

# ARC RESEARCH GRANT ACQUITTAL AND CARRY FORWARD PROCEDURES

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## OVERVIEW

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

## SCOPE

This procedure must be applied by all staff involved in the use and administration of ARC grants, and by relevant staff of other institutions when ARC grant funds are transferred to other institutions under Multi-Institutional Agreements (MIAs). This procedure also covers responsibilities for collaborative ARC grants administered by other institutions, where a University of Adelaide staff member is awarded a share of the ARC funds.

## DEFINITIONS

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

**Grant** means any ARC grant administered by Research Branch.

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

**RMS** means Research Management System, the ARC's online system for management of its grants.

## PROCEDURES

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

#### 1.1 Grant expenditure oversight

##### Step 1:

*Responsibility:* Chief Investigator

- i. Ensure that all awarded income is spent in accordance with the Agreement and that expenditure is in line with the broad structure of the proposed project cost detailed in the proposal or any revised budget, aims and research plan approved by the ARC.

The University recommends that Chief Investigators 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

- i. Oversee an appropriate financial management framework to allow each Chief Investigator 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 and carry out the responsibilities specified in these Procedures.

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- ii. Make available to the Chief Investigator financial information about the grant in accordance with a timeline agreed with the Chief Investigator. [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, including the final year of the project.

#### 1.2.1. Grants administered by the University of Adelaide

##### Step 1:

*Responsibility:* Chief Investigator

*Timeline:* Annually, by end of January

- i. Use ORBIT or liaise with the Nominated Grant Acquittal Officer to determine if there are unspent funds as at 31 December.
- ii. If a carry forward request is required, complete the Internal Signature/Carry Forward form available on the Research Branch website.
- iii. Submit the completed, unsigned form in Word format to [arcgrants@adelaide.edu.au](mailto:arcgrants@adelaide.edu.au).
- iv. Forward the original, signed, hard copy of the form to Research Branch.

##### Step 2:

*Responsibility:* Research Accounting

*Timeline:* Annually, by 15 March

- i. Enter ARC expenditure figures into RMS.

##### Step 3:

*Responsibility:* Research Branch staff

- i. Enter carry forward reason code and 750 character justification (if required) into RMS.

##### Step 4:

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

*Responsibility:* Research Branch staff

- i. Forward the queries to the relevant Chief Investigator.

*Responsibility:* Chief Investigator

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

##### Step 5:

*Responsibility:* Research Branch staff

*Timeline:* Within 7 working days of notification from the CI

- i. Extend the 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.

#### 1.2.2. Grants administered by other institutions

##### Step 1:

*Responsibility:* Research Accounting staff

*Timeline:* Annually, once December ledger closes

- i. Where unspent funds are identified during the preparation of the acquittal referred to in Section 1.3.3, include an additional request in the acquittal email to the Nominated Grant Acquittal Officer and Chief Investigator to ensure that carry forward request commentary is included on the signed form to be returned to Research Accounting.

##### Step 2:

*Responsibility:* Chief Investigator

*Timeline:* Annually, upon receipt of acquittal to be reviewed

- i. Provide carry forward justification commentary on the acquittal form, which is to be certified and returned to Research Accounting as per Step 3 of Section 1.3.3 (below).
- ii. Notify Research Branch staff once the outcome of the carry forward request is known.

##### Step 3:

*Responsibility:* Research Branch staff

*Timeline:* Within 7 working days of notification from the CI

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- 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.

### 1.3 Acquittal process

#### 1.3.1. Grants administered by the University of Adelaide

The ARC acquittal process includes a Period 1-10 and 1-12 review. The ARC Period 1-10 review is a preliminary check of expenditure allocated against ARC grants. Both the ARC Period 1-10 and ARC Period 1-12 spreadsheet must be certified by the Faculty Finance and Planning Manager.

