

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 under Multi-Institutional Agreements (MIAs). This procedure also covers responsibilities for collaborative NHMRC grants administered by other institutions, where a University of Adelaide staff member is awarded a share of the NHMRC funds.

DEFINITIONS

Agreement means the Deed of Agreement between the Commonwealth Government and the University of Adelaide. In the case of NHMRC grants administered by other institutions, Agreement means the agreement between the University of Adelaide and the administering institution.

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 and Planning Manager under Procedure 1.1.

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

PROCEDURES

1. Grant expenditure oversight

1.1. Grants where the first-named Chief Investigator is a University of Adelaide employee

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 NHMRC's direct research costs principles available on the NHMRC website.

The University recommends 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 and Planning 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.
- 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.]

2. Carry forward requests

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 prior to the project end date. Failure to submit the request prior to the original project end date will result in unspent funds having to be repaid to NHMRC. Except in exceptional circumstances, the NHMRC will not allow an extension to exceed 12 months from the original end date.

Instructions for submitting a variation request are available on the NHMRC's website.

2.1. Grants administered by the University of Adelaide where the first-named Chief Investigator is a University of Adelaide employee

Step 1:

Responsibility: Research Branch staff

Timeline: Quarterly in advance

- i. Generate a list of all grants in Research Master and RGMS completing in the upcoming quarter.
Email the relevant Chief Investigators (copy to Nominated Grant Acquittal Officer) requesting completion of carry forward requests if funds are required to be carried forward and the end date extended.

Step 2:

Responsibility: Chief Investigator / Supervisor

Timeline: At least one month prior to project end date

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

Step 3:

Responsibility: Research Branch staff

Timeline: Ongoing

- i. Review carry forward requests, and submit to the NHMRC for approval 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.

Step 5:

Responsibility: Research Branch staff

Timeline: Within 7 working days of notification from NHMRC

- i. Extend end date of the project in the relevant research management database where a carry forward request has been approved to extend the end date of the grant.
- ii. Notify the Chief Investigator, Nominated Grant Acquittal Officer and Research Accounting of the successful extension.
- iii. Notify Research Accounting when a carry forward extension request has been denied, so that the final acquittal and refund of unspent funds can be arranged.

2.2. Grants where the first-named Chief Investigator is a Clinical Affiliate Title Holder (CATH)

Step 1:

Responsibility: Research Branch staff

Timeline: Quarterly in advance

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- i. Generate a list of all grants in Research Master and RGMS completing in the current quarter.
- ii. Email the relevant chief investigators (copy to Finance Officer of the affiliated organisation in which the CATH is employed) requesting completion of carry forward requests if funds are required to be carried forward.

Step 2:

Responsibility: Chief Investigator

Timeline: One month prior to project end date

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

Step 3:

Responsibility: Research Branch staff

Timeline: Ongoing

- i. Review carry forward requests, and forward to the NHMRC for approval 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 Finance Officer of the affiliated organisation and Chief Investigator / Supervisor.

Responsibility: Finance Officer or Chief Investigator / Supervisor

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

Step 5:

Responsibility: Research Branch staff

Timeline: Within 7 working days of notification from NHMRC

- i. Extend end date of the project in the relevant research management database where a carry forward request has been approved to extend the end date of the grant.
- ii. Notify the Chief Investigator, Nominated Grant Acquittal Officer and Research Accounting of the successful extension.
- iii. Notify Research Accounting when a carry forward extension request has been denied, so that the final acquittal and refund of unspent funds can be arranged.

2.3. Grants administered by another institution

It is the first-named Chief Investigator's responsibility to initiate grant variation requests in RGMS. In the case of shared NHMRC grants, the lead investigator is employed by the administering institution. It is the University of Adelaide Chief Investigator's responsibility to notify the administering institution that the University of Adelaide requires unspent funds to be carried forward beyond the original end date of the project.

Step 1:

Responsibility: Research Branch staff

Timeline: Quarterly in advance

- i. Generate a list of all grants in Research Master completing in the current quarter, and liaise with Research Accounting to ensure that all grants are captured (as this information is not available in RGMS).
- ii. Email the relevant Chief Investigators (copy to Nominated Grant Acquittal Officer), with a request that, if funds are required to be carried forward, University of Adelaide Chief Investigators contact the first-named Chief Investigator from the administering institution to arrange completion of a carry forward grant variation request.

Step 2:

Responsibility: Chief Investigator / Supervisor

Timeline: At least one month prior to project end date

- i. Contact the CIA from the administering institution to arrange for any final year carry forward requests via RGMS, to be submitted by the due date.
- ii. Notify Research Branch when a carry forward request to extend the project end date has been approved.

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Step 3:

Responsibility: Research Branch staff *Timeline:* Within 7 working days of notification from the Administering Organisation

- i. Extend end date of the project in the relevant research management database where a carry forward request has been approved to extend the end date of the grant.
- ii. Notify the Chief Investigator, Nominated Grant Acquittal Officer and Research Accounting of the successful extension.
- iii. Notify Research Accounting when a carry forward extension request has been denied, so that the final acquittal and refund of unspent funds can be arranged.

