THE UNIVERSITY OF NOTRE DAME AUSTRALIA

Procedure:

Financial Grant Management

Effective: 1 January 2026

Audience: Employees

Policy Category: Management
Policy Sub-category: Finance and Procurement

Key words:	Grants, funding, research, SRA
Procedure Owner:	Chief Financial Officer
Responsible Officer:	Director, Business Engagement
Review Date:	January 2029

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1. PURPOSE

1.1. The University of Notre Dame Australia obtains research and non-research grant funds from multiple public and private sources including Federal, State and Local government, industry, foundations and donors.

1.2. This Procedure outlines the University's requirements for the effective financial management of grant funding, both research and non-research to ensure that:

1.2.1. The grant revenue and its related expenditure is managed and recorded appropriately in the University accounts and financial statements;

1.2.2. The funding is used in accordance with the conditions of the funding agreement, and the University's policies, procedures and guidelines; and

1.2.3. The University can effectively discharge its financial compliance and external reporting obligations.

1.3. The Procedure applies to all University employees and students who are responsible for or involved in the use and financial management of external grant funds.

2. RELATED POLICIES AND REGULATIONS

2.1. This Procedure should be read in conjunction with the following policies:

2.1.1. *Code of Conduct: Research*

2.1.2. *Employee Code of Conduct and Ethical Behaviour*

2.1.3. *Policy: Standard Delegations of Authority*

2.1.4. *Policy: Procurement*

2.1.5. *Procedure: Procurement*

2.1.6. *Policy: Research Funding and Agreements*

2.1.7. *Policy: Travel*

2.1.8. *Procedure: Travel*

2.1.9. *Procedure: Corporate Credit Cards*

2.1.10. *Guideline: Business Expense*

3. OVERVIEW

3.1. Upon confirmation that an external grant has been awarded by a funding body and an executed agreement has been provided, the Finance Office will set up a project code in the University's finance system.

3.2. External grants are awarded to nominated projects and these grant funds can only be used for the purposes specified in the funding agreement/contract.

3.3. The following roles have responsibility for various aspects of grant management:

Responsibility	Role
1. The preparation of an application or proposal including appropriate costing and pricing of the activity, ensuring that the application or proposal is compliant with funder guidelines and University policy, procedures and guidelines. For research, this must be completed using the Notre Dame Budget Pricing Template 2. Management of specific **<u>research and/or non-research</u>** grant; 3. Must ensure that funds are spent in accordance with: • approved budgets (as per the University Standing Delegations of Authority); • the conditions and time limits of the grant; and • University policy, procedures and guidelines. 4. Must ensure that all income and expenditure in the relevant project code is accurate and up-to-date and that the grant is fully expended at the agreed project end date as per the agreement.	Lead
1. Accountable for research and non-research grants in Faculty; and 2. Authority for expenditure in excess of the Lead's delegated authority.	Executive Dean (ED)
1. Accountable for research and non-research external funding in Institutes; including ensuring that the activity is approved and has been appropriately costed and priced 2. Authority for expenditure in excess of the Lead's delegated authority.	Institute Director (ID)
1. Accountable for non-research grants in Division; and 2. Authority for expenditure in excess of the Leads delegated authority.	Senior Leader (Other than ED or ID)
1. Accountable for research and non-research external funding in Institutes 2. Authority for expenditure in excess of the Institute Director delegated authority. 3. Approve the establishment, governance, and use of SRAs, in consultation with Finance Office and Research Services. 4. Approve requests for PVCR cash and RTP contributions to externally funded research	Pro Vice Chancellor Research (PVCR)

1. Provide support to the above mentioned roles for all budget preparation. For research, in collaboration with Research Services and as per Policy: Research Funding and Agreements 2. Creation of unique Project Code 3. Provide support to the above mentioned roles to ensure responsible management of research and non-research funding, including compliance with the financial requirements of Funding Bodies and UNDA policy. 4. Provision of financial reports to Leads to support the financial management of externally funded activity and provision of financial reports and acquittals as required by the funder	Finance Office

4. PROJECT CODE

4.1. A unique project code will be established for each grant funded project to enable:

4.1.1. Effective identification, recording and monitoring of project income, expenditure and unspent funds carried over; and

4.1.2. The acquittal of funding for financial reporting purposes.

4.2. A project code is a unique account code set up for each project that is managed in the University's financial system PeopleSoft. It consists of a 6 alpha numeric characters and the prefixes of the code denotes the type of research or non-research project:

Prefix	**Type of Project**
A	Australian Research Council (**ARC**)
N	National Health and Medical Research Council (**NHMRC**)
M	Medical Research Future Fund (**MRFF**)
RC	Contract Research
R	All other research grants/funding
EHMT	Rural Health Medical Training (**RHMT**) funds
NR	Non-research projects
IR	Internal UNDA Seed Grants

4.3. Once the agreement/contract has been executed by the University and all internal paperwork lodged then:

4.3.1. For a Research Grant – the Finance Office will create the project code and notify the respective researcher

4.3.2. For a Non-research Grant a request for project code can be submitted to the Finance Office.

4.4. The Finance office will arrange for the creation of a unique project code within 5 business days of the receipt of the form/request.

4.5. On creation, the Project Code and other relevant information will be sent by the Finance Office to the Lead and other relevant stakeholders as identified for the particular grant.