#### Step 1:

*Responsibility:* Research Accounting staff      *Timeline:* For P1-10 immediately following closure of October ledger (November) and for P1-12 late January of the following year

- i. Prepare an acquittal workbook detailing all active ARC grants for each Faculty, including a separate tab for each ARC funding scheme. The acquittal spreadsheet includes the following information for each grant:

GL project code	Eight digit PeopleSoft general ledger project code identifier.
Project description	Project description from PeopleSoft.
Cost centre	Three digit cost centre code for the cost centre owning the grant.
Project manager	Project manager recorded in PeopleSoft. This is the Chief Investigator of the project.
ARC reference	ARC project reference (i.e. DPXXXXXXXXX).
GL opening balance	General ledger opening balance as per PeopleSoft.
Adjusted opening balance - ARC funds	Opening balance of ARC funding held by the University of Adelaide.
Adjusted opening balance - unspent collaborator funds	Opening balance of ARC funds held by collaborating institutions.
Adjusted opening balance - other funds	General ledger opening balance less adjusted ARC opening balance of funds held by the University of Adelaide.
ARC grant	ARC income for the period.
Internal recoveries	Internal recoveries processed during the year through internal trading journals. All internal recoveries are reviewed by Research Accounting and are automatically offset against ARC expenditure with a comment included to this effect. Nominated Grant Acquittal Officers must advise Research Accounting if any internal recoveries are not to be offset against ARC expenditure.
Internal funds transfers	Internal funds transfers in or out of the project during the period. Internal funds transfers are reviewed by Research Accounting and are automatically offset against expenditure with a comment included to this effect. Nominated Grant Acquittal Officers must advise Research Accounting if any internal funds transfers are not to be offset against ARC expenditure.
Other external income	All other (non-ARC) external income receipted to the project code.
Total income	Includes all ARC income, internal recoveries, internal funds transfers and other external income.
Total adjusted income	Total income including automated adjustments to offset internal recoveries and internal funds transfers.
Current year expenditure per GL	Total expenditure charged to the project in the reporting period.
Total adjusted expenditure	Total expenditure including automated adjustments to offset internal recoveries and internal funds transfers.
Unacquitted prior year expenditure	ARC does not allow the University to report over expenditure. Any ARC expenditure not acquitted in a prior year is included here.
Payments to collaborators	Amount of funding transferred to collaborating institutions during the year (invoices coded to expense account 2570).
Collaborator expenditure	Actual expenditure incurred by collaborating institutions in the current year. This information is populated by Research Accounting after the Faculty review, based on acquittal information provided from collaborators [refer to Section 1.3.2 of this procedure].
Non-ARC expenditure	Any expenses recorded against the project in the current year that should not be allocated against the ARC grant funds.

## ARC RESEARCH GRANT ACQUITTALS AND REQUESTS TO CARRY FORWARD FUNDS PROCEDURE

Unacquitted ARC expenditure for current year	ARC does not allow the University to report over expenditure. Any ARC expenditure exceeding the available balance of ARC funds is included here.
Expenditure reported to ARC	ARC expenditure (including adjustments to report actual collaborator expenditure) to be reported in RMS.
Expenditure check	Formula to ensure total adjusted current year expenditure + unacquitted prior year ARC expenditure is equal to ARC expenditure to be reported in the current period + unacquitted current year expenditure + non-ARC expenditure – payments to collaborators.
GL closing balance	General ledger closing balance as per PeopleSoft.
Balance check	Formula to ensure GL opening balance + total income - current year expenditure - GL closing balance = zero. This is a check to ensure any manual adjustments have not incorrectly altered the GL closing balance recorded in the general ledger.
Adjusted ARC closing balance	Formula: Adjusted ARC opening balance + ARC income – total adjusted expenditure + unacquitted prior year expenditure – unacquitted current year expenditure – non-ARC expenditure.
Adjusted unspent collaborator funds closing balance	Formula: Adjusted unspent collaborator funds opening balance + payments to collaborators – actual collaborator expenditure.
Adjusted other closing balance	Formula: GL closing balance – adjusted ARC closing balance
Research Accounting Comments	Comments for the Nominated Grant Acquittal Officer to review and respond to.
Faculty/School Comments	Space for Nominated Grant Acquittal Officer to respond to Research Accounting comments, or to provide additional information to be communicated to Research Accounting.

- ii. Email the completed acquittal workbook to each Faculty Finance and Planning Manager, with a due date for the signed acquittal workbook to be returned. The Faculty Finance and Planning Manager is responsible for distributing the data to appropriate Nominated Grant Acquittal Officer/s for detailed review.

