

Self-Funded Research Grant Program – Guidelines

Program Overview

The Self-Funded Research Grant program permits, under certain conditions and through a mechanism that includes peer review, a faculty member or librarian to receive a grant in lieu of a portion of their regular salary in order to pursue research. These grants are typically awarded for research being conducted during a research leave, but if the required conditions are met a grant could be awarded when a faculty member or librarian is not on research leave. The key provision of this program is that the faculty member or librarian must be undertaking a special research project that is not considered in the normal course of his/her research as an employee of the University.

In accordance with tax laws, the Self-Funded Research Grant is treated as a research grant (T4A) for income tax purposes rather than employment income (T4) and, accordingly, no income tax will be deducted by the University. Research conducted using funds from a research grant awarded under this program constitutes a major paid professional activity and must be reflected as such on the researcher's annual activity report. Researchers must comply with the University's [Policy on Conflict of Interest - Academic Staff](#) or [Policy on Conflict of Interest - Librarians](#) in respect of research funded under this program.

Applicants to the Self-Funded Research Grant Program are encouraged to familiarize themselves with the income tax provisions governing treatment of research grant (for example, see [Income Tax Folio S1-F2-C3: Scholarships, Research Grants and Other Educational Assistance](#)). The University's Self-Funded Research Grant Program facilitates converting a portion of income to a research grant; responsibility for reporting of such income and eligible expenses rests with the grant recipient and is subject to final assessment by CRA.

Conditions of a Self-Funded Research Grant

In order to constitute a research grant within the meaning of CRA guidelines, the following conditions must be met:

1. The research project must meet the definition of research within the meaning of income tax legislation (i.e., it must be a defined task or defined work that has as its primary purpose discovery and/or development of knowledge).
2. The research grant may not be used to cover projects directed at teaching or development of teaching-related skills.
3. The research project must have a defined time limit.
4. The researcher must be performing the research funded by the research grant as an independent researcher and not in his/her capacity as an employee of the University.

5. The research to be funded by the research grant must be different from the type of research work ordinarily expected to be performed by the researcher in his/her employment with the University.
6. The researcher must have full control over, and/or direction of, the research performed using funds from the research grant.

Eligible Applicants

Faculty members or librarians, either full-time or part-time, who wish to perform research during a year when on research leave, or who are not on research leave but wish to perform research outside of the work they are performing in the course of their employment with the University, and who meet the University's [Guidelines Regarding Eligibility To Be a Principal Investigator](#), may be eligible to apply.

Grant Period

Self-Funded research grants are awarded in relation to a CRA taxation year (January 1st to December 31st). Applicants on approved research leave that spans two taxation years may request through one application a grant to cover eligible research expenses to be incurred in each taxation year during the leave period.

Reduced Appointments For Researchers Not On Leave

Since a self-funded research grant is for undertaking a special research project that is not in the normal course of the researcher's employment with the University, and a portion of the researcher's salary for performing their regular duties for the University is converted to a grant, it will generally be appropriate for the researcher's appointment to be reduced during the grant period by an amount that takes into account the reduction in salary and the reduction in time the researcher will direct toward his/her regular University research due to taking on the special research project. The reduced percentage of appointment will result in a corresponding reduction in the researcher's pensionable service and benefit subsidies. The structure of the reduction in duties should be agreed upon between the researcher and their Chair or Dean.

Value of Grant

If the research grant is awarded, the amount of the grant is deducted from the researcher's regular salary. The maximum amount of a research grant is 25% of the researcher's salary during the time period of the grant (i.e. if the grant is for research during a leave period, the maximum grant is based upon the salary during the leave period). The University will not make retroactive adjustments to salary payments that have already been made.

Application process

There are normally two annual application deadlines:

For the re-introduction of the SFRG program, the application submission deadline will be January 15, 2017 for grants to be awarded in 2017.

For year 2017 and future years, the application submission deadline will be May 1 and November 1 of each calendar year.

When these dates fall on a weekend or public holiday, the deadline is the next business day. To be considered, applicants must submit an application to their Chair/Dean (SDF) using the [Self-Funded Research Grant Program Application Form on the Human Resources & Equity Forms page](#), including the required attachments (Applicant's CV, research project description and budget justification) by the deadline date.

