

# Research FINANCIAL MANAGEMENT

## Challenges and opportunities

CAUBO Conference

June 2016



# Objective for today's session

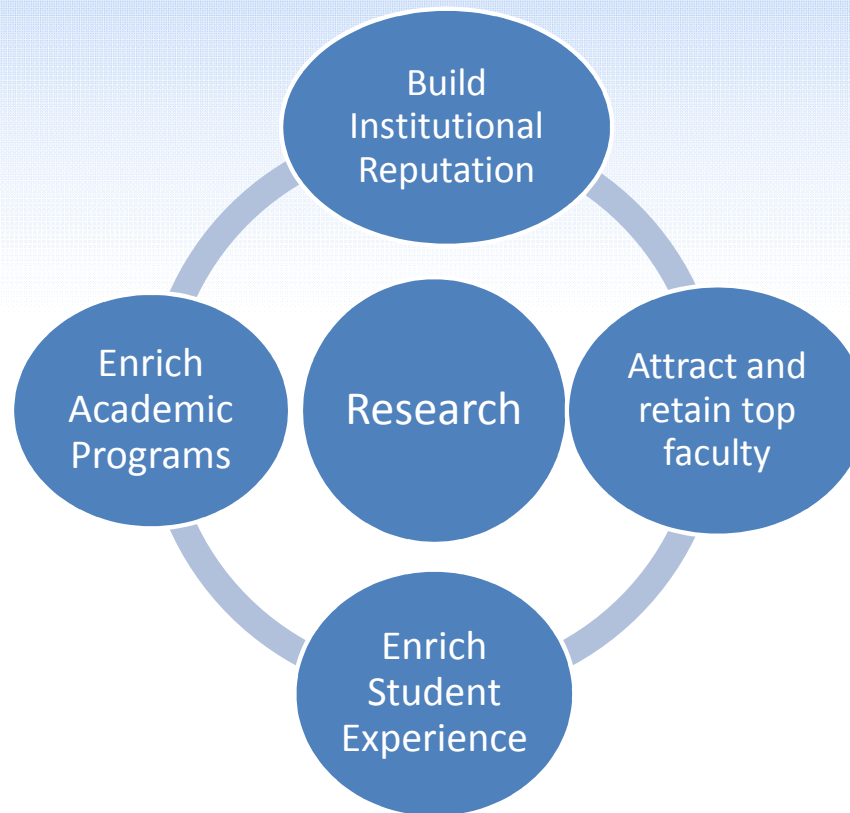
- Background
- Issues and concerns around research financial management
- What projects are underway to address these concerns
- How can you stay informed and contribute?

