

TITLE

ADMINISTRATION OF FUNDS HELD IN RESEARCH CONTINGENCY ACCOUNTS

SCOPE

Provincial: Research; Finance

DOCUMENT

RESEARCH-003

APPROVAL AUTHORITY

Vice President, Provincial Clinical Excellence
Vice President, Cancer Care Alberta & Clinical Support Services
Vice President, Corporate Services & Chief Financial Officer

INITIAL EFFECTIVE DATE

December 30, 2022

SPONSOR

Health Evidence & Innovations
Cancer Care Alberta
Finance

REVISION EFFECTIVE DATE

Not applicable

PARENT DOCUMENT TITLE, TYPE, AND NUMBER

Not applicable

SCHEDULED REVIEW DATE

December 30, 2025

NOTE: The first appearance of terms in bold in the body of this document (except titles) are defined terms – please refer to the Definitions section.

If you have any questions or comments regarding the information in this document, please contact Policy Services at policy@ahs.ca. The Policy Services website is the official source of current approved policies, procedures, directives, standards, protocols, and guidelines. Only the electronic version of this document, as hosted on the Policy Services website or www.ahs.ca, is valid.

OBJECTIVES

- To establish the terms and conditions regarding the administration and utilization of the funds held in a **research contingency account** (“contingency account”) administered by Alberta Health Services (AHS).
- To set out the **eligible expenses** that can be applied against the funds held in a research contingency account as well as those that are considered ineligible.

APPLICABILITY

Compliance with this document is required by all Alberta Health Services employees, members of the medical and midwifery staffs, students, volunteers, and other persons acting on behalf of Alberta Health Services (including contracted service providers as necessary).

ELEMENTS**1. Background**

- 1.1 A contingency account is a financial account, administered by AHS, holding:
 - a) **residual funding from completed studies;**

- b) when applicable, **research overhead rebates** as outlined in the Collaborative Clinical Research Procedures Agreement between AHS and the University of Alberta; and/or
 - c) total funding for a specific research study not exceeding \$10,000 and without stipulations for external financial reporting and repayment of residual funds.
- 1.2 There are two types of contingency accounts:
- a) an individual contingency account which is associated with only one **principal investigator**; and
 - b) a group contingency account where there are multiple **affiliated principal investigators** who agreed to pool the funds referred to in Sections 1.1 a) and/or 1.1 b) above into a group account to support their research activities.
- 2. Account Creation**
- 2.1 A principal investigator who has an individual contingency account shall not be permitted to co-own a group contingency account with other principal investigators except where approval is obtained from the appropriate **Research Administrative Lead**, and a manager within Financial Reporting & Treasury (“Manager, FR&T”) or higher.
- 2.2 Any request to set up a new contingency account shall be supported by an AHS *Research Account Terms of Reference* (“TOR”) Form signed by the associated principal investigator(s) and approved by the appropriate Research Administrative Lead, and Manager, FR&T or higher.
- a) The principal investigator associated with an individual contingency account shall be designated as the **account holder with primary signing authority** (“**primary authority**”) on the TOR Form.
 - b) Affiliated principal investigators associated with a group contingency account shall collectively designate, via the TOR Form, a single or multiple **account holder(s)** who AHS can rely upon for instructions or decisions with respect to the account. One of the affiliated principal investigators shall be designated as the primary authority.
- 3. Funding Receipt**
- 3.1 The account holder(s) or designate shall advise AHS and provide appropriate documentation regarding funds to be deposited into the contingency account.
- 3.2 Subject to the approval of Finance, research-related cost recoveries, which are not subject to externally imposed restrictions, may be deposited into a contingency account, provided that the associated expenses:

- a) are incurred in the same contingency account;
- b) cannot be directed to an unrestricted AHS account without significant administrative work (as determined by Finance); and
- c) substantially offset the recoveries by end of the fiscal year.

