

This document applies to	<input checked="" type="checkbox"/> All Horizon	<input type="checkbox"/> Fredericton Area	<input type="checkbox"/> Miramichi Area
	<input type="checkbox"/> Moncton Area	<input type="checkbox"/> Saint John Area	<input type="checkbox"/> Upper River Valley Area

**Horizon Health Network
Policy & Procedure Manual
Financial Management of Research Accounts**

POLICY

Any research study conducted within Horizon Health Network (Horizon), or using Horizon services and/or departments to conduct the *research study*, must hold their research funds in a *research account* with Horizon’s Department of Financial Services. Each research study will have its own research account name and research account number.

General Research Accounts are established to allow *Residual Research Funds* from closed research accounts and *Miscellaneous Research Funds* to be used for research-related expenditures only. No personal benefit is to be derived from the General Research Account.

All financial transactions (*research revenues*, *research expenses* and *cost recoveries*) related to a research account, including general research accounts, must be forwarded to the Office of Research Services for authorization.

All financial transactions are monitored, verified and managed by the Office of Research Services to ensure compliance with Horizon’s policies, funding agreements, funding agency requirements and accurate records of billing and financial reporting on Horizon’s research activities.

DIRECTLY AFFECTED

Horizon

Office of Research Services employees, *Principal Investigators*/delegate(s), and Executive Management Team members/delegate(s)

Contractors

Sponsors, granting agencies and/or contractual parties associated with research activity within Horizon

PROCEDURE

Establishment of a Research Account

For a Research Study:

1. The Principal Investigator provides the Office of Research Services with a copy of the notification of award and any other documents that relate to the conditions and regulations of the funds, such as study agreements and study budgets.
2. If a Principal Investigator receives research funds and there is no *Research Agreement* or Letter of Award, the Principal Investigator provides the Office of Research Services with a study proposal, budget and correspondence from the funding Sponsor indicating the total funding amount.
3. The Office of Research Services ensures that all of the requirements to open a research account are in place and forwards required approvals on agreements and budget information to the Department of Financial Services. The Department of Financial

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Services assigns a research account number and the Office of Research Services assigns a research account name for each funded research study.

4. The Principal Investigator completes and forwards to the Office of Research Services the [Signing Authority/Billing Agreement for Research Accounts](#) (HHN-0126).

For a General Research Account:

1. Principal Investigator's General Research Account:
 - 1.1 The Principal Investigator requests from the Office of Research Services a General Research Account.
 - 1.2 Residual Research Funds from closed research accounts and Miscellaneous Research Funds are eligible for transfer or deposit to the Principal Investigator's General Research Account.
 - 1.3 Each Principal Investigator is eligible to open only one General Research Account.
 - 1.4 In the event that the balance of the Principal Investigator's General Research Account exceeds \$100,000, the Principal Investigator submits to the Office of Research Services an action plan, including a time frame, for the use of the funds.
2. Department's General Research Account:
 - 2.1 The Department Head/designate requests from the Office of Research Services a Department General Research Account.
 - 2.2 Residual Research Funds from his/her Department's closed research accounts and Miscellaneous Research Funds are eligible for transfer or deposit to the Department's General Research Account.
 - 2.3 Each Department is eligible to open only one Department General Research Account.
 - 2.4 In the event that the balance on the Department General Research Account exceeds \$100,000, the Department Head/designate submits to the Office of Research Services an action plan, including a time frame, for the use of the funds.
3. The Office of Research Services forwards the request for establishment of the applicable General Research Account to the Department of Financial Services. The Department of Financial Services assign the research account number and the Office of Research Services assigns the research account name for the Principal Investigator's or Department's General Research Account.

Receipt of Payments

1. The Office of Research Services generates an invoice for start up fees, and other associated fees and forwards to the Sponsor, if applicable.
2. The Sponsor sends all payments directly to the Office of Research Services as agreed to in the agreement. All cheques are to be made payable to:

Horizon Health Network, c/o The Office of Research Services, Principal Investigator's name
3. If the Principal Investigator or Department Head/designate receives a check or Electronic Data Interchange (EDI) notification, he/she forwards the cheque or notification to the Office of Research Services and includes the following information:
 - the research account number the cheque is to be deposited to

- the research account name
 - the reason for which the cheque was issued (e.g., visit reimbursements, start up fees, invoice)
4. The Office of Research Services:
- verifies all cheques against the amounts billed, or the Agreement budget,
 - forwards the cheques to the Department of Financial Services for deposit into the appropriate research account, and
 - notifies the Principal Investigator or Department Head/designate of the receipt of the cheque from the Sponsor.

Expenses and Cost Recoveries

Expenses

1. Reimbursement with original receipts:

When expenses are to be reimbursed from a research account, the Principal Investigator/delegate or Department Head/designate forwards a completed Cheque Requisition form along with original receipts, to the Office of Research Services for authorization.

2. Payment of Invoices:

When an invoice is to be paid from a research account, the Principal Investigator/delegate or Department Head/designate forwards the invoice, along with the applicable research account number to the Office of Research Services for authorization.