# CAUBO Strategic Plan

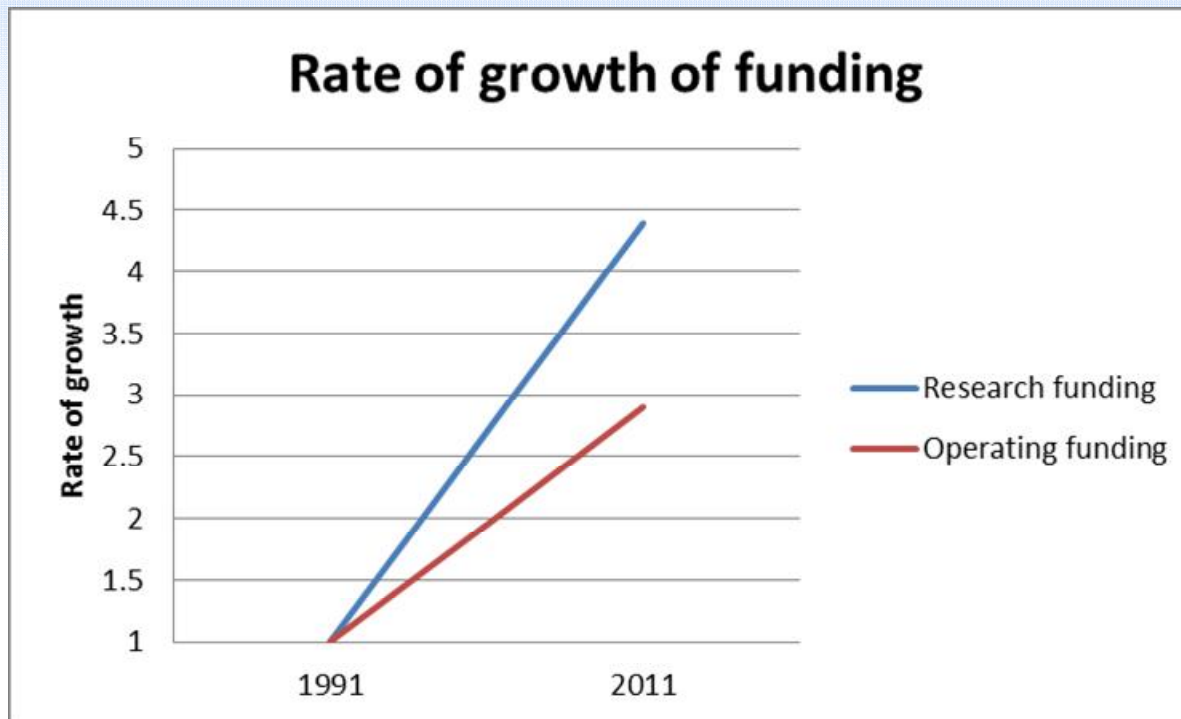
<b>VISION:</b>	CAUBO is a key enabler of excellence in Canadian higher education administration
<b>MISSION:</b>	CAUBO provides a national perspective on matters related to higher education administration. It strengthens the capacity of leaders in the sector by connecting them with peers and information, enabling them to pursue opportunities and create solutions for shared issues.
<b>OPERATIONAL STRATEGIES:</b>	<ol style="list-style-type: none"><li>1. Proactively articulate, capture, and disseminate a national perspective on key issues*</li><li>2. Connect members to resources that inform decision-making and problem solving related to their most significant administrative or operational needs</li><li>3. Foster a strong community of university administrators within CAUBO</li></ol>

\* This strategy asserts CAUBO's role at the national level on issues where influence, information, or advocacy are important ways to deliver value to members and to the sector

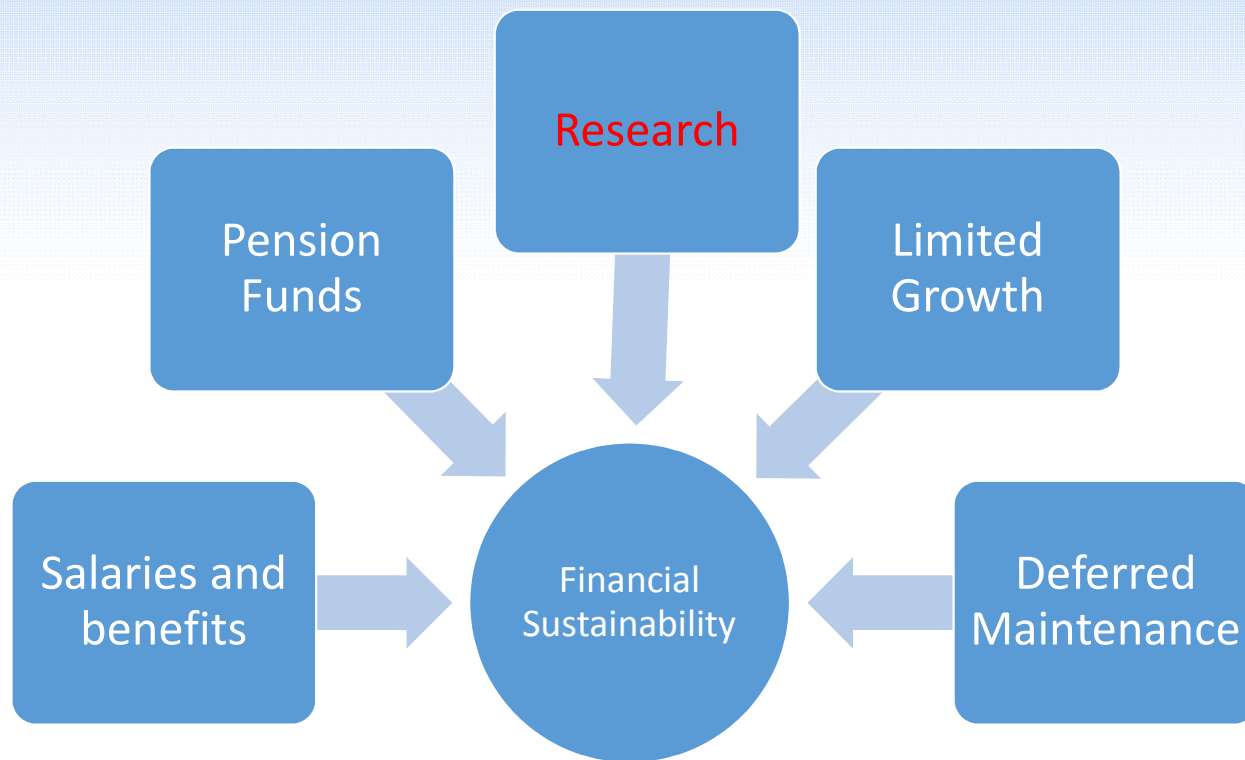
# Research is a Pillar of the University Landscape