All applications are to be peer-reviewed. The department Chair/Dean (SDF) will designate one or more UofT faculty member(s) or librarian(s) to conduct an academic assessment of whether the proposed activities meet the University's definition of research as set out in various University research-related policies, and that the proposed budget is relevant and reasonable in relation to the proposed research activities. The designated faculty member(s)/librarian(s) will provide their assessment to the Chair/ Dean (SDF) to assist with the Chair/ Dean's decision of whether or not to approve the application.

Implementing the Pay Changes

If the application is approved, the Department will submit the following documents to Central Payroll Services, or UTM/UTSC Payroll Services to implement the payroll changes in HRIS, copied to the departmental Business Officers for the employee record filling:

- The approved [Self-Funded Research Grant Program Application Form on the Human Resources & Equity Forms page](#)
- A Self-funded Research Grant Confirmation Letter (if applicable)

Central /UTM/UTSC Payroll Services will initiate the appropriate payment in accordance with AMS/HRIS guidelines for self-funded research grants. The changes will be reflected in HRIS in the next pay cycle following Payroll's receipt of the above documents. A retroactive adjustment will only be permitted with the Chair/Dean's approval, and only if the change is made within the same taxation year.

Structure and Taxation of Grant Payment

Applicants may request that the grant amount be paid out either in equal monthly installments over the grant period or in lump sum payments (one per taxation year, for a maximum of two during a leave that spans two taxation years). The researcher's remaining salary will be paid in equal monthly installments as T4 income over the total period of the grant, normally with a reduced FTE.

The research grant is taxable income and the researcher will receive a T4A slip for the amount of the grant. No deductions for income tax CCP or EI are made by the University. The researcher is solely responsible for reporting the research grant as income to the CRA, declaring eligible expenses, and supporting claims for deductions with detailed records of research expenditures as required by the CRA. The researcher is not required to submit an accounting of the grant funds to the University.

Please note that the research grant is an independent project of the researcher, and while conducting the research using the grant funds the researcher is acting independently of the University. Therefore, unless specific arrangements are made, use of University resources to perform the research is not permitted.

The researcher alone is responsible for any income tax consequences arising from the grant, including (but not limited to) the characterization of the grant, any expenses claimed by the researcher as deductions from the grant, and any tax requirements if the researcher hires others to work on the research that is funded by the grant. The researcher must refer any questions about taxation issues arising from the grant directly to CRA or to an external tax advisor and not to the University. Please refer to [the CRA Income Tax Folio S1-F2-C3](#) for additional information about tax implications of the grant.

Eligible Research Expenses

Application budgets, including travel and subsistence costs, should be developed and will be reviewed in accordance with University guidelines and in reference to the relevant federal tri-agency expense guidelines. That being said, final determination regarding eligibility of expenses is a personal tax issue and should be referred directly to CRA or to an external tax advisor and not to the University. It is the researcher's sole obligation to verify eligibility of expenses. The University of Toronto is not responsible for the consequences of a researcher's expense claims.

Ownership of equipment purchased with funds awarded through this program rests with the awardee. Purchase of this equipment is a personal transaction and **should not be made through the University's Procurement Services**.

If the researcher hires others to work on the grant, the researcher, not the University, is the employer of such workers and is responsible for compliance with all laws, including applicable tax deduction from wages, in respect of those workers. Payment to such workers must not be through the University or its payroll system.

Withdrawal from UofT

Should, at any time during the term for which the grant has been made, the researcher cease to be a member of the University and their salary cease, the grant arrangement would be terminated. The salary and the grant would subsequently be reconciled between the researcher and the University.

Questions?

Any questions about taxation issues arising from the grant should be referred directly to CRA or to an external tax advisor and not to the University.

For further information on the application and approval process, please contact your Chair/Dean's office.

For further information on the payroll processing of the Self-Funded Research Grant Program, please contact Central Payroll Services (payroll.hr@utoronto.ca).

For general information regarding the program and research and study leave, please contact office of the Vice-Provost- Faculty and Academic Life.