

RESEARCH SUPPORT GRANT AGREEMENT

# Attachment A

## Additional Terms and Conditions of the Grant

### A1. Definitions

For the purpose of the present Agreement, the following definitions shall apply:

*Administering Institution* shall mean the institution responsible for the receipt and administration of grant funds, as identified in Section 2 of the Agreement. In this Attachment the Administering Institution is deemed the same as Recipient for the purposes of financial administration.

*Collaborative Project* shall mean a project undertaken jointly by two or more Recipients (*Collaborating Institutions — preamble of this Agreement where this applies*).

*Commencement Date* shall mean the date on which the Research Support Work officially commences and from which the Centre agrees to cover Recipient expenses with its grant.

*Completion Date* shall mean the last date the Recipient may expend the grant funds. Commencement Date plus Grant Duration equals Completion Date.

*Grant Duration* shall mean the number of months during which the grant is available to the Recipient to enable it to complete all Research Support Work and submit all reports.

*The Agreement or the present Agreement* shall mean the Research Support Grant Agreement, which incorporates all Attachments appended to it.

*Milestone* shall mean a significant event in the progress of the Project. Examples of Milestones include: technical reports, financial reports, meetings, and workshops.

*Research Support Work* shall mean those tasks undertaken by the Recipient deemed necessary to achieve specific Project objectives.

### A2. Disclaimer

The Recipient undertakes the Project on its own behalf and not on behalf of the Centre, and the Centre grant shall in no way be construed as creating the relationship of principal and agent, of partnership in law; or of joint venture as between the Centre and the Recipient or any other person involved in the Project.

The Centre assumes no liability with respect to any accident to any person or any loss or damage to any person or property arising from the Project.

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### **A3. Dissemination of Results**

One of the Centre's main program objectives is to see that knowledge generated by the Project is used for development. In disseminating the results of the Project, all Project Recipients shall adhere to the following conditions:

- a) Recipients have the right to publish, in any form, the results of the Project, or any other information prepared or produced as a result of this grant, and are not required to obtain the consent of the Centre to do so, except where they have signed a subsidiary Memorandum of Understanding (and, in particular, paragraph 1 thereof) with respect to intellectual property. Recipients will recognize the support of the Centre by including in all publications the following acknowledgement:

*This work was carried out with the aid of a grant from the International Development Research Centre, Ottawa, Canada.*

- Notwithstanding the foregoing, in any Collaborative Project it is understood that publication of the Project results will be effected jointly by all parties, unless all parties agree otherwise in writing.
- b) The Centre may provide to any member of the public who so requests one copy of any report, writings, films, tapes or other medium containing information arising from the project. The Centre may also digitize such works and make them available on its web site. When it does so, the Centre shall ensure the material is professionally indexed, with full attribution to the authors.
  - c) Following consultation with the Recipient, the Centre may undertake other forms of publication or distribution of the results of the project, directly or through a third party where it is in the best interests of promoting development.
  - d) The Recipient shall provide the Centre with five copies of any publication it has made of the results of the Project or of any other information prepared or produced as a result of this grant, and two copies of any audio or visual material. In addition, when possible, an electronic version, specifying the software and, where applicable hardware used, will be provided to the Centre. The Centre encourages all collaborating institutions to provide copies of all their publications to each other.

### **A4. Project Budget**

The grant shall be used exclusively for the budgetary purposes set forth in Attachment C (Project Budget). Unless specifically indicated in this Agreement, all budget line items shall be considered as upper-limit estimates against which actual and reasonable costs are reported (see Section A6 on matters related to reporting).

The Recipient shall contact the Centre and obtain its written consent before making any substantial changes in budgetary allocation (transfer between budget categories of 15% or more). It is understood that the budget will be reviewed annually during the Grant Duration, through the provision of annual disbursement forecasts (see Section A6.2).

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## **A5. Grant Administration**

The Centre will make grant payments to the Recipient according to the schedule set forth in Attachment B (Schedule of Milestones), which forms an integral part of this Agreement. The Recipient agrees that the payment of any funds under this grant is subject to its compliance with the conditions set out in this Agreement, including all attachments.

### **A5.1. Interest Earnings**

Any interest earned while grant funds are in deposit at the Recipient's bank (see Section 2), whether in a separate Project account, or in a general account, shall be fully credited by the Recipient to the Project and reported as earnings on Project financial reports (Sections A6.2 and A6.6) .

Such Project earnings shall be applied to the Project. Where they are not applied to the Project, the Centre's grant will be reduced by an amount equivalent to the earnings.

### **A5.2. Working Currency**

The working currency of the Recipient is the currency of the Project budget in Attachment C. Notwithstanding the working currency of the Recipient, the Centre limits its grant payment liability to the Canadian currency value of the grant as stated in this Agreement.

