

## RESEARCH EXPENDITURES BEST PRACTICE GUIDE

This resource was developed to help researchers and administrators meet the financial obligations of our sponsors (with a particular emphasis on the Tri Agencies) and U of A policies and procedure requirements. The guide contains a list of common issues identified through our expenditure testing process and provides solutions for dealing with the issues. Please note the guide should be used in conjunction with relevant sponsor guidelines and U of A policies and procedures. Some helpful links:

[U of A Expenditure Testing](#)

[Tri Agency Guidelines](#)

[U of A Policies and Procedures](#)

[Travel Card Procedure](#)

[Travel Expense Procedure](#)

[Schedule of Allowable Travel Expenses](#)

Type of Expense / Documentation	Current Practice	Common Issues Identified	Best Practice for Dealing with Issue Identified
<b>TRAVEL - Booking Documentation</b>			
<b>Travel Authorization Payment (TAP) forms</b>	<ul style="list-style-type: none"> <li>- Some Units do not receive a copy of the invoice with final amounts.</li> <li>- Others have requested UniGlobe fax a copy of the invoice to Units.</li> </ul>	<ul style="list-style-type: none"> <li>- Signed form does not include expenditure amounts.</li> <li>- Some units do not retain a copy of the signed form.</li> <li>- Not all units include the purpose of the trip on the TAP form.</li> </ul>	<ul style="list-style-type: none"> <li>- See the U of A Travel Expense Procedure, specifically the section on Travel Authorization Payment (TAP).</li> <li>- Be sure to retain a copy of the signed form, request a copy of the invoice when submitting the form, and reconcile them.</li> <li>- If Uniglobe fares are higher than those online, send copy of the online quote &amp; ask them to book that flight.</li> <li>- Include TAP on Travel Expense Claim as Non-Reimbursable.</li> <li>- Be sure to include the purpose of the trip to the TAP form, ie: justification for the trip.</li> </ul>
<b>Hotel Authorization Payment (HAP) forms</b>	<ul style="list-style-type: none"> <li>- Some units write the room rate on the HAP form for the PI to sign, but this does not include tax or parking.</li> <li>- Incidentals should not be charged via the HAP form, however, there is no mechanism to check this.</li> <li>- SMS does not reconcile HAP forms.</li> </ul>	<ul style="list-style-type: none"> <li>- Copy of signed form not retained.</li> <li>- Signed form does not include expenditure amounts.</li> <li>- Units do not receive a copy of the invoice with final amounts.</li> </ul>	<ul style="list-style-type: none"> <li>- See the U of A Travel Expense Procedure, specifically the section on Hotel Authorization Payment (HAP).</li> <li>- Retain a scan or copy of the fully-signed HAP form to be reconciled with the invoice.</li> <li>- Unit writes the room rate on the HAP form before PI &amp; internal control sign.</li> <li>- SMS includes in the preferred supplier agreement for hotels that allow the HAP form that the hotel should fax a copy of the final itemized invoice to the requesting Unit. Unit then has PI sign the invoice.</li> </ul>
<b>TRAVEL - Types of Travel</b>			
<b>Air Travel: Lowest Rate Available</b>	<ul style="list-style-type: none"> <li>- Travellers searching for the least expensive trip.</li> </ul>	<ul style="list-style-type: none"> <li>- This practice may result in incurring hidden or extra charges. Air travel classes are confusing to the travellers, not sure what is eligible</li> </ul>	<ul style="list-style-type: none"> <li>- Up to full economy with detailed travel purpose or detailed justification that clearly establishes the link with the funded research. The lowest rate should be used, if not, a justification for using the higher level is required.                             <ul style="list-style-type: none"> <li>- Full economy = Air Canada up to Latitude</li> <li>- Full economy = WestJet up to Flex</li> <li>- First Class = Special Circumstances w/ Agency approval</li> <li>- Note: First Class is justifiable if it is the lowest available rate, and documentary proof is retained. Written approval from claimant's Dean or VP is still required.</li> </ul> </li> </ul>
<b>Business Class Travel</b>	<ul style="list-style-type: none"> <li>- Sometimes Business class is cheaper than full economy at the time of purchase.</li> </ul>	<ul style="list-style-type: none"> <li>- It's important to note that justification and proof must be provided for each trip when the cheaper, but higher class, is used.</li> </ul>	<ul style="list-style-type: none"> <li>- The individual making the purchase will take a screenshot of the booking page showing the comparison between the business class being purchased, and the more expensive Full Economy class fare. It must be justified on a single trip basis, you cannot provide a justification for all trips related to a grant awarded.</li> <li>- Written approval from claimant's Dean or VP is still required.</li> </ul>
<b>Combining Research / NonResearch Travel</b>	<ul style="list-style-type: none"> <li>- Combining research-related travel with non-research-related travel to save money.</li> </ul>	<ul style="list-style-type: none"> <li>- Non research-related expenses claimed in error, resulting in corrections.</li> </ul>	<ul style="list-style-type: none"> <li>- The non-research-related expenses must be clearly identified and not calculated as part of the claim if using same receipts/invoices.</li> </ul>
<b>Land Travel</b>	<ul style="list-style-type: none"> <li>- Driving to destination and charging mileage.</li> </ul>	<ul style="list-style-type: none"> <li>- Unsure how to claim land travel expenses</li> </ul>	<ul style="list-style-type: none"> <li>- See the U of A Travel Expense Procedure, specifically the section on Private Automobile.</li> </ul>

