

# Research Grants - Administration & Accounting Procedures

## Introduction

Research Grants represent the single largest category of income other than Operating Grants and is received from a multitude of sources for specific purposes, e.g. competitive and non-competitive research grants from government (Commonwealth, State and Local), industry and private sources. Funds are normally made available following submission of a proposal by university personnel to the granting body, who will indicate the manner in which the funds are to be employed, any special conditions and reporting requirements.

## Management of Research Grants

The UNSW Grants Management Office facilitates the research efforts of UNSW staff by assisting with applications for grants and fellowships, the negotiation of research contracts and the administration of externally funded funds. The Office also contains the Ethics Secretariat and provides full management services for ethics applications and monitoring.

The UNSW Grants Management Office has three Faculty-focused teams who all have expertise in every aspect of research administration. They have relevant specialist support from the Legal and Finance Offices.

The Grants Management Office works closely with research administrators within Faculties and Schools through the Research Administrators Network, which meets bi-monthly to exchange information about upcoming schemes and current issues in research administration, including reporting associated with major grant rounds and legal and financial matters relating to externally funded research.

## Grant Applications

UNSW Grants Management Office broadcasts all funding opportunities and deadlines for application submission on their Website. The Grants Management Office provides comprehensive support mechanisms for funding applications. In addition to the discipline specific support and programs provided at the Faculty / School level, researchers can also access support from the Research Strategy Office and Research Partnerships Unit.

Applications should be submitted by the specified internal deadline so that the application may be checked prior to submission to the granting body. Applications which include requests for salary funding must always include on-costs.

## Notification

UNSW Grants Management Office will notify applicants of the application outcome. If successful, UNSW Grants Management Office will also advise the applicant of the process for accepting the grant and establishing a research account. This will include arranging for the associated grant conditions and/or contract to be signed by the Director of Grants Management Office on behalf of the applicant. Once the grant has been accepted a budget will be created in the University's general ledger to match the awarded amount.

## Accounting for Research Grants

Grants may have one-line funding or they may have restrictions which will be outlined in the grant conditions. One-line grants allow for the funds to be spent over a wide range of agreed areas such as salaries, equipment, travel, materials etc. at the discretion of the grant recipient, subject to the University's guidelines. On the other hand, there will be other grants that specify how the funds are to be divided between the various categories of expenditure.

To assist with financial management of research grants, financial statements are produced electronically and emailed on a monthly basis to all researchers. These statements can also be generated at any time through the UNSW Finance System or Grants Management Office's research database (InfoEd) by all research support staff.

In addition Research Finance Services routinely prepare and produce research financial statements for granting bodies in accordance with the contractual terms and conditions.

### **Scheduled Payments on Research Grants**

Invoices to the granting body will be raised by UNSW Grants Management Office in accordance with the funding conditions and/or contract. Upon signing the contract, invoices are raised and placed on "hold" as per the payment schedule in the contract. The release of invoices to the granting body is based on the due dates of the contract.

### **Progress Reports/Milestone Driven - Research Grants**

Where payment of the grant is milestone driven, the grant recipient must advise UNSW Grants Management Office that a milestone has been met in order for an invoice to be raised and sent to the granting body.

### **Interest on Research Grants**

UNSW allocates interest to a specific project where there is a contractual requirement. Such allocations are made each year in June and December.

Only in exceptional circumstances will interest allocation to projects be delayed and in future Finance will advise the relevant project owners.

Research accounts are paid the Reserve Bank of Australia (RBA) cash rate.

### **Research Salary Top Ups**

Since 2010, as part of the Budget Process, the University has committed to funding the Enterprise Bargaining (EB) Agreement Gap, which is the difference between the salaries of the University and the salaries of ARC and NHMRC.

UNSW provides Faculties with specific allocations to cover these EB top ups.

The allocation of these funds covers the unfunded direct cost associated with incremental research revenue and ensures that there is no disincentive associated with being awarded new grants.

### **Research Foreign Exchange Risk Management**

Foreign exchange risk is the risk generated by movement in exchange rates and it can result in a potential gain or loss.

UNSW Treasury has expertise in foreign exchange risk management and can develop tailored solutions to provide certainty for members of the UNSW research community with foreign currency income or expenditure.

UNSW Treasury is able to lock in fixed rates for both income and expenditure from the time that a contractual right exists in relation to a transaction.

## Higher Education Research Data Collection

The Higher Education Research Data Collection (HERDC) Return is an annual return submitted to the Department of Innovation, Industry, Science and research (DIISR). There are two returns; one for research income and the other for research publications. The research income return is compiled through a collaborative effort between Corporate Finance and the Office of the Deputy Vice-Chancellor (Research).

All faculties are provided with research income received in a particular calendar year and they verify/confirm the amount eligible to be included in the research income return. They will also advise if there are other amounts that are eligible to be included, that are not captured by the main report.

The HERDC information and other statistics provided to DIISR are used to determine the distribution of the Research Block Grant.

This includes; the Research Training Scheme (RTS); Joint Research Engagement (JRE); Sustainable Research Excellence (SRE) and Research Infrastructure Block Grant (RIBG); funding to the Sector, as well as Australian Postgraduate Awards (APA) and International Postgraduate Research Scholarships (IPRS).

## Severance Payments in Research Projects

Payments for research staff that are entitled to receive a termination payment now come from a central UNSW account and do not need to be budgeted in research projects.

This means that the employees' termination obligations for eligible researchers are funded by the University rather than being paid out of research funds.

The payment process has also been automated. Upon receiving a termination advice, HR calculates and pay severance amounts in accordance with the relevant enterprise agreement.

The process to manage severance payments was outlined in a memo issued by the VCAC on June 23, 2010.

## Responsibility for Expenditure in Research Projects

Chief Investigators (CI) have ownership of research grants awarded to them and all expenditure related to the awarded grant. This includes regular monitoring of projects to ensure expenditure ultimately remains within the limitations of the research amounts awarded.

## Completion of a Research Project

A research project is considered complete when the project:

- Has achieved its aims and objectives,
- Has been fully costed,
- Has past its end date and no further extensions will be granted, and
- Has no forthcoming funds

Fully costed means all costs have been attributed to the research project. Where there is a deficit balance after completion, this deficit will be charged to the relevant School/Centre/Faculty Operating Budget. Where there is a positive balance and UNSW has no obligation to return the surplus funds, the balance will be transferred to the RF111 project in the School/Centre/Faculty.