

Guide to HERDC research income – what can and cannot be included

Background

Each year the University is required to report its research income to the Commonwealth Government. This is done via the Higher Education Research Data Collection (HERDC). This report is used by the Commonwealth to determine the University's share of research block grant funding.

In order for the University to maximise its share of funding it must ensure that all research income is being captured. Only income coded to research account codes is picked up for the HERDC return. These codes are as follows:

- 1181-1211: Category 1 – Nationally competitive research grants
- 1221-1242: Category 2 – Other public sector funding
- 1251-1264: Category 3 – Australian industry, donations and international grants
- 1281: Category 4 – Co-operative Research Centres (CRCs)

Account codes **1243 ARC Research Networks and 1253 Research funds from other Universities** are not picked up for the HERDC as these are specifically excluded in the HERDC specifications.

Regarding account code 1253 please note that if an invoice is raised to another Australian University for funds provided by a 3rd party, these can be included and should be coded according to the original source of the funds. For example, if an invoice is raised to UniSA for State Government funds it should be coded to 1231 State Government.

How you can assist the University in maximising its research income

Billers have a direct impact on whether income is included in the HERDC return. In order to maximise the research income reported billers must ensure that all research income is coded using the account codes above. By maximising the HERDC research income in the Faculty or School the value of research block grants that flow to the Faculty and School are also maximised.

Researchers can assist in this process by indicating that income is to be billed as research income when requesting invoices to be raised.

Research Accounting will review certain non-research income account codes for possible research income. This review will look at non-research invoices raised to research project codes only. However, due to the number of transactions to review this process will not pick up all corrections that need to be made.

To assist in capturing all research income correctly, please consider the following when raising or requesting invoices:

- If the income is going to be or has been spent on research it is highly likely that it can be claimed as HERDC income,
- If the invoice is being raised in accordance with an agreement, check whether the agreement has a component of research – it may be possible to code some of the income as research, even if the overall project is considered to be non-research,
- If the invoice is for expense reimbursement and is being coded to a research project code, it can more than likely be included as HERDC income,
- Similarly with salary recharges – if the salary is being charged to a research project we should be able to claim the salary recharge as HERDC income,

- If the invoice is raised to another Australian University, is it for University or 3rd party funds?
- Any research income that is not specifically excluded in the HERDC guidelines (as listed below) can be included.
- A full copy of the HERDC guidelines (specifications) can be downloaded from the DIISR website.
<http://www.innovation.gov.au/Section/Research/Pages/highereducationresearchdatacollection.aspx>
- If you are unsure about how to code an invoice please contact Research Accounting.

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What is Research?

Below is a definition of research taken from the HERDC specifications.

- creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications
- any activity classified as research which is characterised by originality; it should have investigation as a primary objective and should have the potential to produce results that are sufficiently general for humanity's stock of knowledge (theoretical and/or practical) to be recognisably increased. Most higher education research work would qualify as research
- pure basic research, strategic basic research, applied research and experimental development.

Activities that support research and meet this definition of research include:

- provision of professional, technical, administrative or clerical support and/or assistance to staff directly engaged in research
- management of staff who are either directly engaged in research or are providing professional, technical or clerical support or assistance to those staff
- activities of students undertaking postgraduate research courses
- development of postgraduate research courses
- supervision of students undertaking postgraduate research courses.

Activities that do not support research must be excluded, such as:

- preparation for teaching
- scientific and technical information services
- general purpose or routine data collection
- standardisation and routine testing
- feasibility studies (except into research and experimental development projects)
- specialised routine medical care
- commercial, legal and administrative aspects of patenting, copyright or licensing activities
- routine computer programming, systems work or software maintenance (research and experimental development into applications software, new

programming languages and new operating systems would normally meet the definition of research).

What is research income?

Research income is income that is provided specifically to undertake or support research. This may be provided in the following forms:

- agreed payments for completed milestones,
- salary recharges where the salary is for staff undertaking or supporting research,
- expense reimbursement, where the expenses are incurred for research purposes,
- travel reimbursement, where the travel is for the purposes of conducting research or accessing a program of research, but not if the travel is to attend a meeting, workshop or conference.

The HERDC specifications provide some general rules around research income that can and cannot be included in the HERDC.

Research income which can be included in the Research Income Return — Return 1

- income received in 2007 in respect of the year 2008
- stipends and scholarships for higher degree research students, unless explicitly excluded (see below)
- interest on donations, bequests and foundations which have been provided specifically for research
- travel grants where funds are provided specifically for the purpose of travel and used to enable access to a program of research
- funds provided for the purpose of clinical trials provided the purpose of the trial meets the definition of research (see definition above)
- research infrastructure grants unless explicitly excluded below
- income from overseas Higher Education Providers (HEPs) provided specifically for research purposes
- income used to manage staff directly engaged in research or providing professional, technical or clerical support or assistance to those staff
- income received in support of:
 - professional, technical, administrative or clerical support staff directly engaged in research
 - the activities of students undertaking postgraduate research courses
 - the development of postgraduate research courses
 - the supervision of students undertaking postgraduate research courses.
 - research and experimental development into applications software, new programming languages and new operating systems (such R&D would normally meet the definition of research).

Research income which cannot be included in the Research Income Return—Return 1

- income received in 2008 in respect of the year 2009
- any research income received by the HEP from its subsidiaries
- any research income received by the HEP from any other Australian HEP or its subsidiaries (including organisations owned, controlled or funded by a HEP or HEPs) **except in respect of shared grants or transfers**
- in-kind contributions
- capital grants
- National Collaborative Research Infrastructure Strategy (NCRIS) and ARC LIEF grants

- grants from the Higher Education Endowment Fund (HEEF) or the Education Investment Fund (EIF)
- funds received through the ARC's Research Networks scheme
- funds managed on behalf of third parties
- omissions from previous Research Income Returns-Return 1
- income provided for general or other purposes, even if that income is spent on research purposes
- funds provided specifically for the purpose of hosting, organising or attending a conference or workshop
- funds provided specifically for the purpose of producing research publications (that is, for publishing research rather than conducting it)
- consultancy fees for projects that do not meet the definition of research (as defined above)
- funds provided specifically for travel to conferences/workshops and/or meetings
- interest income accruing to research grants and contract research grants
- research income received by independent operations which do not meet the definition of a subsidiary
- income from the High Performance Computing and Communications Program, to or through the Australian Partnership for Advanced Computing
- income provided for preparation for teaching
- funds used for
 - scientific and technical information services
 - general purpose or routine data collection
 - standardisation and routine testing
 - feasibility studies (except into research and experimental development projects)
 - specialised routine medical care
 - commercial, legal and administrative aspects of patenting, copyright or licensing activities
 - routine computer programming, systems work or software maintenance
- grants from the following DIISR programs:
 - Research Training Scheme (RTS)
 - Institutional Grants Scheme (IGS)
 - Research Infrastructure Block Grants (RIBG)
 - Australian Postgraduate Awards (APA)
 - Commercialisation Training Scheme (CTS)
 - International Postgraduate Research Scheme Awards (IPRS)
 - Regional Protection Scheme (RPS).