# Financial Context – Relative Growth of Research



# Research Growth: Cause and Effects



# Research Growth: Cause and Effects

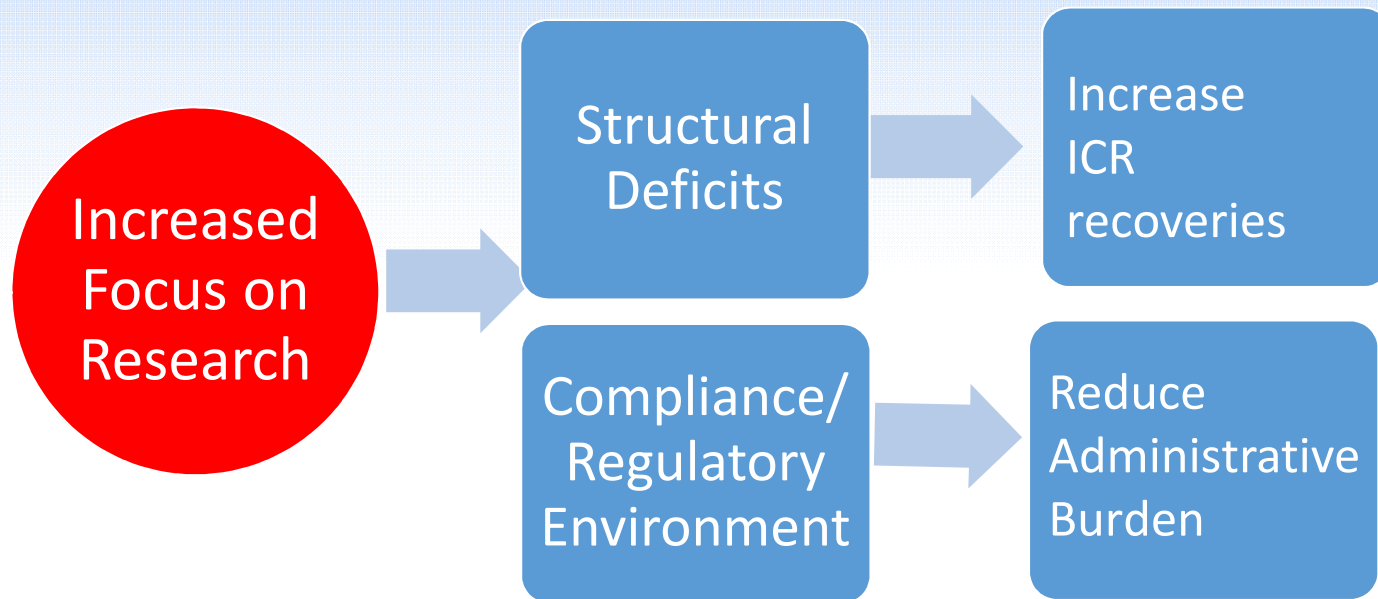
## Size and Complexity

- Academic Support
- **Research support**
- Internationalization
- Partnerships
- Satellite campuses
- Risk Management

