



## UNIVERSITY OF MANITOBA POLICY

<b>Policy:</b>	<b>RESEARCH/STUDY LEAVE RESEARCH GRANTS</b>
<b>Effective Date:</b>	November 25, 1976
<b>Revised Date:</b>	June 13, 1990
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<b>Approving Body:</b>	Board of Governors
<b>Authority:</b>	
<b>Responsible Executive Officer:</b>	
<b>Delegate: (If applicable)</b>	
<b>Contact:</b>	Research Administration Office
<b>Application:</b>	Academic Staff

### Policy

Correspondence between Revenue Canada (Taxation) and the Canadian Association of University Business Officers indicates that for the purpose of calculating taxable income, research expenses may be deducted from a Research Grant received by a faculty member who is on research/study leave or other paid leave. Accordingly, a portion of a person's remuneration may be designated as a research grant. Although the grant is considered as income in the hands of the recipient, those costs of research deemed appropriate by the Income Tax Act and Regulations may be deducted in determining taxable income for the year.

The purpose of this section of the Manual is to outline the policies and procedures governing such research grants.

Important policy points to be noted are listed below.

While such a research grant will have no effect on University of Manitoba-sponsored benefits, external benefits (such as UIC, CPP) will be calculated on the basis of salary and not the research grant.

In a letter setting out guidelines for research grants for research/study leaves, the Assistant Deputy Minister (Legislation) of Revenue Canada concluded with this

statement: "If a payment made by a university to a professor who is on sabbatical leave of absence is to be accepted as being a research grant, it must in fact be such a grant and the relevant contract and supporting records and documents should be consistent with the description of the payment." Accordingly, all such grants must be in accord with the usual University of Manitoba policies and procedures for research grants, except as noted otherwise in this section.

As in all income tax matters, the direct relationship is between the individual taxpayer and the Department of National Revenue. The University's role is confined to supplying information and appropriate documentation. **There is no guarantee that the University's interpretation of the acceptable elements of a research grant to a person on research/study leave will in fact be accepted by tax assessors.** There are certainly areas of ambiguity in the tax regulations. Those claiming a deduction should note that expenses will be scrutinized closely by the tax assessors. All receipts and relevant documents should be kept.

### **Procedure**

This procedure describes the various conditions and required actions relative to the award and payment, as a research grant, of part of a professor's remuneration while on research/study leave or other approved type of leave, excluding vacation leave.

Applicants may not undertake work related to teaching responsibilities, or degree completion under this programme.

When a staff member applies for a Leave Research Grant, the procedure shall be as follows:

1. All staff members who have been granted paid leave by the Board of Governors will be sent a Leave Research Grant form.
2. at least two months prior to the beginning of the proposed leave, the Application for Leave Research Grant will be submitted to the professor's Department Head, who will send them to the Dean with appropriate comments;
3. the amount applied for in the grant application must reflect legitimate expenses associated with the proposed research, and shall not normally exceed \$15,000 for a 12-month leave and \$10,000 for a six-month leave. The applicant is invited to summarize the research objective, the significance of the research and the research methodology to be used, in a statement preferably not to exceed 250 words;
4. when a leave request is approved, the Dean will send the application for grant to the Chair of the Research Grants Committee;
5. when the Committee awards a grant, an appropriate notice shall be sent to the applicant and copied to the Comptroller;

6. the Dean shall then initiate a President's Form #1 showing the appropriate dates of the leave;
7. when the Committee does not award a grant, an appropriate notice shall be sent to the applicant, with copies to Department Head and Dean;
8. when the grant decision is negative, the Dean shall initiate a Form #1 for salary in the regular way.

The total amount paid as salary and as a research grant must not exceed the maximum remuneration the professor would receive if proceeding on a leave which did not involve University-funded research.

It is the responsibility of the individual professor to ensure compliance with the provisions of paragraph 56(1)(o) of the Income Tax Act and Interpretation Bulletin IT-75 of the Income Tax Act in the determination of possible tax concessions. The amount of research grant requested should correspond to the best estimate possible of the allowable expenses under the Income Tax Act, since any unused portion will revert to income and become taxable.

The Comptroller's Office will issue a T4A income tax statement indicating the amount of the professor's remuneration that has been paid as a research grant.