4. Funding Utilization

- 4.1 Funds held in a contingency account shall be used for research purposes only, including the education of the associated principal investigator(s) or the principal investigator(s)' research staff.
- 4.2 Any proposed expenditures to be reimbursed out of a contingency account shall:
 - a) be consistent with Appendix A: *Eligible Expenses* and applicable AHS policies; and
 - b) not be eligible for full coverage by research study funding, except in relation to the funding referred to in Section 1.1 c) above.
- 4.3 Notwithstanding Section 4.2 a) above, expenses that are not eligible expenses per Appendix A: *Eligible Expenses* may be reimbursed out of a contingency account if these expenses are:
 - a) approved by the Senior Provincial Director, Health Evidence & Innovations; and
 - b) not included in the list of ineligible expenses per Appendix B: *Ineligible Expenses*.
- 4.4 An account holder or designate shall provide AHS with evidence of all expenditures prior to reimbursement from the contingency account.
- 4.5 If a study initiated by a principal investigator has an estimated cost in excess of \$10,000 and is approved for contingency account funding, a separate account shall be set up for such a study and funds will be transferred accordingly from the contingency account into the new study account.
- 4.6 Eligible expenses to be reimbursed out of a contingency account and associated approval shall comply with the AHS *Travel, Hospitality and Working Session Expenses Policy*, AHS *Management and Oversight of Research Expenses Standard*, other applicable AHS policies and procedures, and other applicable governance documents.
- 4.7 Finance shall review the funding balances of contingency accounts on an annual basis and request a funding utilization plan from the appropriate account holder or designate if a contingency account has a year-over-year increase in funding

balance that exceeds \$750,000 for group contingency accounts, or \$100,000 for individual contingency accounts.

5. Dormant Accounts

- 5.1 Funds held in a dormant contingency account (i.e., contingency accounts without a single expense activity for more than 36 months or a longer timeframe as approved by the appropriate Research Administrative Lead) may be redirected by AHS towards:
- a) the study account(s) of the associated principal investigator(s) with **persistent deficits**; or
 - b) a restricted research account for research reinvestment (i.e., advancement of clinical research).
- 5.2 At least semi-annually, Finance shall identify contingency accounts without expense activity for more than 24 months and provide a list of such accounts to **Research Administration**.
- 5.3 Research Administration shall remind the appropriate account holders with primary signing authority in writing that if the expense inactivity in their accounts persists over the next 12 months:
- a) their contingency accounts shall be classified as dormant; and
 - b) associated funds may be redirected as per Section 5.1 above.
- 5.4 Account holders with primary signing authority shall then advise Research Administration in writing:
- a) if the expense inactivity in their accounts is driven by extraordinary circumstances or if funds are being set aside for future initiatives; and
 - b) when expense activity is expected to resume.
- 5.5 Based on the information provided by account holders with primary signing authority, the appropriate Research Administrative Lead will assess if the dormancy period may be extended beyond 36 months and share such information regarding dormancy period extension with Finance.
- 5.6 At least semi-annually, Finance shall identify all dormant contingency accounts.
- 5.7 Based on the list of dormant accounts provided by Finance, a written notification at a minimum of 60 calendar days prior to the potential redirection of funds from dormant contingency accounts shall be provided by Research Administration to the appropriate account holders with primary signing authority.

- 5.8 The primary authority shall have 30 calendar days from the date of the written notification to dispute, in writing, an impending redirection of funds.
- a) Such written dispute shall be addressed to the Senior Provincial Director, Health Evidence & Innovations.
 - b) The Senior Provincial Director, Health Evidence & Innovations or designate shall review the dispute, obtain input from the appropriate Medical Director, and respond with a written decision within 14 calendar days from the date of the dispute.
 - c) The Senior Provincial Director, Health Evidence & Innovations or designate may authorize the funds to continue to reside in the contingency account for an additional 6-month period. If the funds are still dormant after the extended dormancy period, AHS shall redirect the funds to the study account(s) of the appropriate principal investigator(s) with persistent deficits, or a restricted research account for research reinvestment, with no further notification to the primary authority.

6. Transfer of Funds from an Active Account to a Non-AHS Entity

- 6.1 Any requests to transfer funds held in an active contingency account to a non-AHS entity shall, on a case-by-case basis, be reviewed by, and shall be subject to the approval of the Senior Provincial Director, Health Evidence & Innovations or designate.
- 6.2 A request to transfer funds shall only be considered if the following criteria are met:
- a) the request is made by the primary authority;
 - b) the transfer excludes the funds referred to in Section 1.1 c) above;
 - c) the transfer is for a research purpose only;
 - d) the recipient of the funds being requested for transfer is neither a professional corporation of the associated principal investigator(s) nor a for-profit entity; and
 - e) the other AHS accounts of the associated principal investigator(s) are not in a deficit position.
- 6.3 To ensure that there is sufficient funding to support the daily operations of the relevant research area, the funding balance of the contingency account upon transfer of funds shall not be lower than its actual total expense in the prior fiscal year, or its projected total expense over the next 12 months, if materially higher than the prior fiscal year's actual total expense.

