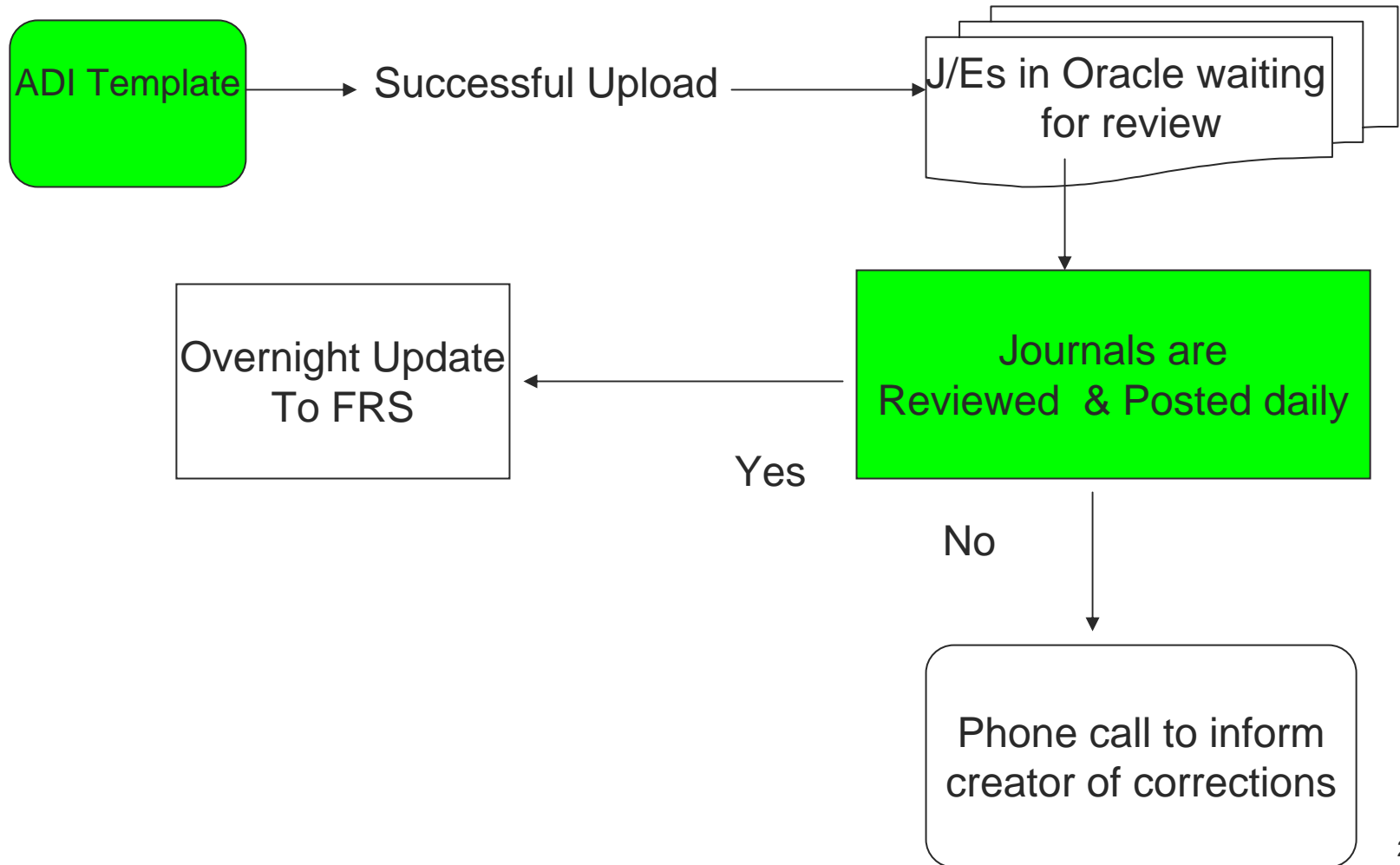
# [ Number of Journal Entries ]

- 20,000 total journal entries per year
- 125,000 lines
- 7,000 journal entries – Fund 300
- 13,000 – All other funds
- \$4 billion is moved annually

# Types of Journal Entries Annually

- Corrections – 5,000
  - Example: an incorrect unit was used on payment of an invoice
- Internal Cost Charges & Recoveries – 6,000
  - Example: Coffee Charges
- Reallocating Costs – 6,000
  - Example: Move a specific prior payroll transaction from one unit to another unit
- Allocating Funding Support – Transfers – 3,000
  - Example: A department is supporting an initiative within another department

