

NHMRC RESEARCH GRANT ACQUITTAL AND CARRY FORWARD PROCEDURES

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OVERVIEW

The University of Adelaide is contractually obliged under a Deed of Agreement with the Commonwealth Government to prepare reports and acquittals for research funding received from the National Health and Medical Research Council (NHMRC). This document sets out the responsibilities and tasks associated with NHMRC grant acquittals and carry forwards, to ensure the University's contractual obligations are met.

SCOPE

This procedure must be applied by all staff and clinical affiliate title holders involved in the use and administration of NHMRC grants, and by relevant staff of other institutions when NHMRC grant funds are transferred to other institutions as contained in the relevant Multi-Institutional Agreement (MIA).

DEFINITIONS

Agreement means the Deed of Agreement between the Commonwealth Government and the University of Adelaide.

Faculty Finance Manager means the persons holding the following positions:

Faculty	Position
Engineering, Computer and Mathematical Sciences	Finance Manager
Health Sciences	Faculty Executive Manager
Humanities & Social Sciences	Business Manager
Professions	Faculty Finance Manager
Sciences	Finance Manager

Grant means:

- any NHMRC grant administered by Research Branch, and
- any NHMRC Postgraduate Research Scholarship administered by the Adelaide Graduate Centre.

Nominated Grant Acquittal Officer means the person nominated by a Faculty Finance Manager under Procedure 1.1.

RGMS means Research Grants Management System, the NHMRC's online system for management of its grants.

PROCEDURES

1. Grants Where the Chief Investigator is a University Employee

1.1. Grant expenditure oversight

Step 1:

Responsibility: Chief Investigator / Supervisor

- i. Ensure that all awarded income is spent in accordance with the Agreement and that expenditure is in line with the budget approved by the NHMRC.

The University requires that Chief Investigators / Supervisors review their grant expenses at least quarterly to ensure that accurate financial records are maintained for each grant.

Step 2:

Responsibility: Faculty Finance Manager

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- i. Oversee an appropriate financial management framework to allow each Chief Investigator or Supervisor in the Faculty to manage their grants and meet their responsibilities, including assigning a Faculty staff member to be the Nominated Grant Acquittal Officer to provide financial support to a Chief Investigator / Supervisor and carry out the responsibilities specified in these Procedures. [This would usually be a School Finance Officer.]
 - ii. Make available to the Chief Investigator / Supervisor financial information about the grant in accordance with a timeline agreed with the Chief Investigator / Supervisor. [The Operational Research Business Information Tool (ORBIT) assists with this.]

1.2. Carry forward requests

A carry forward request is required when a grant has unspent funds at the end of the year that is *not* the final year.

[Note: if a grant has unspent funds at the end of the *final* year, it will constitute an extension to the project and a Grant Variation request must be submitted to NHMRC through the RGMS by 20 December in the final year of the grant. This will allow Research Branch staff adequate time to review and submit the request before the University closedown period. Failure to submit the request by this date may result in unspent funds having to be repaid to NHMRC.]

Step 1:

Responsibility: Research Accounting staff

Timeline: Annually in October

- i. Generate a list of all grants completing in December of the same year.
- ii. Email the list to the relevant School/Branch Finance Officers requesting completion of carry forward requests if funds are required to be carried forward.

Step 2:

Responsibility: Chief Investigator / Supervisor

Timeline: Annually, by 20 December

- i. Generate any final year carry forward requests via RGMS and submit by due date.

Step 3:

Responsibility: Research Branch staff

Timeline: Annually, by 31 December

- i. Review carry forward requests, and approve if they meet Agreement requirements.

Step 4:

If queries are received from the NHMRC about a carry forward request:

Responsibility: Research Branch staff

- i. Forward the queries to the relevant Nominated Grant Acquittal Officer and Chief Investigator / Supervisor.

Responsibility: Nominated Grant Acquittal Officer or Chief Investigator / Supervisor

- i. Address the queries and provide a response for Research Branch to forward to the NHMRC.

1.3. Acquittal process

All acquittals must be signed off by both the Chief Investigator / Supervisor and the Chief Financial Officer or an authorised delegate within Financial Services.