- 6.4 The transfer of funds to a non-AHS entity shall be supported by a fully executed restricted funding agreement and an approved payment requisition form approved in accordance with the AHS *Delegation of Authority for Financial Commitments Authorization Matrix*.

7. Account Changes

- 7.1 Any changes in account holders shall be requested by completing an AHS *Research Account Updates* Form and approved in accordance with the AHS *Research Grants and Clinical Trial Funding Policy*.
- 7.2 If at least one of the affiliated principal investigators associated with a group contingency account wishes to discontinue the arrangement to pool research funding, the outgoing principal investigator(s) and the remaining principal investigator(s) may agree to transfer a portion of the residual funds held in a contingency account to the individual contingency account(s) of the outgoing principal investigator(s), which may be subsequently created. If the affiliated principal investigators are unable to agree, no funds shall be transferred.
- 7.3 If a new principal investigator is admitted to an existing group of affiliated principal investigators, a new TOR Form shall be completed and approved in accordance with Section 2.2 above.

8. Account Termination

- 8.1 A contingency account shall be terminated if the following are no longer affiliated with AHS:
- a) primary authority associated with an individual contingency account; or
 - b) all affiliated principal investigators associated with a group contingency account.
- 8.2 The primary authority and AHS shall work together to arrange for the closure of a contingency account.
- 8.3 AHS reserves the right to close a contingency account if:
- a) a principal investigator associated with the account has breached any applicable AHS policies and fails to remedy the breach within 30 days of receiving notice of such breach;
 - b) the contingency account has a persistent deficit which the associated principal investigator(s) fails to clear in accordance with the AHS *Restricted Research Account Deficit Management Procedure*; or
 - c) the contingency account has been dormant for more than 36 months or a longer timeframe as approved by the appropriate Research

Administrative Lead, and the associated principal investigator(s) do not have any ongoing or upcoming research studies.

- 8.4 Subject to the approval of the appropriate Research Administrative Lead and where applicable, all associated principal investigator(s), any residual funds held in a contingency account that is to be terminated shall be transferred for reinvestment in research to:
- a) the Northern Alberta Clinical Trials and Research Centre (NACTRC);
 - b) an AHS group contingency or indirect cost account within the department of the associated principal investigator(s);
 - c) an AHS individual contingency account of another principal investigator; and/or
 - d) a university/research institution.

DEFINITIONS

Account holder with primary signing authority (“primary authority”) means a funding recipient, a principal investigator, or an AHS program authority who has the greatest authority to make decisions regarding an account, and is primarily responsible for the management of the account.

Account holders means individuals who have the authority to make decisions regarding an AHS account such as but not limited to the utilization of any funds in the account.

Affiliated principal investigators means principal investigators who belong to the same research group and have agreed to pool their residual research funds or overhead rebates to support their group’s research activities.

Eligible expenses means those expenses that the account holder can charge against a contingency account and include, but are not limited to, those expenses identified in Appendix A: *Eligible Expenses*.

Persistent deficit means a deficit that reoccurs or is expected to reoccur in a subsequent period.

Principal investigator means an individual who is primarily responsible for conducting a research study or clinical trial.

Research Administration means the designated operational unit providing administrative support and research infrastructure for clinical and health researchers, as delegated by the Vice President, Provincial Clinical Excellence or Vice President, Cancer Care Alberta & Clinical Support Services, such as NACTRC, Cancer Care Alberta, or Health System Access.

Research Administrative Lead means the individual delegated by the Vice President, Provincial Clinical Excellence or Vice President, Cancer Care Alberta & Clinical Support

Services to be accountable for research administration, such as the NACTRC Director, AHS Cancer Clinical Trial Unit Manager, AHS Cancer Clinical Trial Director or AHS Health System Access Director. In general, the specific Research Administrative Lead who approved the creation of a research account shall have the authority, referred to in this Standard, to approve any changes or exceptions related to such an account or the funds held in such an account.