## **A6. Payments and Financial Reports**

### **A6.1. Requests for Payment**

All grant payments to the Recipient, except the final payment, shall be considered advances until the Project Milestones, as set forth in Attachment B, are satisfactorily achieved and a financial report of actual expenses incurred against the payment is accepted by the Centre.

The submission of a financial report (including the financial forecast, as per A6.2) will implicitly serve as a request.

### **A6.2. Submission and Format of Interim Financial Reports**

Financial reports shall be prepared in a format similar to that of the Project Budget (Attachment C). Financial reports shall also be duly signed (certified) by the Project Leader of the Recipient institution and a duly authorized financial officer of the same institution. The report will include:

- a) a certification, in the working currency of the Recipient, of the amount of Centre grant funds expended and accrued on the Project to the report date;
- b) a certification of the amount received in the working currency after the actual bank conversion of the Centre payment;
- c) a certification of the amount of interest earned as per Section A5.1, in the working currency;
- d) other amounts received and against which the Centre grant is conditional as per Attachments C; and

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e) a forecast of expenditures, in the working currency, for the following payment period.

The Recipient shall submit its reports to the Centre contact designated in Section 3.1 in accordance with the Schedule of Project Milestones (Attachment B).

### **A6.3. Review and Acceptance**

Within 20 calendar days of receipt of a report, the Centre shall notify the Recipient, in writing, of any errors, omissions or clarification required in the report, in which case any outstanding payment will be withheld until the report is deemed acceptable.

Notwithstanding the Schedule of Project Milestones (Attachment B), the financial forecast submitted by the Recipient will serve as basis for establishing the cash flow needs for the period or milestones covered by the next payment and, consequently, the amount of the payment itself. Thus, the actual timing and amount of payments in annual or bi-annual instalments will be dependent on receipt and acceptance of the required reports or milestones.

### **A6.4. Payment**

#### **A6.4.1. Dependency on Milestone or Technical Report**

Release of many payments is contingent upon the acceptance by the Centre's contact (see Section 3.1) of the Project Milestones (Attachment B) achieved as at the date of the financial report.

The Centre reserves the right to increase or decrease the number and frequency of payments.

#### **A6.4.2. Canadian Recipients**

Payment will be made by cheque and sent to the Recipient at the address indicated in Section 3.2 of the present Agreement.

#### **A6.4.3. Recipients outside Canada**

Payment will be made by bank transfer according to information provided by the Recipient in the Banking Information Form (Attachment D).

### **A6.5. Holdback and Final Payment**

The Centre will retain a certain percentage of the grant until the receipt of the final technical report and final financial report described respectively in Attachment B and in Section A6.6. The actual amount of the final payment will take into account the total actual expenditures of the Project.

Additional specific conditions attached to the release of the final payment may be present in Attachments B and C.

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**A6.6. Submission and Format and Final Financial Report**

The final financial report shall be prepared and submitted in the same manner as the interim financial reports (see Section A6.2) with the exception of the requirement of a forecast of expenditures (A6.2e), which is unnecessary.

**A7. Allowable Expenses**

No Project-related expenses will be paid if these expenses were incurred outside of the period of availability of the grant (see Section 4 of this Agreement). Failure to submit the required reports on time (see Attachment B) will result in the Centre requesting a refund of the grant for which there has been a failure to account.

The following sections describe restrictions which are placed upon the payment for the items, goods, or services set forth in the Project Budget (Attachment C).

**A7.1. Air Travel**

Any air tickets purchased by recipients with grant funds, directly or indirectly, must be in excursion class or at lower fares. The applicable fare shall be purchased for the most direct and economical routing. Recipients are free to reroute or upgrade at their own expense.

Charges against the grant shall not exceed the actual cost of the fare paid or the limit designated in the preceding paragraph, whichever is lesser.

**A7.2. Per Diems for Subsistence**

Per diems paid with grant funds to researchers and other project participants while on travel shall not exceed the schedule of maximum per diems in force at the Centre.

Further information on the applicable rates is available from the Centre contact designated in Section 3.1 of this Agreement.

**A7.3. Taxes**

Grant funds shall not be used to pay for custom, import, or other duties or taxes levied with respect to importation. Outside of Canada, grant funds shall not be used to pay any other form of direct or indirect taxation except where

- a) consumption-based taxes are embedded in the cost of small locally-purchased goods (supplies, stationary, gas, fuel, petrol, etc.) and services (restaurant and hotel meals, consultants, printing and reproduction, etc.) procured by the Recipient;
- b) it is more economical to purchase local goods and equipment with the embedded duty and custom taxes than to purchase goods abroad and in addition pay for shipping, insurance, duty and taxes (this provision is not meant to be invoked to circumvent the work involved in getting the tax or duty exemption, where either the Centre or the Recipient is entitled to one and it would cost less to do so);
- c) local taxes cover the cost of utilities (water, sewage, garbage pick-up and other essential municipal services); and

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- d) taxes are part of the cost of employment and payable over and above basic salaries (e.g. payroll taxes; employer's contributions to public health care, social security, public pension schemes, etc.).