## Increased regulatory and compliance requirements

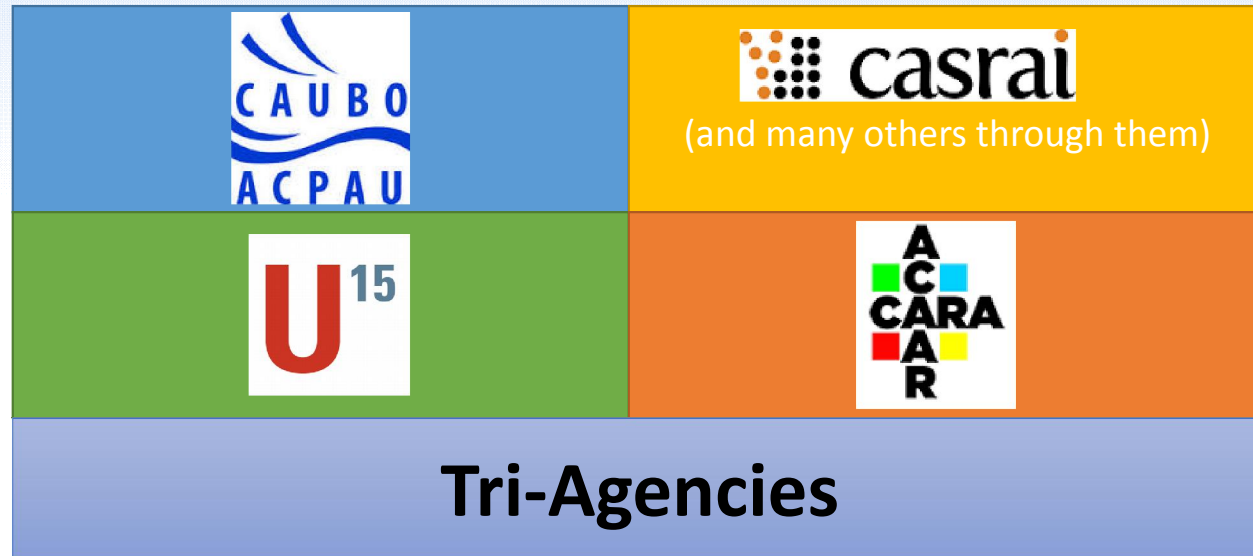
- Process, policies, procedures
- **Research**
- Compliance reports

# Cause and Effects – In a Nutshell





# Organizations involved




# Increasing ICR recoveries – A joint project



# Indirect Cost Project

## 3 potential solutions:

- Advocate for increase in federal/provincial funding?
  - Promote the concept of Total Cost of Research?
- Address the reasons behind the low recovery rates?  **Cultural barriers and internal policies and practices**
  - Reluctance of PIs or Refusal of sponsors
- Implement standard measurement model for ICR across Canada?