Research contingency account means a financial account, administered by AHS, holding:

- a) residual research study funding;
- b) research overhead rebates, where applicable; or
- c) research study funding not exceeding \$10,000 and without stipulations for external financial reporting and repayment of residual funds.

Research overhead rebates means a portion of research overhead fees, previously levied on research studies, which is distributed back to the account holder for research purposes.

Residual funding from completed studies means unexpended funding from a completed research study on which no restrictions or conditions as to the use of such funding have been placed by an external funding agency or sponsor.

REFERENCES

- Appendix A: *Eligible Expenses*
- Appendix B: *Ineligible Expenses*
- Alberta Health Services Governance Documents:
 - *Management and Oversight of Research Expenses Standard (#RESEARCH-001)*
 - *Research Grants and Clinical Trial Funding Policy (#1150)*
 - *Restricted Research Account Deficit Management Procedure (#1150-01)*
 - *Travel, Hospitality and Working Session Expenses Policy (#1122)*
- Alberta Health Services Forms:
 - *Research Account Terms of Reference Form (#18986)*
 - *Research Account Updates Form (#18985)*

© 2022, Alberta Health Services, Policy Services



This work is licensed under a Creative Commons Attribution-Non-commercial-Share Alike 4.0 International licence. The licence does not apply to AHS trademarks, logos or content for which Alberta Health Services is not the copyright owner. This material is intended for general information only and is provided on an "as is", "where is" basis. Although reasonable efforts were made to confirm the accuracy of the information, Alberta Health Services does not make any representation or warranty, express, implied or statutory, as to the accuracy, reliability, completeness, applicability or fitness for a particular purpose of such information. This material is not a substitute for the advice of a qualified health professional. Alberta Health Services expressly disclaims all liability for the use of these materials, and for any claims, actions, demands or suits arising from such use.

APPENDIX A

Eligible Expenses

Permitted expenses shall include, but are not limited to the following:

- Remuneration for work performed by research personnel not including the account holder;
- Fees paid to research subjects, such as modest incentives for participation, where ethically acceptable and as approved by the ethics board;
- Clerical salaries directly related to dissemination activities, including manuscript preparation;
- Registration fees for conferences, symposiums, or educational seminars related to clinical research attended by the account holder or their research personnel;
- Fees to publish research-related work in a peer-reviewed journal;
- Membership fees/dues to research organizations or societies;
- Computers and other hardware, and specialized software required for research not exceeding \$5,000;
- Research equipment, supplies, and materials not exceeding \$5,000;
- Acceptable travel, subsistence costs, working sessions, and hospitality related expenses as approved under the AHS *Travel, Hospitality and Working Session Expenses Policy*;
- Shortfalls/deficits in study accounts, or research expenses not covered by a particular research funding agreement;
- Ethics fees;
- Costs of developing web-based information, including website maintenance fees;
- Database development or data input for answering a scientific question that is not yet addressed through a clinical trial and/or other research; and
- Costs associated with the dissemination of research results including translation fees.

APPENDIX B

Ineligible Expenses

Ineligible expenses include, but are not limited to the following:

- Alcohol that is not part of hospitality as set out in the AHS *Travel, Hospitality and Working Session Expenses Policy*;
- Interest charges on outstanding personal credit card balances;
- Entertainment videos and movie channels;
- Spa and fitness centre expenses;
- Traffic and parking fines;
- Liquor and bar bills;
- In-room amenities not included in the cost of the room (e.g., mini bar);
- Loss of money or personal effects;
- Expenses resulting from failure to cancel transportation or hotel arrangements, except in extenuating circumstances;
- Voluntary additional days beyond the business purpose of the trip (excluding excursion flights requiring a Saturday overnight stay);
- Valet parking charges;
- Flight cancellation insurance;
- Flowers;
- Gifts, including gift cards, except as part of protocol for guests honoured at a hospitality event;
- Membership fees/dues to non-research organizations such as the College of Physicians & Surgeons of Alberta (CPSA), Canadian Medical Protective Association (CMPA), and Alberta Medical Association (AMA); and
- Tuition fees for a degree or diploma.