

**CANADIAN INSTITUTES OF HEALTH RESEARCH
TERMS AND CONDITIONS
INSTITUTE SUPPORT GRANTS**

Objectives and Results

The Governing Council of CIHR recently approved the creation of thirteen Institutes that together represent the full spectrum of health science research. In accordance with the enabling legislation, each Institute will be headed by a Scientific Director (SD) and supported by an Institute Advisory Board (IAB). It is expected that all Directors will be appointed and the IABs established by December 2000.

Working under the overall direction of CIHR's Governing Council, Health Research Institutes will shape research conducted in a thematic area through the development of a strategic vision and plan aimed at creating focal points of expertise, scientific leadership, participation, and priority setting in a particular area of health research. As such, each Institute will develop a coherent, strategic research agenda for the area it covers, that encourages the highest levels of creativity and insight from Canada's health researchers.

Health Research Institutes will assess research priorities in their area, determine gaps and opportunities that present research is not addressing, and will devote resources toward answering these questions and addressing these gaps. Institutes will foster multi-disciplinary, integrated health research that pertains to all aspects of health, which includes bio-medical research, clinical research, research respecting health systems, health services and the health of populations as well as research into the societal, cultural and environmental dimensions of health. Institutes will build capacity through training, mentorship and networking. They will promote excellence in research in a forum that involves researchers and partners from public, private and voluntary sectors, embracing the full spectrum of research fields and disciplines, health practitioners, policy makers and consumers.

Institutes will not be bricks and mortar, nor will they have a single geographical location. Rather, each Institute will be a virtual network of researchers, funders, and consumers of research from across the country. Researchers will continue to carry out their investigations in the institutions with which they are affiliated. The difference will be in how much better connected they are to their colleagues in other institutions, other parts of Canada, and other countries, to address Canadian health challenges.

Institute Support Grant

Institute Scientific Directors will not be public servants. Because they will be chosen from a pool of outstanding and respected leaders in their field of science, CIHR will expect that they continue as productive and active researchers during their term as Institute Directors. SDs will be appointed by the Governing Council, upon recommendation by the President, and will remain at their host institution during their tenure with CIHR.

Institutes will be primarily serviced by the corporate group in Ottawa. CIHR will not build extensive decentralized infrastructure to support the direct cost of Institutes and their operation. Institutes will be virtual organizations; they can be created and terminated by CIHR's Governing Council as necessary; they can be "based" in any physical location, and; SDs themselves can move to other locations during their tenure if the need arises.

To ensure effective support in this kind environment, CIHR proposes to work in partnership with the host institution, by providing a grant in the name of the SD to allow him/her to establish a local Institute Office from which he/she can manage the operations of the Institute. The grant will cover costs related to the salary of the SD, the salaries of other Institute staff (who will be employees of the host institution), supplies, services and related operational requirements and Institute development expenditure related to activities such as workshops and symposia. Cost recovery of services provided by the host institution, such as space, accounting services etc. will be negotiated with the institution as required.

This approach, modeled on the NCE experience, will create a flexible operating environment for the Institutes, while reducing the overhead costs associated with fully integrating the Institutes into the CIHR Corporate environment, staffing with public servants, and setting up and dismantling Institute operations and support.

Institutes will not have responsibility for, nor will they be managing, the peer review and granting process. Although they will be expected to initiate strategic research initiatives for their Institutes, the peer review process and the resulting grants and awards, will be managed by the CIHR corporate office under the terms and conditions of its grants programs.

Class of Recipients:

The class of eligible recipient is limited to individuals appointed by the Governing Council as Directors of Health Research Institutes.

Stacking Provisions:

Because of the nature of Institute Support Grants, the provisions of the stacking policy as stated in the TB policy cannot be applied as stated. The Institutes, as part of their

mandates, will be seeking out partnerships and alliances with other organizations, to support and carry out the activities they are mandated to do. In fact, CIHR will encouraged them to do so aggressively. For example, if a knowledge exchange symposia is initiated by an Institute, the Institute may partner with a disease society (or a provincial ministry) to share in the associated cost. The contribution of the partner will result in freed up resources available to the Institute to carry out additional activities under the terms and conditions of the grant, that they would otherwise not have been able to do. This is exactly what CIHR would expect of the Institutes.