# Indirect Cost of Research Timeline



# Indirect Cost of Research

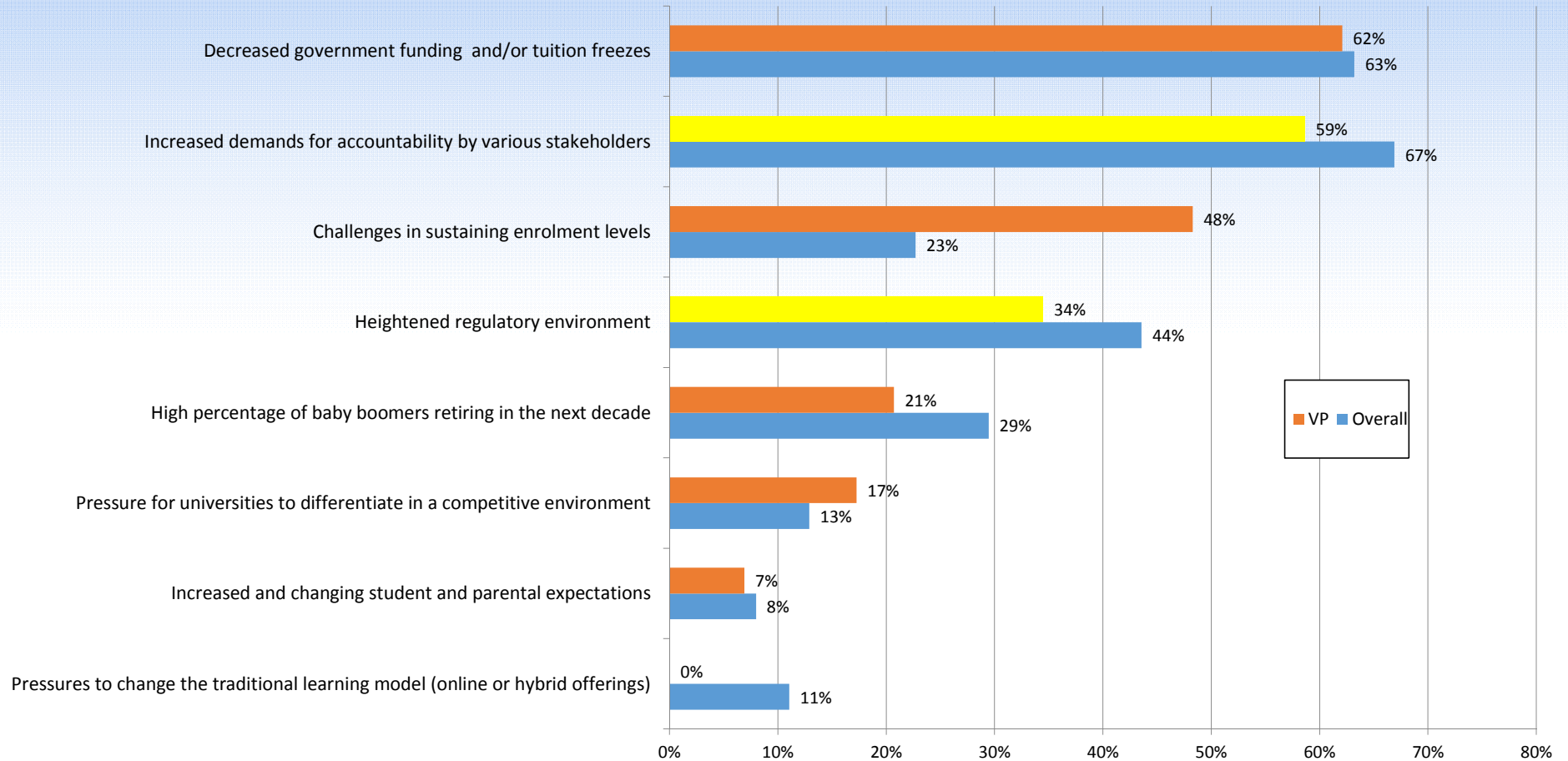
## Discussion questions

1. **Is a Statement of Principles the right approach at this time?**
2. **Any other resource needed by the sector?**

# Reducing Administrative Burden – Some Context



# Survey Says: External Trends with Greatest Impact on Role



# Administrative Burden – Some Context

- Boston Consulting Group: Survey of 13 colleges and universities:
  - 600 interviews, 3500 respondents

## **Findings:**

- 18 different federal agencies
- Compliance with over 30 different regulatory domains
- Over 200 bill of laws and federal guidelines...





# Administrative Burden

- Regulatory compliance as a % of operating expenses Between 3-11%
- Faculty and staff time spent meeting various obligations Between 4% and 15%
- Cost of research compliance reporting Between 11% and 25% of the direct cost of research

Extrapolating sector-wide: **\$27 billion** in the USA

Research: \$17 billion

Higher Ed - other: \$10 billion



# Administrative Burden: Initiatives underway

(with CAUBO involvement or leadership)



# Low dollar, Low risk project

Reduction of the administrative burden caused by the compliance and eligibility requirements associated with **low-dollar, low risk internal charges** incurred by research grants.