The Centre will reimburse the Recipient for any applicable Canadian federal or provincial taxes on expenses paid with grant funds only if the Recipient has already claimed from the authorities a reimbursement of its input taxes. The Centre will only pay for the net tax.

At the end of the grant, after the last financial report has been submitted by the Recipient and settled by the Centre, all Canadian and other taxes due are the responsibility of the Recipient, and the Recipient will be liable for any tax owing.

Reimbursable taxes are deemed to be budgeted in the line items to which they apply and need not be separated. The Recipient must ensure that it does remain auditable.

**A7.4. Project Indirect Costs**

The Centre does not allow the recovery of overhead on its grants. It does however allow the recovery of indirect expenses incurred in the conduct of the Research Support Work and in the administration of the grant. Indirect expenses can only include:

- a) salaries and benefits of personnel which support and administer the project, such as secretaries, clerks, accountants, etc.;
- b) stationery and other office supplies;
- c) telecommunication cost (unless the nature of the Research Support Work has warranted a specific budget line item for that purpose — see Attachment C); and
- d) computer equipment used for the administration or accounting of the grant disbursements.

The Recipient shall keep track of its indirect cost charges in order to satisfy the requirements of any possible audit (see Section A8). Where the institution has a policy of recovering its indirect costs through the application of a percentage, it shall be able to satisfy the Centre or its auditors that the levy is fair and reasonable.

Under no circumstances will the Centre consider indirect costs over 13 % of the recipient-administered grant value excluding the amount awarded toward the procurement of equipment which will be vested in the Recipient and excluding the amount of the indirect costs themselves.

**A8. Centre Review and Audit**

**A8.1. Where the Recipient is a Government Ministry or Institution, or an Intergovernmental Institution**

The Recipient agrees that, if the Centre so requests, financial reports will be supported by original (or certified copies of) invoices or other documents verifying the transaction.

The Recipient agrees, if the Centre so requests, to give the Centre reasonable access to all books of account relating to the Project to permit the Centre to verify all pertinent financial

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records. The Recipient shall maintain such records for a period of two years after the completion date of this Agreement.

**A8.2. All other Recipients**

The Recipient will institute financial and administrative procedures acceptable to the Centre with respect to the Project and will, at the request of the Centre, periodically review such procedures and the progress of the Project with the representatives of the Centre.

The Recipient agrees that, if the Centre so requests, the final financial report (Section A6.6) shall be certified by external auditors and the cost of such audit shall be borne by the Centre.

The Recipient agrees, if the Centre so requests, to give the Centre reasonable access to all books of account relating to the Project to permit the Centre to verify all pertinent financial records. The Recipient shall maintain such records for a period of two years after the completion date of this Agreement.

**A9. Return of Funds**

Within 60 calendar days after the Completion Date, the Recipient shall return to the Centre any grant funds not used for the Project.

**A10. Visits to Project**

The Recipient, at the request of the Centre, will permit officers or representatives of the Centre to visit the Project site(s) at times convenient to the parties concerned and will facilitate the discussion of the results and progress of the Project between Centre representatives and Project personnel.

**A11. Compliance with National Laws**

In carrying out this Project, the Recipient shall be responsible for complying with all applicable laws and regulations of the countries in which the Research Support Work will be carried out and to which Project personnel may have to travel to as part of the Project.

**A12. Interpretation of this Agreement**

This Agreement shall be governed and construed in accordance with the laws of the Province of Ontario, Canada. In the event of a dispute which can not be resolved through negotiation or by mutual agreement, the Centre and the Recipient agree that any legal action or claim must be brought before the courts of the Province of Ontario, Canada, which will have exclusive jurisdiction over all such actions and claims.

**A13. Sub-contractors, Successors and Assignees**

The Recipient is prohibited from entering into any sub-contract (other than identified in this Agreement, and in compliance with Section A4), designating any successor or assigning any rights under this contract without the express consent of the Centre.

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**A14. Notices**

Any notice that is delivered shall be deemed to have been received on delivery; any notice sent by electronic mail or telecopier shall be deemed to have been received one working day after being sent; any notice given by letter shall be deemed to have been received 15 calendar days after the date of mailing.

**A15. Non-Compliance**

In the event that the Recipient fails to comply with any of the terms and conditions outlined in this Agreement, the Centre may refuse to release new payments and request the Recipient to return any unspent funds and advances.