# Journal Entry Process



# Changes to Journal Entries

- Increased review by the Controller's Office
  - More detail included in journal entries
  - Provide an audit trail back to the original source documents
- Ability to add more details to your journal entry through the Oracle System
  - Implemented the ability through Oracle to attach documents to each journal entry

# Minimum Standards

- Why
  - Purpose of the entry
- Who
  - Who does the entry impact
  - Authorization
  - Individuals involved
- What
  - Details of the entry
  - Incumbent, Vendor Name, Invoice #, RRV #, Document #s
- When
  - Dates – the time period for Salary costs
- Where
  - Audit trail back to the original document

# Journal Entry (ADI) Template

- Increase the size of the columns in your ADI template
  - Oracle will accept up to 240 characters
  - What you enter will be captured in FRS
- Attachments (new)
  - ability to add a file (word, excel, etc)
  - Stored in Oracle – for review by auditors
  - Future plans: include in FRS

# Example - Reallocation

Category	* List - Text	UofG_Allocation
Source	* List - Text	Spreadsheet
Currency	* List - Text	CAD
Accounting Date	* List - Date	12/20/2006
Group ID	Number	39
Batch Name	Text	DEAN CBS 0001XX JSMITH
Journal Name	Text	j/e authorized by R. Mitchell
Journal Description	Text	To allocate the cost of office supplies purchased by CBS Dean's Office from Office Superstore, Invoice #85001, evenly between Botany, Microbiology, Zoology, and CBS Dean's Office per interdepartmental cost sharing agreement.
Journal Reference	Text	c.c. J. Armstrong, H. Samuels, B. Parker

24 characters is the maximum

Upl	Fund	Unit	Grant	Project	Object	TBA	Debit	Credit	Line Description
							* Number	* Number	Text
⌘	100	011599	000000	000000	63301	000000000	500.00		allocate 1/4 of inv# 85001 from Office Superstore to Botany per interdept agreement
⌘	100	013899	000000	000000	63301	000000000	500.00		allocate 1/4 of inv# 85001 from Office Superstore to MicroBio per interdept agreement
⌘	100	015399	000000	000000	63301	000000000	500.00		allocate 1/4 of inv# 85001 from Office Superstore to Zoology per interdept agreement
⌘	100	015899	000000	000000	63301	000000000		1,500.00	allocate 3/4 of inv# 85001 to Botany, MicroBiol, & Zoology per interdept agreement
<b>Totals:</b>							\$1,500.00	\$1,500.00	

# Example - Correction

Category	* List - Text	UofG_Allocation
Source	* List - Text	Spreadsheet
Currency	* List - Text	CAD
Accounting Date	* List - Date	4/20/2007
Group ID	Number	45
Batch Name	Text	LABS 0058XX MHARPER
Journal Name	Text	j/e approved by S. Jones
Journal Description	Text	Reallocate OMAFRA revenue received incorrectly in project 005500, RRV532 dated Nov 27/06, that should have been coded to project 005510
Journal Reference	Text	c.c. M. Roberts

Upl	Fund	Unit	Grant	Project	Object	TBA	Debit	Credit	Line Description	Messages
* List - Text							* Number	* Number	Text	
⌘	110	005899	000000	005500	51404	000000000	5,000.00		Reallocate OMAFRA revenue received in project 005500, RRV532, to project 005510	
⌘	110	005899	000000	005510	51404	000000000		5,000.00	Reallocate OMAFRA revenue received in project 005500, RRV532, from project 005500	
<b>Totals:</b>							\$5,000.00	\$5,000.00		

Tip: This is not the end of the Template. Unprotect the sheet and insert as many rows as needed.

# Chart of Accounts – Tri-Council

- New fund 301 has been added
  - The new fund will make Tri-Council grants visible to all users, i.e. depts, A/P, Purchasing
- For new Tri-Council grants only, all other grants will remain in fund 300
- Effective April 1, 2007
- Fund 300 for Tri-Council grants will be phased out over 2 to 3 years

# [ New Grant Series with Fund 301 ]

Assigned for all new grants under fund 301:

NSERC grants                      400000 to 429999

SSHRC grants                      430000 to 449999

CIHR grants                      450000 to 459999

CRC/NCE grants                      460000 to 469999

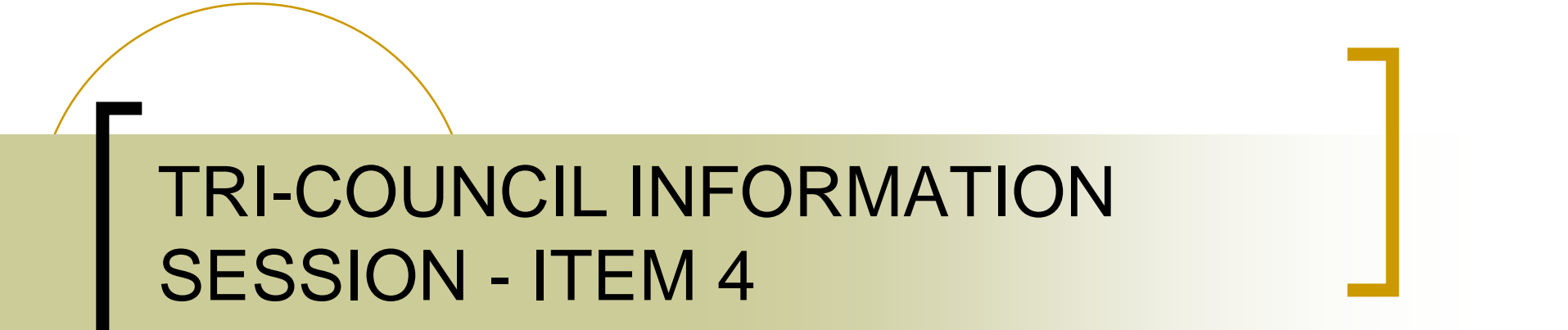
# Training – Additional Information

- A standards document is available to help with journal entry requirements.
  - <http://www.fin.uoguelph.ca/reference/index.cfm?departmentID=4>
- An updated Web ADI User Guide – includes a section on how to add an attachment
  - <http://www.fin.uoguelph.ca/HTMLFiles/ADI/index.cfm?fuseAction=downloadADI>
- An interactive training module is being developed on how to do a journal entry

# [ QUESTIONS ]

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TRI-COUNCIL INFORMATION  
SESSION - ITEM 4

AUTHORIZATIONS

# Tri-Council Required Authorizations

- Grantee must approve all transactions
- Grantee may delegate authority
  - However....Must be in writing
- Chair (or Acting Chair) must approve delegation
  - Cannot be dept admin.

# [ New Authorization Form ]

- Only to be used for Tri-Council grants
- Covers all types of tri-council expenses
  - Except for travel; where Chair (or Acting Chair) must approve all expenses
- Employee number will be required
  - Unique
- Form will be scanned for viewing
  - Accounts Payable, Purchasing, Revenue Control

# [ Authorization – Step 1 ]

- Grantee’s Authorization to Delegate:

## Grant Leader (Grantee) Authorization


I hereby delegate authority to the following individual to authorize expenditures against the above grant.

\_\_\_\_\_  
Grant Leader Name (Print or Type)

\_\_\_\_\_  
Employee Number

\_\_\_\_\_  
Department Number

\_\_\_\_\_  
Date



Grant Leader Signature

# [ Authorization – Step 2 ]



- Delegate's Identification and Signature:

## Delegation of Authority:

\_\_\_\_\_  
Delegate Name (Print or Type)

\_\_\_\_\_  
Employee Number

\_\_\_\_\_  
Department Number

\_\_\_\_\_  
Date

**Delegate Signature**

# [ Authorization – Step 3 ]



- Chair's Authorization and Signature:

## Dean, Director or Chair Authorization

I hereby delegate authority to the above grant leader to authorize expenditures against the above grant and I approve the above delegation of authority (if any) made by the grant leader.

\_\_\_\_\_  
Authorizer's Name (Print or Type)

\_\_\_\_\_  
Employee Number

\_\_\_\_\_  
Authorizer's Position / Title


\_\_\_\_\_  
Date

**Authorizer's Signature**

# [ QUESTIONS ]

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# Non-Financial Items & Other Restrictions

# Changes in Research Projects

- **Observation** – *“....the institution must ensure that the agencies are informed promptly if the research changes enough, during the course of a grant, to require certification.....”*
  - Use of animals, human ethics, biohazards
  
- **Response:**
  - The NEW **“Tri-Council Grant Set-Up Form”** will now include the following statement:

*”Should your research change enough during the award period to require certification in animals, bio-hazards or humans then you must email the appropriate Office of Research, Grants Officer and submit your protocol to the appropriate committee for review.”*
  - Educate grantee of this requirement
    - Tri-Council training website is being developed to assist researchers and administrators with an interactive understanding how to manage Tri-Council awards.