3. Acquittal process

3.1. Grants where the first-named Chief Investigator is a University of Adelaide employee

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. an operating statement for the period covered by the acquittal, listing all income and expenditure for the project by account code. This must be generated from either PeopleSoft or Cognos;
 - b. a detailed transaction listing of expenditure charged to the grant / scholarship;
 - c. a reconciliation between the PeopleSoft/Cognos 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 within the Faculty to remove these costs from the project;

and

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

| Income categories: | Expenditure categories: |
|---|--|
| Grant income from NHMRC | Salaries and Allowances |
| Income Received from Transferring Institution | Scholarships and Stipends |
| | Research Supplies |
| | Travel and Conferences |
| | Consultants and Contractors |
| | Expensed Assets (includes equipment items >\$10,000) |
| | Other Direct Research Costs |
| | Funds transferred to new Administering Institution |
| | Participating Institution Expenditure |
| | Funds returned to NHMRC |

- 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.

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- 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 email

- 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 salary account codes, 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.
 - 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 the acquittal workings.
 - c. Await an update of the acquittal from Research Accounting, then begin Step 2 again.
- iv. Once satisfied there are no inaccuracies, provide a copy of the acquittal to the relevant Chief Investigator / Supervisor.

Step 3:

Responsibility: Chief Investigator / Supervisor

Timeline: Due date specified in email

- 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.
- 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. The certified form must be provided as an original, or a scan of the original (electronic signatures are not acceptable).

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 Grant 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 and Planning Manager with a request to follow up.

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

- iii. Manager, Research Accounting will notify the Faculty Executive Dean, Chief Investigator / Supervisor and Faculty Finance and Planning Manager 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.

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If satisfied, forward the acquittal to the Chief Financial Officer or authorised delegate within Financial Services for final signing. 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

- ii. Forward the queries to the relevant Nominated Grant Acquittal Officer and Chief Investigator / Supervisor (where required).

Responsibility: Nominated Grant Acquittal Officer or Chief Investigator / Supervisor

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

3.2. Grants where the first-named Chief Investigator is a Clinical Affiliate Title Holder (CATH)

Step 1:

Responsibility: Research Accounting staff

Timeline: Annually in December

- 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 email

- 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 (where required).

Responsibility: Affiliate Organisation Finance Officer

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

3.3. Grants administered by another institution

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. an operating statement for the period covered by the acquittal, listing all income and expenditure for the project by account code. This must be generated from either PeopleSoft or Cognos;
 - b. a detailed transaction listing of expenditure charged to the grant / scholarship;

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- c. a reconciliation between the PeopleSoft/Cognos 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

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

| Income categories: | Expenditure categories: |
|---|--|
| Grant income from NHMRC | Salaries and Allowances |
| Income Received from Transferring Institution | Scholarships and Stipends |
| | Research Supplies |
| | Travel and Conferences |
| | Consultants and Contractors |
| | Expensed Assets (includes equipment items >\$10,000) |
| | Other Direct Research Costs |
| | Funds transferred to new Administering Institution |
| | Participating Institution Expenditure |
| | Funds returned to NHMRC |

- 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.]
- Populate the acquittal template with the income and expenditure.
- 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 email

- 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.
- Check the account codes that are included in each expense category. [For example, if a contractor has been paid through the salary accounts, Research Accounting will classify the cost as 'Salary', but under the NHMRC requirements this should be classified as 'Consultants and Contractors'.]
- If inaccuracies are detected:
 - a. Notify Research Accounting by email.
 - 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.
- Once satisfied there are no inaccuracies, provide a copy of the acquittal to the relevant Chief Investigator / Supervisor.

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Step 3:

Responsibility: Chief Investigator / Supervisor

Timeline: Due date specified in email

- 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.
- 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. The certified form must be provided as an original, or a scan of the original (electronic signatures are not acceptable).

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 Grant 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 and Planning 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 Faculty Finance and Planning Manager 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, email the certified financial acquittal to the administering institution.

Step 6:

If queries are received from the administering institution about an acquittal:

Responsibility: Research Accounting staff

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

Responsibility: Nominated Grant Acquittal Officer or Chief Investigator / Supervisor

- 3 Address the queries and provide a response for Research Accounting to forward to the administering institution.

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

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 December

- 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 email

- i. Prepare the acquittal based on the financial information recorded against each grant in their own institution's finance system.

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- 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.

Return the signed acquittal to Research Accounting by the due date [Note: Research Accounting will only accept non-certified acquittals if they have been provided by the collaborating institution's Research Accounting/Financial Services department. All other non-certified statements will be returned to the collaborating institution for resubmission].

Step 3:

Responsibility: Research Accounting staff

- i. Prepare acquittal of grant funds remaining at the University of Adelaide in accordance with Procedure 3.1 where the Chief Investigator is a University employee, or Procedure 3.2 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 has been 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:

Responsibility: Research Accounting staff

If the other institution fails to provide a certified acquittal in time for the University of Adelaide to be reasonably expected to meet the NHMRC deadline, Research Accounting is to notify the NHMRC and request an extension to the due date.

When following up with the other institution, Research Accounting must remind staff at the other institution that failure to provide the required acquittal information constitutes a breach of the NHMRC Funding Agreement.

Step 5:

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 (where required).

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.