Just as with CIHR's other grant programs, the Institute Directors are not paid directly. The grants will be paid to universities and institutions who will administer the grant account on CIHR's behalf. Under the terms of the written agreement with them, these institutions will be obliged to ensure that expenditures charged to the Institute Support Grant accounts are for the purpose intended by the grant. Further, researchers and university officials will report annually to CIHR on their activities and on the use of funds for the Institute Grant. The reporting requirements will include mandatory reporting of all sources of revenue to the Institute, and a review will be carried out to ensure that **all** funds (CIHR funds and other revenues) were used for the purpose for which the Institutes were created and the grants provided.

Supporting Material:

Underpinning the Institute Support Grant will be a comprehensive agreement signed by CIHR, the Scientific Director and the host institution, in which the roles, responsibilities and obligations of each are clearly addressed and agreed to. The agreement will be modelled after the NCE-Host Institution Agreements, currently used in the NCE Program. It will address issues such as the objectives and purpose of the grant, performance expectations, the time to be devoted by the SD to Institute business and host institution business, the level of remuneration of the Director and staff, the services that will be provided by the host institution to the SD, eligible expenditures that can be charged to the grant, financial and reporting requirements, conflicts of interest, dispute resolution etc. Release of grant funds will be contingent upon signing of this agreement. The agreement will include a provision specifying that payments are contingent upon funds being appropriated by Parliament.

Eligible expenses:

Eligible expenditures in respect to these grants will relate to three areas of activity as follows:

a. *Salary and Benefits of Scientific Director.* CIHR will reimburse the host institution for salary and benefit costs of the Scientific Director, based generally on a percentage of time devoted to Institute affairs, plus an administrative stipend. The level of remuneration will be negotiated with the host institution and SD, will be specified in the Agreement, and will change only with an amendment thereto.

b. *Institute Operations*: These will include all expenditure related to operating the Institute including salary and benefits of local staff (few in number, and employees of the host institution), cost of office space, supplies, materials, services, travel, equipment, Institute Advisory Board meetings and other expenses related to the maintenance of the Institute.

c. *Institute Development*: Scientific Directors will be given wider discretion in the use of funds for these activities since it is they who will determine the best means to develop and support health research and knowledge transfer under the Institute's mandate. Possible uses include support of consensus conferences, symposia, workshops to develop the strategic agenda or plan strategic initiatives, an annual Institute Conference, communication initiatives, modest support to kick-start novel, high risk projects or training programs, networking, etc.

Terms and conditions related to a) and b) above will be negotiated for each agreement so as to take into account local conditions. Activities related to c) will remain essentially in the purview of the Scientific Director provided they relate directly to the mandate and objectives of the Institute.

It is the intent of CIHR to facilitate the continued participation of its Scientific Directors as active researchers. In fact, since SDs will be among the very best of Canada's scientists, it can be expected that all SDs will want to pursue their research as a condition of their appointment. It would be impossible to recruit SDs of the quality needed to make CIHR successful, if they cannot at the same time also pursue their research programs and careers.

To facilitate this process, CIHR, as approved by the Governing Council, will provide a base level of support in the form of an operating grant to all SDs currently engaged in research, as a contribution towards the Director's research program. If an SD, on appointment, holds a research grant from CIHR, funding will be allowed to continue for the duration of the SDs appointment. When an SD requests research funding in an amount more than the base level of support, a special adhoc peer review committee will be assembled to assess the proposal. In addition, CIHR will also fund the cost of a Research Associate who can supervise the SD's laboratory and research program during his/her tenure as Scientific Director.

It is important to note that the support for Scientific Director's own research program will not be included as part of the Institute Support Grant. It will be administered in accordance with the terms and conditions of CIHR's other research funding programs.

Maximum Amount Payable:

It is proposed that Institute Support Grants not be limited to a maximum amount. A high level of scrutiny will be brought to bear on the Institutes by the Governing Council, and the amount provided to each will depend upon the initiatives detailed in each Institute's Strategic Plan approved by the Governing Council as part of CIHR planning and priority setting, as well as local conditions at the host institution.

