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SALARY RESEARCH GRANT

Office of Research Services
Tel: 250.807.9412

Office of Research Services UBC Okanagan

RESEARCH GRANTS DURING PERIODS OTHER THAN STUDY LEAVE UBC POLICY #35

*Excerpted from the UBC Policy Handbook 1995-1996

Approved by the Board of Governors: July 1995

Responsible Vice President: Vice President Academic and Provost, Vice President Research

Purpose: To set out the terms and conditions under which scholars at UBC may receive a research grant in lieu of salary during periods other than study leave.

Policy: The research grant during periods other than study leave program (RGnoSL) permits scholars to receive a research grant in lieu of salary through a mechanism involving peer review, under certain conditions as established by Revenue Canada. To be eligible, the purpose and objectives of the expenditures proposed must be warranted in the context of the research outline. The grant may be used for all purposes of a Grant-in-Aid of research, but not to supplement income. In accordance with Revenue Canada guidelines, the program covers only research activities—those involving critical or scientific inquiry aimed at the discovery of new interpretations or applications—and is not intended to cover projects directed at teaching or the development of teaching (or research-related skills). When the research grant has been established, the funds are no longer considered to be a salary.

Grants awarded under this program are regarded as taxable income, however the grant payment is treated as T4A income for tax purposes and accordingly, no income tax is deducted at source by the University. The award recipient is responsible for reporting the income to Revenue Canada and declaring eligible expenditures against it.

Procedures:

General Revenue Canada Requirements:

The type of research undertaken in the program must be a type which is separate and apart from research work ordinarily expected under the researcher's terms of employment. Also, the non-specific research component of the researcher's normal duties of employment is to be reduced by a level reasonably corresponding to the value of the award. The signatures of the applicant, the

Administrative Head of the Unit, and the Dean (or equivalent) on the application form attest to these requirements. See Tax Information below.

Eligibility

The Research Grant During Periods Other than Study Leave Program (RGnoSL) is available to individuals, both full time and part time, whose terms of employment at UBC include the requirement to do independent research.

Application Procedures

Application forms for the RGnoSL are available from the Office of Research Services. In completing the application, researchers describe the specific research activity in sufficient detail to allow adjudication of the request by qualified assessors, and to justify fully the budget request in the context of the activity.

All applications must be approved by the Administrative Head of Unit (Department Head, or Dean in a non-departmentalized faculty, or University Librarian). Approval is for both the prospective research and the agreement to a reduction in non-specific corresponding to the amount of the grant award, but not for the responsibility or liability regarding tax issues.

Application Deadlines

Applications must be received in the Office of Research Services by April 15 or October 15. Awards take effect the following July 1 or January 1 respectively and are for a maximum of twelve months from the start date. Requests for successive awards are submitted annually. Applications received for each deadline date will be reviewed by a panel established by the Executive committee for Research. One original copy is required.

Adjudication

The panel established by the Executive Committee for Research will assess an application on the basis of the quality of the proposal, its description and justification, the justification of budget in relation to the proposal and the applicant's past research record. The panel may consult with the Head, Dean, Vice President Research or Provost on eligibility and other matters.

Grant Payment

The researcher and Administrative Head of Unit are informed by letter of the result of the deliberation. If an award is made, Research Services initiates payment. The amount of the research grant is reflected as a reduction in the researcher's salary and is reported on an income tax T4A slip. Thus, under this program, the researcher's total income is divided into two components: salary and research grant (income is not withheld from the research grant portion). Although the researcher's salary is reduced by the amount of the research grant, the University will continue to pay benefits on the full regular salary.

The University will pay its full contributions based on 100% salary to pension and other fringe benefits to the individual provided the individual continues to pay his or her own contributions.

UBC Account

No UBC account will be set up for the research grant. It is the responsibility of the grantee to handle all expenditures (if any), including payroll.

Expenses

According to Revenue Canada Regulations, research grant-related expenses must be incurred in the same calendar year in which the research grant is received in order to be deductible from 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 refer to Income Tax Folio S1-F2-C3 (<http://www.cra-arc.gc.ca/tx/tchncl/ncmtx/fls/s1/f2/s1-f2-c3-eng.html>).

Travel costs are allowed for purposes essential to the research outlines. Policy #83 (Travel and Related Expenses) and Policy #84 (Entertainment) apply. According to Revenue Canada guidelines, researchers may claim only their own expenses for travel between home and the place at which they sojourn (temporarily reside) while engaged in research work, provided such travel is essential to the research. Traveling expenses for spouses and children may not be claimed. Researchers are not permitted to claim their own personal and living expenses, including meals and lodgings, while temporarily residing in a place while engaged in research. However, researchers are entitled to claim expenses for meals and lodgings while on brief trips in connection with their research.

Grantees who employ assistants must act as employers with all the responsibilities that entails. In particular, grantees are cautioned that statutory deductions for UIC and CPP must be taken and remitted along with the employer contributions when paying a salary for an assistant or other research personnel. Such employer contributions may be charged to a grant.

Leaving the University

If at any time during the term of an RGnoSL the grantee ceases to be employed by the University or his/her salary ceases, the grant arrangement terminates.

Tax Information

Please note that, although the University approves an RGnoSL:

- The question of 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.
- Any questions with respect to the eligibility of expense deductions must be resolved between the researcher and Revenue Canada.
- The researcher is not required to submit an accounting for these funds to the University, but since it is the responsibility of the researcher to support claims for deductions to Revenue Canada, researchers are advised to keep detailed records of research expenditures.
- The University is not in a position to offer any more detailed tax information than that which is contained in Revenue Canada Income Tax Folio S1-F2-C3 (<http://www.cra-arc.gc.ca/tx/tchncl/ncmtx/fls/s1/f2/s1-f2-c3-eng.html>), nor will the University assist the faculty member in the presentation for T4A income or any research deductions to Revenue Canada.

- Any questions about taxation regulations should be referred directly to Revenue Canada or to an external (personal) tax advisor.
- When a researcher's non-salary income exceeds \$30,000 there may be liability for Goods and Services Tax (GST). Researchers should seek independent tax advice.
- Canada Revenue Agency Income Tax Folio:

The Canada Revenue Agency (CRA) issues income tax folios to provide technical interpretations and positions regarding certain provisions contained in income tax law. Due to their technical nature, folios are used primarily by tax specialists and other individuals who have an interest in tax matters. While the comments in a particular paragraph in a folio may relate to provisions of the law in force at the time they were made, such comments are not a substitute for the law. The reader should, therefore, consider such comments in light of the relevant provisions of the law in force for the particular tax year being considered.

S1-F2-C3 is effective March 11, 2014 and consolidates, replaces and cancels Interpretation Bulletin IT-75R4. (<http://www.cra-arc.gc.ca/tx/tchncl/ncmtx/fls/s1/f2/s1-f2-c3-eng.html>)

"Determination of an Individual's Residence Status" S5-F1-C1, is effective March 28, 2013 and replaces and cancels Interpretation Bulletin IT-221R3, *Determination of an Individual's Residence Status* (<http://www.cra-arc.gc.ca/tx/tchncl/ncmtx/fls/s5/f1/s5-f1-c1-eng.html>)