

McMASTER UNIVERSITY

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

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

Approved by: **Academic Advisory Council**

Date of Most Recent Approval: **April 1983**

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Position Responsible for Developing and Maintaining the Policy: **Academic Advisory Council**

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 granted a research grant to use while on leave from the University. This procedure deals with the notification, the funding, the recording and the payment of the grant. A T4A report in the amount of the grant will be issued at year-end and it is the responsibility of the grantee to declare, support and justify grant expenses claimed upon his or her personal income tax return.

SCOPE

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

PROCEDURE

1. FUNDING AUTHORIZATION AND NOTIFICATION

- 1.1 A research leave grant, awarded to a faculty member proceeding on leave, is to be paid from the department's salary budget. The regular leave salary will be reduced by the amount of such grant so that the faculty member's total compensation during the period of leave will not exceed that which he or she would have normally received had there been no grant involved.

- 1.2 Approval of the Research Leave 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 Dean of Graduate Studies 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 Director of Personnel Services [Human Resources].

2. BUDGET, 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 Financial Services will be responsible for contacting the faculty member grantee to determine the timing of the payment of the grant and the period into which the expenditure will fall.

The Personnel Services Department [Human Resources] will process the necessary documentation to ensure the payment of the grant and the corresponding reduction in the faculty member's regular leave salary by the amount of the grant.

- 2.2 The Personnel Services Department [Human Resources] will notify the Budget Office by forwarding a copy of the above documentation. The Budget Office will make the transfer of allotment, if necessary, within the member's department.

3. GENERAL

- 3.1 It should be understood that all research grants are income and must be reported as such by the University. Exemptions must be specifically applied for the faculty member. Any tax matters related to the grant, including the determination of allowable deductions for tax purposes, are the concern of the faculty member and Revenue Canada (Taxation).
 - 3.2 It should be remembered that not all expenses may be eligible deductions for tax purposes (e.g., travel, meals and lodging costs of spouse and children) and consequently faculty members are advised to seek qualified advice from either Revenue Canada (Taxation) or their own private tax consultant if they should have any questions concerning the allowability of such deductions.
 - 3.3 Full coverage under the University fringe benefit programs will continue in accordance with the Research Leave Policy document and will not be affected by any Research Leave Grant payment arrangement.
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