



## RESEARCH GRANT IN LIEU OF SALARY PROTOCOL

HR- 02.002

**Approved by** Executive Group  
**Approved** March 4, 2009

**Responsible Office(s)** Administration  
Human Resources  
**Responsible Officer(s)** Associate Dean, Administration  
Director, Human Resources

### 1.0 PURPOSE

- 1.1 Faculty and Librarian Members of OPSEU NOSM Local 677, who wish to perform research during any academic year, including a year when on sabbatical research leave, are eligible.
- 1.2 The purpose of this Protocol is to enable eligible OPSEU NOSM LOCAL 677 Faculty and Librarian members, who propose to undertake or continue a research project where the primary purpose involves critical or scientific inquiry aimed at the discovery of new facts or the development of new interpretations or applications, 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. All applications are subject to peer review in accordance with this Protocol. The income tax implications of this grant are discussed in **Section 4.0** of this Protocol and are the responsibility of the Faculty or Librarian Member.
- 1.3 The primary purpose of the Research Grant in Lieu of Salary must be to carry out research. Please review the program guidelines at the Canada Revenue Agency Interpretation Bulletin IT-75R4, which can be found at <http://www.cra-arc.gc.ca/E/pub/tp/it75r4/it75r4-e.html> for information regarding interpretations (e.g. research definitions), allowable expenses, and restrictions on the total amount of funds which can be requested, reporting requirements, payments for research assistants, and all other relevant matters. If you have questions regarding these matters you will need to seek independent advice or direct your enquire to the Canada Revenue Agency as you would any other tax question.

### 2.0 AMOUNT OF RESEARCH GRANT IN LIEU OF SALARY

#### 2.1 Limitations on Amount

The amount of a Research Grant in Lieu of Salary:

- (a) must be an amount that is reasonably commensurate with an anticipated reduction of the extent of research endeavours that would be ordinarily expected of the Faculty/Librarian Member under her or his terms of employment at the School to enable the Faculty/Librarian Member to carry out the research project that is the subject of the application; and
- (b) In the case of a Faculty/Librarian Member on sabbatical research leave, the maximum grant will be determined by the leave salary of the Faculty/Librarian Member. The total grant requested should allow for at least 20% of the Faculty/Librarian Member's regular 100% salary to be retained to be paid in the usual manner, in order to maintain School benefits coverage. Awards to non-sabbatical applicants should not exceed 50% of regular annual salary.

## 2.2 Maximum Amount

Notwithstanding Paragraph 4.1, 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 Faculty/Librarian Member during the balance of the fiscal year of the School to which the Research Grant in Lieu of Salary applies.

## 3.0 RESEARCH GRANT PERIOD

- 3.1 The program uses the calendar year (the normal taxation year) as its base. A non-sabbatical leave application must be with respect to one calendar year only. Faculty / Librarian Members on sabbatical research leave may request a grant to cover the whole leave period.

According to Revenue Canada, research grant-related expenses must be incurred in the same calendar year in which the research grant is received in order to be claimed against the grant. In some cases, research expenses may be incurred in the year immediately preceding or immediately after the year in which the grant is received: please see Revenue Canada Taxation Bulletin IT-75R4, paragraph 30, for further details.

## 4.0 TREATMENT OF RESEARCH GRANT UNDER THE INCOME TAX ACT

- 4.1 Payment of Grant by School as T4A Income Research Grants in Lieu of Salary under this program are regarded as taxable income under the Income Tax Act. The School will report all research grant payments as T4A income in the taxation year (calendar year) in which the payments are made to the Faculty/Librarian Member. Accordingly, no income tax, Canada Pension Plan or Employment Insurance Act premiums will be deducted at source by the School 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 Faculty/Librarian Member's income that is used for calculating a Faculty/Librarian Member's "contribution room" for the purposes of making contributions to an RRSP under the Income Tax Act.

### 4.2 Responsibilities of Faculty/Librarian Member

The Faculty/Librarian Member is responsible for complying with provisions of the Income Tax Act and Regulations and the requirements of the Canada Revenue Agency.

## 5.0 TREATMENT OF RESEARCH GRANT WITH REGARD TO PAYMENT OF GST

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## **6.0 EQUIPMENT PURCHASE - OWNERSHIP**

- 6.1 Ownership of equipment purchased with a Research Grant in Lieu of Salary rests with the Faculty/Librarian Member. Purchase of equipment with funds from a Research Grant in Lieu of Salary is a personal transaction and should not be made through the School's Purchasing Unit or the Faculty/Librarian Member's Division. The cost of maintaining and insuring the equipment remains the responsibility of the Faculty/Librarian Member. The School assumes no responsibility for any personal property of the Faculty/Librarian Member while on School premises or on School business.