### 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 under the grant agreement;
  - e. account codes with unexpectedly large or small balances can be accounted for;
  - f. comments are included for the treatment of income recoveries;
  - g. comments are included for the treatment of internal funds transfers; and
  - h. comments are included for the treatment of other income.
- ii. Ensure details of any adjustments required due to internal recoveries, internal funds transfers or other income are included in Appendix A of the ARC acquittal workbook.
- 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 a copy of acquittal to the Faculty Finance and Planning Manager for final review and certification. The certified acquittal is to be returned to Research Accounting.

### Step 3:

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*Responsibility:* Research Accounting staff

- i. On receipt of signed acquittal, undertake a final review to make any final adjustments to the figures as identified through the Faculty review process.
- ii. Load the certified financial acquittal information into RMS (P1-12 only).

### **Step 4:**

If queries are received from the ARC about an acquittal:

*Responsibility:* Research Accounting staff

- i. Forward the queries to the relevant Faculty Finance and Planning Manager, Nominated Grant Acquittal Officer and/or Chief Investigator (where required).

*Responsibility:* Faculty Finance and Planning Manager, Nominated Grant Acquittal Officer or Chief Investigator

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

### **1.3.2. 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. The ARC Period 1-12 acquittal reports transfers to other institutions as spent in full. An adjustment is required to the ARC expenditure amount to reflect the actual amount spent by the other institution/s.

### **Step 1:**

*Responsibility:* Research Accounting staff

*Timeline:* Annually in December/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 email

- 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.

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. Once the fully certified acquittal has been received from the other institution, adjust the University's ARC P1-12 ARC expenditure amount to reflect the actual amount spent by the other institution. [Note: If there are issues with receiving the acquittal from the other institution and there is concern about the ability to meet the ARC's financial reporting deadline, Research Accounting must contact the ARC who will assess the issue on a case-by-case basis. When following up outstanding acquittals with other institutions, Research Accounting staff must remind staff at the other institution that failure to provide an acquittal constitutes a breach of the ARC Funding Agreement].
- ii. Load the final ARC expenditure figure into RMS.

### **Step 4:**

If queries are received from the ARC about an acquittal:

*Responsibility:* Research Accounting staff

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

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*Responsibility:* Faculty Finance and Planning Manager, Nominated Grant Acquittal Officer or Chief Investigator, or other institution's Finance Officer

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

### 1.3.3. Grants administered by other institutions

#### Step 1:

*Responsibility:* Research Accounting staff

*Timeline:* Annually once December ledger has closed

- i. Prepare an acquittal for each active ARC grant administered by another institution. 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;
  - c. a reconciliation between the PeopleSoft/Cognos operating statement and the ARC acquittal. Where ARC 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 ARC grant funding;
    2. where salary supplementation has been credited to the grant (a manual adjustment will be made to offset the salary supplementation income against salary expenditure);
    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 ARC have been charged to the grant. These must be manually adjusted for in the acquittal, although a journal must be processed by the Faculty to remove these costs from the project;

and

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

Income categories:	Expenditure categories:
ARC grant income received from other institution	Salaries & Related Costs
	Operating
	Travel
	Capital

- ii. Undertake preliminary checks of income and expenditure items, with particular reference to expense account codes for expenditure items specifically disallowed by the ARC. [Refer to ARC Funding Agreements].
- iii. Populate the acquittal template with the income and expenditure.
- iv. Email the completed acquittal workbook to Nominated Grant Acquittal Officers with a copy to each relevant Chief Investigator, with due date for the signed acquittal (including any carry forward request comments) 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 ARC Funding Agreement; and
  - e. account codes with unexpectedly large or small balances can be accounted for.
- ii. If inaccuracies are detected:
  - a. Notify Research Accounting by email of any inaccuracies.

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- 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.
- iii. Once satisfied there are no inaccuracies, provide a copy of the acquittal to the relevant Chief Investigator.

### Step 3:

*Responsibility:* Chief Investigator

*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. Where required, include carry forward request commentary on the acquittal form.
- iii. Once 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 email to the Nominated Grants Acquittal Officer and Chief Investigator, stating that the acquittal is overdue.

If the 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 and Nominated Grants Acquittal Officer advising of the non-compliance and requesting resolution.

### Step 5:

*Responsibility:* Manager, Research Accounting

- i. On receipt of the signed acquittal, undertake a final review to ensure that the acquittal has been prepared in accordance with the Agreement.
- ii. Certify the acquittal.

### 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 (where required).

*Responsibility:* Nominated Grant Acquittal Officer or Chief Investigator

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

## 2. Consequence of non-compliance

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