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<b>TRAVEL - Other Types of Expenses</b>			
<b>Conference Registrations</b>	- PI's and trainees are often out of pocket until after the travel takes place and the expense can be claimed.	- Paying for registrations well in advance on personal accounts, leaving individuals out of pocket until after the travel takes place. - Some individuals want to submit claim for reimbursement before travel.	- See the U of A Travel Expense Procedure, specifically the section on Conference Registration. - As per the Travel Policy - use of the P-Card or Travel Card to pay for the Registration is recommended. - If the Department or Faculty does not allow the use of these cards, the Department card may be used, and then the expense moved to the appropriate Research Project.
<b>Exchange Rates</b>	- Travel expenses may be paid in various foreign currencies. - Claims may include notes on when an expense was paid, and what exchange rate was used.	- Failing to provide standardized source for exchange rates with historical information	- See the U of A Travel Expense Procedure, specifically the section on Applying Exchange Rates. - Include a printout of the arrived-at rate with the claim as backup.
<b>Visa Documents - How to Include on Travel Claim</b>	- May be just a slip of paper, with or without name of the person the visa was for included.	- This expense may be eligible, however, more backup and justification required.	- Requires justification why the visa was required for this travel, and how it associates to this funded research, and include the name of the person covered by the visa charge.
<b>Travel Expenses During Sabbatical Leave</b>	- Claimants wish to claim living expenses while on Sabbatical	- Travel expenses allowed only to and from the sabbatical location, with no living expenses. - Travel for short field work sessions allowed. - Travel allowed to attend a conference outside of sabbatical location.	- Ensure only eligible expenses are charged.
<b>INTERNAL CHARGES</b>			
<b>TEMS report (Phone)</b>	- As the TEMS report is electronic and can be accessed at any time, many Units do not print the TEMS report. Some Units will print the TEMS report monthly and have the PI sign the report as authorization.	- Telephone rental and other expenses are not necessarily eligible - see the Tri Agency Use of Grant Funds guide.	- Confirm eligibility before incurring expense. - Unit prints TEMS report monthly and has PI and internal control sign the report. - Retain copy of the original order for hookup signed by budget holder.
<b>HUMAN RESOURCES</b>			
<b>Salary and Benefit Adjustments (SBAs)</b>	- Units frequently do not have project holder approval included with backup documentation for these transfers. - Reason for the SBA is given as "to clear over expenditure".	- Email from PI requesting to move the salary would not be considered adequate approval. - Lack of backup being provided in these situations results in non-compliance with institutional and/or sponsor requirements.	- As over expenditures are ineligible, a better reason would be "to remove inappropriate expense". - Additional explanation, such as indicating that the person did work on two different grants, would also be required. - Backup needs to include an analysis of the number of hours being moved as well as a description of the work that was undertaken and when. - The description of the work ties the expense to the new project, the number of hours provides a means to confirm that the correct dollar amount is being transferred, and the time period confirms that the hours being redistributed fall within the start and end dates of the project to which the expenses are being moved.
<b>SUPPLYNET</b>			
<b>Signing Authority for Purchases under \$500</b>	- Some expenses are being charged without Project holder approval or formal delegation in place.	- A person with self-approval status can approve charges to any account (operating or research) without extra approval workflow in place.	- All research projects should have a delegation form on file even if PI does not want to delegate signing authority (there is a place on the form for this). - For purchases associated with research projects, the person placing the order with self-approval status should add the Project holder into the approval workflow.