3. General Research Account:

- Expenses must be related to research activities.
 - Eligible expenses may include, but are not limited to: research related material, including databases and software, employment of research personnel, research-related travel and conference registration fees.
 - Ineligible expenses may include, but are not limited to: personal computer, home office equipment or goods for personal use.
- Will not be permitted to operate in a deficit position.

4. The Office of Research Services:

- Verifies the amount of the expenditure, as well as the eligibility under the terms of the Agreement, Sponsor's requirements, or funding agency guidelines prior to authorization by the local manager of Research Services. Principal Investigators or research study staff cannot authorize claims payable to themselves.
- Forwards the original completed documentation to the Department of Financial Services for processing. A copy of the documentation forwarded will be made and kept at the Office of Research Services.

Cost Recoveries

1. The Principal Investigator/delegate(s) submits, to the Office of Research Service, a list of completed procedures and/or services (such as an activity flow sheet or patient visit log) by research study, on a monthly basis.

2. The Office of Research Services:

- arranges for the transfer of funds, on a quarterly basis, from the research account to the applicable Horizon department for the recovery of expenses for services completed once the funds for the service has been received from the study sponsor, and
- collects *overhead fees* from the Sponsor at the time of each study payment.

Monthly Accounting and Reporting

1. The Department of Financial Services issues monthly financial reports to the Principal Investigator or Department Head/designate and the Office of Research Services for each active research account.
2. The Office of Research Services:
 - completes reconciliations of revenues and expenses to ensure accuracy and identifies any discrepancies and/or irregularities.
 - follows up discrepancies in billing and reconciliation with both the Sponsor and the Principal Investigator where necessary.
 - generates a monthly research activities report, including financial transactions and distributes to the Principal Investigator or Department Head/designate.
 - prepares any financial statements or claims, if required by the sponsoring agencies.
 - provides support with external financial audits of Research Accounts.

Dormant Accounts

After a period of inactivity (1 year for Research Accounts and 2 years for General Research Accounts), dormant accounts are reviewed to confirm the direction of future activities.

Closing of a Research Account

1. The Principal Investigator or Department Head/designate completes the [Research Account Closure Form](#) (HHN-0125) and forwards it to the Office of Research Services.
2. The Office of Research Services ensures that all of the financial, legal and ethical requirements to close a research account have been met and forwards the Research Account Closure form to the Department of Financial Services.
3. The Department of Financial Services closes the Research Account and transfers the balance as per the Research Account Closure Form.

DEFINITIONS

Cost recoveries – monies received for reimbursement of expenses and/or services incurred by Horizon Health Network.

General Research Account – a research account that contains funds derived from Residual Research Funds and/or Miscellaneous Research Funds.

Miscellaneous Research Funds – research funds received from external sources by the Principal Investigator or Department for research-related expenses, are not affiliated with an agreement and have no scientific or financial reporting requirements (e.g. Unrestricted Research Grant).

Overhead Fees – also referred to as indirect costs, are expenses incurred by Horizon Health Network for supporting the conduct of research, and which are not readily identified as direct expenses. Examples of overhead fees include the provision of research space and utilities (security, maintenance, custodial and heating), Department of Financial Services (payroll, purchasing, accounting), generalized support services (computer services, library, human resources) and research support services.

Principal Investigator (PI) – the person responsible for the conduct of a research study at Horizon Health Network.

Research Account – an account created by Horizon to be maintained by the Department of Financial Services that hold funds designated for a particular research study or program of research.

Research Agreement – a legally binding written document (e.g. Research Contract or Research Grant) between Horizon and one or more parties for the purposes of conducting research at Horizon.

Research Expense – an expenditure of money or a cost related to the conduct of the research study or program of research.

Research Revenues - monies received from a funding agency or study sponsor on behalf of a research study or program of research.

Research Study – any study that has been approved by the Horizon Health Network's Research Ethics Board.

Residual Research Funds – funds remaining from a closed research account.

Sponsor - an individual, company, institution, or organization that initiates, manages, has regulatory responsibility for (if applicable), and may fund (in whole or in part) a research study.

RELATED DOCUMENTS

[Administrative Oversight of Research Studies \(HHN-RS-004\)](#)

[Cheque Requisition Form \(Local Area\)](#)

[Research Account Closure Form \(HHN-0125\)](#)

[Research Agreements \(Contract and Grant\) \(HHN-RS-006\)](#)

[Research Overhead Fees \(HHN-RS-007\)](#)

[Research Study Sponsor's Reimbursement for Services \(HHN-RS-008\)](#)

[Signing Authority/Billing Agreement for Research Accounts \(HHN-0126\)](#)

REFERENCES

Canadian Institute Health Research. Institutional Eligibility Requirements to Administer CIHR Funds. <http://www.cihr.ca/e/36770.html>

Canadian Institute of Health Research. June 22, 2011 CIHR Grants and Awards Guide. <http://www.cihr-irsc.gc.ca/e/805.html>