## Key success factors:

- Clear definition of internal charges that are in scope
- Ease of application of revised guidelines
- Seamless integration with agency guidelines
- An accountability framework considered adequate based on risk
- Reduced administrative burden on researchers and research administrators



Low dollar, low risk project  
A sample from 3 U15 universities

	Internal charges (excluding stores)		
	Total \$	# transactions	Average \$ value
Institution 1	\$201,349	5,793	\$35
Institution 2	\$624,829	12,579	\$50
Institution 3	\$251,957	7,305	\$34

Spending ranges between 0.3 – 1.4% of total Tri-Agency Funding

# Low dollar, low risk project Timeline



# Low dollar, low risk project

## **Options under consideration to bring forward:**

- Pre-approve low dollar value internal charges at grant inception
- Final sign off as part of Form 300
- Sampling process for compliance
- May need to separate process for internal charges vs. internal stores

# Low dollar, low risk project

## Discussion questions

1. Does this issue resonate with you and would the proposed steps help reduce administrative burden in your institution?
2. Do you have good practices in your institution to share?
3. Are there other options we should consider?

# Administrative Burden in Canada (ABC) Project

Partnership initiative led by post-secondary institutions with the goal of reducing undue administrative burden within the Canadian research life-cycle.

## **Who's involved?**

CASRAI, CAUBO, CARA, CARL, CAGS, CARL, Polytechnics Canada,  
Deans





# Administrative Burden in Canada (ABC) Project

## 7 key thematic thrusts:

Personal recruitment	Non-financial compliance	Reporting
Program design	Post-award management	
Financial compliance	Scholarly Communications	

Matrix of Issues:

[http://ref.casrai.org/Admin\\_Burden\\_in\\_Canada/Issues](http://ref.casrai.org/Admin_Burden_in_Canada/Issues)



# Administrative Burden in Canada (ABC) Project

## **Current priorities for ABC group are:**

- Harmonized, machine readable, funding announcements
- CCV
- ORCID in Canada
- **The Low Dollar/Low Risk project**

**How can you get involved?** [www.casrai.org/abc](http://www.casrai.org/abc)



## Other issues and priorities

- Work and discussions on standard benefit rates will be coming soon
- What other research financial management issues are of concern to the sector, and to University Business Officers?

# Staying informed

The screenshot shows the CAUBO website homepage. At the top, there is a navigation bar with the CAUBO logo and links for Home, Français, and Contact Us. Below this is a search bar and a navigation menu with categories: Discover CAUBO, Knowledge Centre, Community, and Advocacy. A 'QUICK LINKS' section includes Member Discounts, Annual Conference, Financial Information of Universities and Colleges (FIRC), Quality and Productivity Awards Program, and Am I a CAUBO Member? National Office. An 'UPCOMING EVENTS' section features the 2016 Annual Conference 'The Power of Collaboration' in Quebec City, QC, from June 12-14, 2016. A 'LATEST NEWS / HOT TOPICS' section highlights the 2016 Federal Budget and an online resource for communications in a university context.

This screenshot displays the CAUBO Knowledge Centre interface. It features a search bar at the top with a 'What can we help you find?' prompt. Below the search bar is a navigation menu with 'KNOWLEDGE CENTRE' highlighted. The main content area is titled 'Knowledge Centre' and includes a 'Search the Knowledge Centre' section with a search bar and filters for 'From Date' and 'To Date'. A 'LATEST NEWS / HOT TOPICS' section lists recent news items, such as 'The 2016 Federal Budget' and 'Veniens eulmod, lacus quis luctus imperdiet'. A 'UPCOMING EVENTS' section mentions 'THE POWER OF COLLABORATION 2016 Annual Conference'. The bottom half of the page is dominated by an alphabetical index of resources, ranging from 'A' (Academic Freedom, Accounting Standards) to 'W' (Wellness and Mental Health, Workplace Behaviour). A footer section provides contact information for the Canadian Association of University Business Officers (CAUBO/ACPAU), including the address (300 Albert Street, Suite 315, Ottawa, Ontario) and phone/fax numbers.

Questions or comments?

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