Step 1:

Responsibility: Research Accounting

Timeline: Immediately following closure of previous year's ledger
(usually February)

- i. Prepare an acquittal for each NHMRC grant and scholarship awarded. The acquittal must be supported by:
 - a. a PeopleSoft System generated project operating statement for the period covered by the acquittal;
 - b. an income and expenditure list summarising the PeopleSoft operating statements;
 - c. a detailed transaction listing of expenditure charged to the grant / scholarship;
 - d. a reconciliation between the PeopleSoft operating statement and the NHMRC acquittal. Where NHMRC requirements result in a difference between the income or expenditure recorded in PeopleSoft and the income or expenditure to be reported in the acquittal, record adjusting items in the reconciliation. This will be necessary:

1. when the project contains multiple sources of income, as the acquittal only reports on NHMRC grant funding;
2. where salary supplementation has been credited to the grant (a manual adjustment will be made to permanently remove this income from the grant for acquittal purposes only);
3. where internal trading (which is included in the income lines) needs to be removed or acquitted against expenditure;
4. where costs specifically disallowed by the NHMRC have been charged to the grant. These must be manually adjusted for in the acquittal, although a journal must be processed to remove these costs from the project.

and

- e. a classification of income and expenditure categories as follows:

Income categories:	Expenditure categories:
Grant income from NHMRC	Scholarships and Stipends
Income Received from Transferring Institution	Salary (including approved related entitlements)
	Research Supplies
	Travel and Conferences
	Consultants and Contractors
	Equipment
	Other Direct Research Costs
	Payment to Collaborating Institutions

- ii. Undertake preliminary checks of income and expenditure items, with particular reference to indirect costs specifically disallowed by the NHMRC. [Indirect cost guidelines are available on the NHMRC website.]
- iii. Populate the acquittal template with the income and expenditure.
- iv. Email the completed acquittal to Nominated Grant Acquittal Officers with a copy to each relevant Chief Investigator / Supervisor, with due date for the signed acquittal to be returned.

Step 2:

Responsibility: Nominated Grant Acquittal Officer

Timeline: Due date specified in acquittal

- i. Review the acquittal to ensure that:
 - a. all transactions reported are complete and accurate;
 - b. all transactions are recorded in PeopleSoft;
 - c. the expenditure to be acquitted is justifiable as having been spent on the project;
 - d. all transactions are allowable, in accordance with the NHMRC's Direct Research Cost guidelines; and
 - e. account codes with unexpectedly large or small balances can be accounted for.
- ii. Check the account codes that are included in each expense category. [For example, if a contractor has been paid through the HR system, Research Accounting will classify the cost as 'Salary', but under the NHMRC requirements this should be classified as 'Consultants and Contractors'.]
- iii. If inaccuracies are detected:
 - a. Notify Research Accounting by email of any inaccuracies.
 - b. Process any necessary correcting journals, including journals to remove disallowed costs from a project, and email a copy of the journal to Research Accounting for updating.
 - c. Await an update of the acquittal from Research Accounting, then begin Step 2 again.
- iv. Once satisfied there are no inaccuracies, provide copy of acquittal to relevant Chief Investigator / Supervisor.

Step 3:

Responsibility: Chief Investigator / Supervisor

Timeline: Due date specified in acquittal

- i. Review the acquittal to ensure that the transactions reported in the acquittal are complete and accurate, and that the funds have been spent in accordance with the Agreement.

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- ii. If satisfied that the acquittal is accurate and complete, sign the acquittal to certify that the funds have been spent in accordance with the Agreement, and return to Research Accounting.

Step 4:

If acquittals are not returned to Research Accounting by the due date:

- i. Research Accounting will send a follow-up e-mail to the Nominated Grants Acquittal Officer and Chief Investigator /Supervisor, stating that the acquittal is overdue.

If signed acquittal is still not returned promptly:

- ii. Research Accounting will notify the Faculty Finance Manager with a request to follow up.

If signed acquittal is still not returned within a reasonable time:

- iii. Research Accounting will notify the Faculty Executive Dean, Chief Investigator / Supervisor and Nominated Grants Acquittal Officer advising of the non-compliance and requesting resolution.

Step 5:

Responsibility: Research Accounting staff

- i. On receipt of signed acquittal, undertake a final review to ensure that the acquittal has been prepared in accordance with the Agreement.
- ii. If satisfied, forward the acquittal to the Chief Financial Officer or authorised delegate within Financial Services for final signing.
- iii. Once signed, load the certified financial acquittal information into RGMS.

Step 6:

If queries are received from the NHMRC about an acquittal:

Responsibility: Research Accounting staff

- i. Forward the queries to the relevant Nominated Grant Acquittal Officer and Chief Investigator / Supervisor.

Responsibility: Nominated Grant Acquittal Officer or Chief Investigator / Supervisor

- ii. Address the queries and provide a response for Research Accounting to forward to the NHMRC.

2. Grants Where the Chief Investigator is a Clinical Affiliate Title Holder (CATH)

2.1. Carry forward requests

Step 1:

Responsibility: Research Accounting staff

Timeline: Annually in October

- i. Generate a list of all grants completing in December of the same year.
- ii. Email the list to the Finance Officers of the organisations in which the CATHs are employed (referred to as the Affiliate Organisations) requesting completion of carry forward requests if funds are required to be carried forward.

Step 2:

Responsibility: Finance Officer in the Affiliate Organisation

Timeline: Annually, by 20 December

- i. Generate any final year carry forward requests via RGMS and submit by due date.