## **7.0 TERMINATION OF EMPLOYMENT WITH SCHOOL**

- 7.1 If, at any time during the period of a Research Grant in Lieu of Salary, the Faculty/Librarian Member ceases to be an employee of the School or ceases to be in receipt of income from the School:
- (a) the Research Grant in Lieu of Salary shall be deemed to have been terminated by mutual agreement as of the date when the Faculty/Librarian Member ceased to be an employee of the School or in receipt of income from the School;
  - (b) no further payments by way of a Research Grant in Lieu of Salary will be made to the Faculty/Librarian Member; and
  - (c) where funds have been advanced that have not been earned by the Faculty/Librarian Member, such funds are a debt owing by the Faculty/Librarian Member to the School and must be repaid. Repayment terms may be arranged.

## **8.0 PROCEDURES**

- 8.1 Procedures for the implementation of this Protocol, 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 Dean or Dean's designate and OPSEU NOSM LOCAL 677.

## **.0 APPLICATIONS FOR THE USE OF A PORTION OF SALARY AS A RESEARCH GRANT**

### **9.1 Application Procedures**

In completing the application, Faculty/Librarian Member should provide a description of the research activity which is sufficiently detailed to allow adjudication of the request by qualified assessors. Proposed expenditures must be warranted in the context of the research outlined. Each budget item must be justified in terms of how it will help to achieve the project. Submissions should be prepared with reference to the eligible expenses outlined in Revenue Canada Interpretation Bulletin IT-75R4. Applications which are not first-time requests must contain documentation on the results of previous research contracts provided under the program and specifically address how the award enhanced the Faculty/Librarian Member's research endeavours.

9.2 The application must be approved by the Division Head.

## 10.0 ELIGIBLE EXPENSES

10.1 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. This Protocol describes the type of research expenses that may be approved by the Adjudication Panel as part of the adjudication of an application (refer to paragraph 6.2.1 of this Protocol). 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.

### 10.2 Assessment of Proposed Expenses

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.

10.2.1 Eligible expenses may include:

- (a) Equipment purchases;
- (b) Service contracts on equipment including computer service contracts;
- (c) Payments to research assistants for research, translation and fact checking (refer to Paragraph 11.2.b of this Protocol);
- (d) Copying charges;
- (e) Proof reading and editing charges;
- (f) Books and journals of an academic or technical nature that are directly related to the research project and that are not in the School's library;
- (g) Conference registration fees of the Faculty/Librarian Member;
- (h) Travel and accommodation expenses that are directly related to the research project. Only expenses that adhere to the School's Protocols are eligible. Only economy fares are eligible expenses. Where the use of a personal vehicle is required, only the School's approved kilometre rate will be permitted as an eligible expense;
- (i) Travel from one temporary location to another; and
- (j) Travel on field trips connected with the research project.

10.2.2 Proposed expenditures that will not normally be approved by the Adjudication Panel include:

- (a) Salary of the Faculty/Librarian Member;
- (b) Conference or course fees of an assistant;
- (c) Membership fees in professional societies;
- (d) The fees associated with obtaining Visas;
- (e) Medical insurance;
- (f) Office rental;
- (g) Proportion of mortgage and other expenses for an in-home office;



12.2 When an application has received the Dean's 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:

- (a) the regulations of this Protocol;
- (b) the research related Policies and Protocols of the School; and
- (c) the Income Tax Act and Regulations.

### **13.0 TAX INFORMATION**

13.1 While the School approves a Research Grant in lieu of salary:

- 1) the question of the deductibility of expenses for income tax purposes must be in accordance with Revenue Canada regulations and such deductions should be claimed when the researcher files his or her personal income tax return; and
- 2) any questions with respect to the eligibility of expense deductions must be resolved between the researcher and Revenue Canada.

The researcher solely is responsible for any additional income tax which may become payable as a result thereof. The researcher is not required to submit an accounting for these funds to the School; but since it is the responsibility of the researcher to support claims for deductions to Revenue Canada, researchers should keep detailed records of research expenditures. The School is not in a position to offer any more detailed tax information than that which is contained in Revenue Canada Interpretation Bulletin IT-75R4, nor will the School assist the Faculty/Librarian Member in the presentation of a case to Revenue Canada. Any questions about taxation regulations should be referred directly to Revenue Canada and/or to an external tax advisor and/or your Faculty Union.

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

14.1 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 Faculty/Librarian Member until the next fiscal year.

14.2 The Faculty/Librarian Member'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 Faculty/Librarian Member during that period however for all other purposes (e.g. pension, benefits) the salary remains at base rate as if the research grant had not been paid.

14.3 The School will not make any alteration to salary payments that have already been made to the Faculty/Librarian Member prior to the approval of the research grant.

### **15.0 REPORT TO THE ASSOCIATE DEAN, RESEARCH**

A person who has received a Research Grant in Lieu of Salary must submit a report to the Associate Dean, Research with a copy to the Faculty/Librarian Member's Immediate Supervisor 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.

## **16.0 REVIEW**

This Protocol will be subject to review within three years from the date of implementation.

## **17.0 FORMS**

The following form shall be used and is available on NormedNET:

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