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<b>HOSPITALITY &amp; GIFT Expense Types</b>			
<b>Gift / Hospitality Expenses - Justification / Purpose</b>	- Expenses charged with little or no justification.	- The purpose or circumstances for the hospitality or gift, and the link to the funded research, are not always specified.	- List of attendees or gift recipients, their association with the research project, and include a written justification tying the expense specifically to the funded research.
<b>Stakeholders &amp; Visiting Researchers - Justification / Supporting Documentation</b>	- Co-applicants from external institutions are listed as external visitors on attendee lists. - Not all expenses include full list of attendees.	- A stakeholder or visiting researcher (or guest researcher) is considered to be an outside, interested party in the funded research but is not part of the research team. - According to the Tri-Agencies, a researcher who is part of the research team but is not housed at the lead institution is not considered to be an outside, interested party in the funded research as they are directly involved in conducting the research. - It is important to note that adequate justification (including the link to the research) must be provided for each person present at the meal and claiming hospitality including members of the research team	- Provide a list of attendees or gift recipients, their association with the research project, and include a written justification tying the expense to the funded research. - Review the list of external guests and compare with the list of co-applicants and co-PIs to confirm there are "external" guests.
<b>External Guests / Gift Recipients - Justification / Supporting Documentation</b>	- Co-applicants from external institutions are included as external, incorrectly.	- What the Tri-agencies look for when determining the eligibility of hospitality expenses is whether or not at least one participant in the hospitality is external to the research team. Furthermore, adequate justification (including the link to the research) must be provided for each person present at the meal and claiming hospitality including members of the research team.	- List of attendees or gift recipients, their association with the research project, and include a written justification tying the expense to the funded research. - Review the list of external guests and compare with the list of co-applicants and co-PIs to confirm there are "external" guests.
<b>EQUIPMENT &amp; SUPPLY Expense Types</b>			
<b>Book Purchases - Justification Required</b>	- Books are purchased for lab use.	- Receipts not always retained for these simple purchases. - Books may already be provided by the institution (library).	- Justification details why it is essential to buy the book and if the option of borrowing from the institution's library has been explored. - An adequate justification demonstrates that purchase: - Is directly related to and necessary for the advancement of funded research. - Is for an item not normally provided by the institution. - Represents an economical use of funds. - Relates to a need that is not met by material currently available or in the grant holder's possession.  - A key question to ask is "do you need it for your research and if so how and why?" - ideally the justification provided should answer this question.
<b>Cell phones, Smartphones or other Electronic Devices - Justification Required</b>	Purchase is often justified as required for the funded research.	Detailed justification is missing.	- An adequate justification demonstrates that purchase: - Is directly related to and necessary for the advancement of funded research. - Is for an item not normally provided by the institution. - Represents an economical use of funds. - Relates to a need that is not met by material currently available or in the grant holder's possession.  - A key question to ask is "do you need it for your research and if so how and why?" - ideally the justification provided should answer this question
<b>Computer &amp; Related Hardware - Justification Required</b>	Purchase is often justified as required for the funded research.	Detailed justification is missing.	- An adequate justification demonstrates that purchase: - Is directly related to and necessary for the advancement of funded research. - Is for an item not normally provided by the institution. - Represents an economical use of funds. - Relates to a need that is not met by material currently available or in the grant holder's possession.  - A key question to ask is "do you need it for your research and if so how and why?" - ideally the justification provided should answer this question

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<b>EQUIPMENT &amp; SUPPLY Expense Types, continued</b>			
<b>Petty Cash - Justification Required</b>	Petty Cash used for test subject payments.	Justification for this expense does not indicate why the Petty Cash is required? Missing records on how the funds were dispersed?	An adequate justification would include: - Why the Petty Cash is required? - Records showing how the funds were dispersed. - Signatures from subjects indicating receipt of funds.
<b>Specialized Office Supplies - Justification Required</b>	Purchase is often justified as required for the funded research.	Detailed justification is missing.	- An adequate justification demonstrates that purchase: - Is directly related to and necessary for the advancement of funded research. - Is for an item not normally provided by the institution. - Represents an economical use of funds. - Relates to a need that is not met by material currently available or in the grant holder's possession.  - A key question to ask is "do you need it for your research and if so how and why?" - ideally the justification provided should answer this question
<b>Specialized Software - Justification Required</b>	Purchase is often justified as required for the funded research.	Detailed justification is missing.	- An adequate justification demonstrates that purchase: - Is directly related to and necessary for the advancement of funded research. - Is for an item not normally provided by the institution. - Represents an economical use of funds. - Relates to a need that is not met by material currently available or in the grant holder's possession.  - A key question to ask is "do you need it for your research and if so how and why?" - ideally the justification provided should answer this question
<b>GENERAL ISSUES WITH EXPENDITURES</b>			
<b>Delegation of Signing Authority</b>	- Project Holders delegate signing authority verbally or by email, sending students or staff to make purchases.	- Project Holders do not wish to formally delegate individuals, so they informally delegate individuals verbally or via email. - Project Holders do not understand the requirement by funding agencies and/or the institution for formal delegation.	- A formal delegation of signing authority document should be completed and signed by the Project Holder and then kept on file in a central location for future reference. - The Project Holder can ask his or her delegate via email to sign on their behalf in order to approve an expense and, assuming the grant holder has already delegated the authority to this individual to sign for the type of expenditure and dollar amount in question then, yes this is acceptable. - A strong delegation of authority instrument will actually specify dollar limits and types of expenditures that a delegate can approve. - It is also best to keep in mind that the delegate doesn't necessarily require an email from the grant holder in order to sign for an eligible expense since this responsibility was already granted to the delegate via formal delegation of signing authority document.
<b>When link to the funded research is not evident</b>	- Purchase is often justified as simply "required for the funded research".	- Detailed justification is missing.	- An adequate justification demonstrates that purchase: - Is directly related to and necessary for the advancement of funded research. - Is for an item not normally provided by the institution. - Represents an economical use of funds. - Relates to a need that is not met by material currently available or in the grant holder's possession.  - A key question to ask is "do you need it for your research and if so how and why?" - ideally the justification provided should answer this question