Step 3:

Responsibility: Research Branch staff

Timeline: Annually, by 31 December

- i. Review carry forward requests, and approve if they meet Agreement requirements.

2.2. Acquittal process

Step 1:

Responsibility: Research Accounting staff

Timeline: Annually in January

- i. Generate a list of all continuing grants requiring an acquittal.
- ii. Email this list to the Affiliate Organisations' Finance Officers requesting completion of the acquittal by a specified date.

Step 2:

Responsibility: Affiliate Organisation Finance Officer

Timeline: Due date specified in acquittal

- i. Prepare the acquittals based on the financial information recorded against each grant in their own organisation's finance system.
- ii. Arrange for the completed acquittal to be certified by their own organisation's Chief Financial Officer or authorised delegate.
- iii. Return the signed acquittal to Research Accounting. [Note: Research Accounting will return the acquittal if it is not certified under ii.]

Step 3:

Responsibility: Research Accounting

- i. Load the certified financial acquittal information into RGMS.

Step 4:

If queries are received from the NHMRC about an acquittal:

Responsibility: Research Accounting staff

- i. Forward the queries to the relevant Affiliate Organisation Finance Officer.

Responsibility: Affiliate Organisation Finance Officer

- iii. Address the queries and provide a response for Research Accounting to forward to the NHMRC.

3. Grants where funds transferred under Multi-Institutional Agreements (MIAs)

3.1. Acquittal process

These procedures apply when all or some grant funds have been transferred to another institution under a Multi-Institutional Agreement.

Step 1:

Responsibility: Research Accounting staff

Timeline: Annually in January

- i. Generate a list of all continuing grants requiring an acquittal.
- ii. Email this list to the relevant Finance Officer at the other institution requesting completion of the acquittal by a specified date.

Step 2:

Responsibility: Finance Officer in other institution

Timeline: Due date specified in acquittal

- i. Prepare the acquittal based on the financial information recorded against each grant in their own institution's finance system.
- ii. Arrange for their own institution's Chief Financial Officer or authorised delegate to certify that the funds have been spent in accordance with the Deed of Agreement.
- iii. Return the signed acquittal to Research Accounting by the due date. [Note: Research Accounting will return the acquittal if it is not certified under ii.]

Step 3:

Responsibility: Research Accounting staff

- i. Prepare acquittal of grant funds remaining at the University of Adelaide in accordance with Procedure 1.2 where the Chief Investigator is a University employee, or Procedure 2.2 where the Chief Investigator is a Clinical Affiliate Title Holder.
- ii. Once the fully certified acquittal has been received from the other institution, and the certified acquittal for the funds remaining at the University of Adelaide received from the University Chief Investigator, consolidate the acquittals into one.
- iii. Forward the consolidated acquittal to the University's Chief Financial Officer or authorised delegate in Financial Services for signing.
- iv. Load the certified financial acquittal information into RGMS.

Step 4:

If queries are received from the NHMRC about an acquittal:

Responsibility: Research Accounting staff

- i. Forward the queries to the relevant Nominated Grant Acquittal Officer and University Chief Investigator or, where appropriate, the Finance Officer of the other institution.

Responsibility: Nominated Grant Acquittal Officer or Chief Investigator / Supervisor, or other institution's Finance Officer

- i. Address the queries and provide a response for Research Accounting to forward to the NHMRC.

4. Consequence of non-compliance

- a. Non-compliance with the Agreement may lead to a suspension of NHMRC funding until compliance is achieved, or termination of funding by NHMRC.
- b. Non-compliance with these Procedures by individual University staff members may lead to disciplinary action.

RMO File Number	F.2014/8258
Policy Custodian	Vice-President (Services and Resources)
Responsible Officer	Chief Financial Officer
Endorsed by (Academic Board or VCC)	Vice-Chancellor's Executive 6 August 2014
Approved by	Vice Chancellor and President on 12 August 2014
Related Documents and Policies	See the Financial Services Handbook (<i>link to come</i>) for additional procedures.
Related Legislation	Australian Accounting Standards Board (AASB) Accounting Standards Australian Auditing Standards (AUS) and Auditing Guidance Statements (AGS)
Superseded Policies	Capital Expenditure Policy Amortisation of Software and Development/Implementation Costs All Revenue and Accounts Receivable Policies Amending Customers Policy Collecting Debts Policy Creating Customers Policy Credit Notes (Adjustment Notes) Policy Customer Credit Policy Invoicing (Billing) Policy Managing and Reporting Debts Policy Receipting and Banking Policy Refunds Policy Revenue and Accounts Receivable Overview Writing Off Debts Policy
Date Effective	12 August 2014
Next Review Date	31 August 2017
Contact for queries about the Policy	Financial Services on ext. 34265