

McMASTER UNIVERSITY

Complete Policy Title: **FINANCIAL PROCEDURE FOR RESEARCH GRANTS**

Policy Number (if applicable): **n/a**

Approved by: **Academic Advisory Council**

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Position Responsible for Developing **Office of the Provost and Business Management**
and Maintaining the Policy: **Services**

Contact Department: **[University Secretariat](#)**

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POLICY

INTENT

Under Sections 56 (1), Part 1 of the Income Tax Act, certain tax advantages may accrue to a faculty member who is issued a research grant from the University. The policy for applying for a grant is available at

<https://secretariat.mcmaster.ca/app/uploads/2019/06/ResearchGrantsProgram.pdf> .

This procedure deals with approved grants and with the notification, the funding, the recording and the payment of the grant. Research grants will be classified as 'other income –research grants', rather than 'salary' and reported on the employee's T4 in the appropriate box at year end. It is the responsibility of the grantee to declare, support and justify grant expenses claimed on his or her personal income tax return.

SCOPE

This arrangement relates to all research grants awarded to faculty members by the Research Leaves Board and processed through the appropriate Faculty dean's office.

PROCEDURE

1. FUNDING AUTHORIZATION AND NOTIFICATION

1.1 A research grant, awarded to a faculty member is to be paid from the department's salary budget. The regular salary will be reduced by the amount

of such grant so that the faculty member's total compensation will not exceed that which he or she would have normally received had there been no grant involved.

- 1.2 Approval of the Research Grant Application Form will be required from the department chair and the dean of the Faculty on behalf of the Research Leaves Board (i.e., the dean of the Faculty, the Associate Vice-President and Dean of Graduate Studies and Provost and Vice-President, Academic).
- 1.3 Notification of the approval of the award will be initiated by the Faculty dean and will be issued to the faculty member, his department chair, the Director of Financial Services, and the Manager, Faculty Appointments and Records, Office of the Provost.

2. *PAYROLL AND ACCOUNTING FOR GRANT*

- 2.1 Upon receipt of the notification letter and copy of the approved application form from the Dean's Office, the Director of Finance will be responsible for reviewing the application for compliance with the financial aspects of University's Research Grants Program and authorizing the payment of a research grant in lieu of a salary payment in the University's payroll system. .