Due Diligence:

CIHR maintains policies, systems and procedures to ensure effective management of resources and grant funds. It also works closely with post-secondary institutions, affiliated hospitals and research institutes, to ensure compliance with CIHR policies and procedures, that funds are accounted for and reported on in accordance with established requirements, and that the research community is educated on the terms and conditions of programs available through CIHR. CIHR also participates periodically with NSERC and SSHRC in monitoring the control framework in place at recipient institutions and the use of grant funds.

This framework is also relevant for Institute Support Grants. For the host institution, these grants will be treated no differently than research grants in terms of accounting and reporting. CIHR has also created a dedicated unit at the corporate level responsible for Institute liaison and integration. The unit will negotiate and manage the agreements, monitor progress, and support the Institutes in fulfilling their mandates in accordance with the overall objectives of CIHR.

Institute Support Grants are made for a specific purpose. Through a formal agreement, SDs will be required to use their grant for the purpose intended. Grant funds used otherwise must be repaid to the grant account or to CIHR. Noncompliance with the terms on the agreement can result in the freezing or closing of the grant account.

Members of Parliament have no role in the decision-making process for this program. However, they will be afforded the opportunity to be regularly briefed on the program, to facilitate the provision of information to Canadians and the media.

Delegation of Authority:

CIHR will approve payments in accordance with its delegated financial signing authorities chart which specifies organizational positions authorized to commit, approve and authorize payments for grants.

Basis and Timing of Payments:

Payment of Institute Support Grants will be integrated into CIHR's payment systems currently in place for Research Funding Programs. These Programs are paid in bi-monthly installments and are in compliance with TB's policy on transfer payments.

Duration of Terms and Conditions:

These terms and conditions will apply and payments will be made for a period of five years ending October 2005.

Accountability Framework/Evaluation:

The framework for accountability for results of CIHR grants is outlined in the interim CIHR Planning, Reporting and Accountability Structure. The interim CIHR PRAS sets out three key results to be delivered (CIHR's Commitments to Canadians) and the means by which progress on achieving those results may be assessed. Emerging from consultations that took place prior to the creation of CIHR and during the first three months of operation of the agency, the three key results are:

- discovery and knowledge creation;
- translation and transfer of knowledge to maximize the benefits of health research; and,
- leadership and collaboration within the Canadian research community.

The effectiveness of each Health Research Institute is critical to achieving these results. Institutes will be led by a Scientific Director who will work in concert with an Institute Advisory Board comprising researchers, and other stakeholders to develop an Institute vision expressed through a multi-year strategic plan. Within each Institute, researchers will be involved in a balance of investigator-initiated and strategic research, all selected through a rigorous process of peer review. The Institute's strategic plans will collectively inform the overall strategic plan of the Governing Council and thus of CIHR.

There is a clear accountability in the relationship between the Governing Council and each Health Research Institute through the submission and approval of plans that reflect, among other things, a larger research vision connected to national and international issues and policies, and that articulate the operational requirements to meet these needs.

Accounting to Parliament for CIHR performance is a responsibility of the President. As the agency's Chief Executive Officer and Chair of the Governing Council, the President will report to Parliament, through the Minister of Health, on results of investments in the Institutes. The Scientific Directors of each of the CIHR Institutes will be responsible to the President for performance of their Institutes research initiatives. Performance reporting will be integrated across CIHR such that reports from Institutes will precede and inform CIHR's overall reporting of results to Parliament and Canadians.

The results and accountability aspects of the Institute Support Grant will form part of and be integrated into CIHR's planning and reporting cycle. Institute Strategic plans will be updated annually, taking into account an assessment by the Governing Council of past performance.

CIHR will regularly examine the effectiveness of its funding programs, including the Institute Support Grants, through formal program evaluation. Moreover, these terms and conditions will be closely examined by CIHR Governing Council in CIHR's first years as arrangement evolve for the support of CIHR Institutes and activities.

Internal Audit

MRC did not have internal audit. CIHR will be developing an internal audit policy and plan within the next year, in accordance with the new policy on internal audit. The audit policy and plan will be based on analyses and assessments of risk with emphasis on CIHR efficiency, economy, and effectiveness of internal management practices and controls. Because this is a new organization, the audit framework is expected to be completed by June 30, 2001.

CIHR will also maintain the right to audit the accounts and records of recipients to ensure that funds were used for the purpose intended.