# Change of Eligibility Status of Grant Holders

- **Observation** – *“....the institution has a responsibility to advise the agencies, in a timely manner, of any changes in the eligibility status of grant and award holders...”*

[http://www.nserc.gc.ca/professors\\_e.asp?nav=profnav&lbi=f2](http://www.nserc.gc.ca/professors_e.asp?nav=profnav&lbi=f2)  
[http://www.nserc.gc.ca/institution/mou\\_doc\\_e.htm](http://www.nserc.gc.ca/institution/mou_doc_e.htm)

- **Response** – The following note will be added to the “**Tri-Council Grant Set-Up Form**” :

*“Should your position change from full-time to part time (such as Adjunct, Emeritus, Honorary, etc.) **OR** if you are planning to leave the institution, the appropriate Office of Research, Grant’s Officer must be notified immediately.”*

# Purchase of Biohazards

- Effective immediately;
  - the purchase of **all** Bio-hazardous Materials will have to be approved by Environmental Health and Safety (Bio-safety Officer) just as the purchase of radio-isotope purchases are.
  - Limited to systems contracts and PO's (PCARD & LVPO's may not be used to purchase Bio-hazards)
- The definition of Biohazards can be found at [www.uoguelph.ca/ehs/policies/11-01.pdf](http://www.uoguelph.ca/ehs/policies/11-01.pdf)
- Bio-safety Officer Contact info:  
Jennifer Minogue  
ext. 53190

# Transfer of Tri-Council Research Funds to Other Institutions

- Need to document the following information when a researcher requests transfer of funds to another institution:
  1. Institution
  2. Researcher to receive funds
  3. Account funds are to be transferred from
  4. Time period for use of funds
  5. Budget for use of funds.
- For NSERC awards, funds can only be transferred to eligible institutions - Eligible institutions are found at [http://www.nserc.gc.ca/institution/list\\_inst\\_e.htm](http://www.nserc.gc.ca/institution/list_inst_e.htm)

*In cases where human subjects are involved, assurance must be obtained that the REB (Research Ethics Board) of the other institution has reviewed the project before funds are released from Guelph*

# Payments to Grad Students and Post Docs

<b>NSERC</b>	<b>Minimum</b>	<b>Maximum</b>
Masters Student	-	\$16,500
Doctoral Student	-	\$19,000
<b>SSHRC</b>	<b>Minimum</b>	<b>Maximum</b>
Masters Student	-	\$12,000
Doctoral Student	-	\$15,000
<b>CIHR</b>	<b>Minimum</b>	<b>Maximum</b>
Graduate Student	\$17,850	-
Post Doctoral	\$36,750	-

The minimum and maximum values are an annual amount of salary/stipend that may be received by an individual from all agency funds.

# Payments to Grantees

- **Observation** – *“...The institution must implement a monitoring process to ensure that salary or consulting fees to grantees, or to other persons whose status would make them eligible to apply for agency grants, are not paid from agency funds...”*

- For further details about eligibility go to the following websites:

NSERC

[http://www.nserc.gc.ca/professors\\_e.asp?nav=profnav&lbi=11a1](http://www.nserc.gc.ca/professors_e.asp?nav=profnav&lbi=11a1)

SSHRC

[http://www.sshrc.ca/web/apply/background/definitions\\_e.asp#1](http://www.sshrc.ca/web/apply/background/definitions_e.asp#1)

CIHR

<http://www.irsc.gc.ca/e/22630.html#1-B1>

# Ineligible Expenses

- The following costs must not be paid for with agency funds:
  - Insurance costs
  - license costs
  - Alcohol (travel or hospitality)
  - Telephone-equipment expenses
  - Cell phones
  
- For additional reference of eligible and ineligible expenditures, please refer to the Tri-Council Training website or the NSERC website for use of funds  
[http://www.nserc.gc.ca/professors\\_e.asp?nav=profn\\_av&lbi=f3](http://www.nserc.gc.ca/professors_e.asp?nav=profn_av&lbi=f3)

# [ Research Tools and Instruments grants (RTI grants) ]

- RTI grants must be used to purchase equipment with the specific functionality for which the grant was awarded.
  - If changes then need approval from NSERC
  - However may buy a “model” different from that requested in the application without prior NSERC approval.

# [ QUESTIONS ]

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# [ Future Actions: ]

- Training
  - Travel
  - WEB based
- Communications
  - emails
- Continuous review of “good practices” at other institutions:
  - Proposal to adopt an Annual Accountability form
  - Periodic internal compliance reviews
  - Budgets on grants