4.6. The end date set on the Project Code is 6 months after the agreement/contract end date. This allows final expenditure from the last month of the project term to be processed (i.e. travel, credit card reconciliations etc) and for the Lead to review all expenditure is correct. No new expenditure should occur after the granting period end date. The Project code will only be extended if there is an approved agreement variation provided.

5. RESEARCH GRANT FINANCIAL MANAGEMENT

5.1. Financial and administrative management of an externally funded project is the responsibility of the Lead.

5.2. Senior Leaders have a responsibility for ensuring that externally funded project codes operating within their Faculties or Divisions are managed in accordance with grant conditions and University policies, procedures and guidelines.

5.3. The Lead for the project should ensure they are fully informed of their obligations under the funding agreement or contract and their responsibilities under University policy, procedures and guidelines.

5.4. The Lead can only incur expenditure in relation to a project when the University has entered into and has a fully executed written funding agreement with the funding body.

5.5. The Lead should ensure that the project finances are not overspent and that financial oversight is exercised when requests for expenditure are made to ensure that sufficient funds are available to cover anticipated expenditure over the life of the grant.

5.6. The Finance Office will require the input of the Lead to understand the monthly phasing of the Budgeted amounts to assist with providing accurate forecasting to support financial decisions.

5.7. Where an overspend is forecast, the Lead must work with the Finance Office to correct this. If the overspend is unavoidable, the deficit will be funded from the Operational budget of the Faculty or Research Institute. Approval from the Executive Dean or Institute Director must be obtained prior to spending.

5.8. The Lead is responsible for the authorisation of project expenditure in line with the UNDA financial delegations and should ensure that expenditure charged to a project relates specifically to that project and is in accordance with the project description, approved budget and funding agreement and any other relevant delegation that may apply.

5.9. Salaries of Chief Investigators and Project Leads can be recovered or paid from grant funds only if this is allowed in the funding agreement or grant conditions.

5.10. The Lead is responsible for ensuring all Annual Leave is taken by employees funded by a grant, or where leave is not able to be taken, sufficient budget is retained to cover any annual leave roll over or pay out that is required when the grant ceases.

5.11. The Lead should report any significant changes in their project's budget to their Executive Dean/ SMG Lead of Division and the Finance Office prior to any expenditure and appropriate approvals should be sought from the funder as soon as possible, with support from Research Services and Legal.

5.12. All direct and indirect expenditure (as detailed in the contract) must be charged to the project, including the time spent by researchers/ other University employees (salary expenditure). If the contract does not specify how expenditure is to be incurred, the project costing budget will be taken as the basis for expenditure.

5.13. In-kind contributions to grants (salary or non-salary) need the approval of the relevant SMG member.

5.14. Where the in-kind contribution pertains to salary (employee time) and can be costed to the Grant, an equivalent dollar amount of the employee's total employment cost (including leave accruals over the period) must be transferred to the relevant employees' department from the grant.

5.15. Where the in-kind contributions pertains to salary (employee time) and cannot be recovered from the Grant, the relevant SMG member will need to provide approval for the employee time to be allocated in the employees's workload.

5.16. The Lead must follow general university requirements on expenditure, purchasing, recruitment and invoicing, in addition to any specific funding/spend requirements of the funding body. The procurement of project services and materials must be approved and undertaken in accordance with the *Policy: Procurement*.

5.17. For shared grants, this will be managed by the Research Office with the support of the Finance Office to ensure payment/receipt of funds in line with the executed agreement.

5.18. The Finance Office will arrange to recover on a monthly basis, as relevant, indirect overheads/infrastructure costs from grant funds as provided in the grant conditions and the University policy

6. GRANT INCOME

6.1. The Finance Office will maintain a schedule setting out invoicing timelines, milestones (provided by the Lead) and any financial reporting/statements required by the executed agreement.

6.2. Invoices for all grant income are raised by the Finance Office in accordance with contract conditions. The Lead shall be requested to confirm completion prior to billing, if the billing is conditional upon performance or progress reporting milestones. Where billing is conditional on milestones, Research Services and/or the Lead would confirm milestone achievement prior to issuing the invoice.

6.3. Income is recorded in the project code when grant income received is deposited or when the University raises an invoice to the funding body, however for financial reporting purposes, income is recognised in line with the Australian Accounting Standards based on when the University obtains control of the research funds. Contract revenue is recognised over time when the service is provided and at a point in time when the promise is delivered.

6.4. It is the responsibility of the Finance Office to follow-up and action unpaid invoices.

7. INTEREST ON GRANT FUNDS

7.1. The University will generally not agree to accept grants which specify that interest earned on the grant funds is to be credited back to the project, however if this is non-negotiable, processes are in place to manage this.

7.2. For those contracts that stipulate interest is to be credited to the project, interest is calculated and credited to the relevant project in June and December, based on the relative proportion of the actual interest earned for the 6 month period.

8. MANAGEMENT REPORTING

8.1. Reports

8.1.1. The University is implementing a standard suite of management reports that allows reports to be presented in a consistent format across different layers of the University.

8.1.2. These reports include:

8.1.2.1. Monthly financial statement showing (a) Total Grant; (b) YTD Grant income received; (c) YTD salary and non-salary (detailed categories) expenses; (d) Interest credited if applicable (f) Indirect overheads/ infrastructure costs if applicable; (g) expense commitments; (h) Unspent YTD funds; (i) remaining funds.

8.1.2.2. YTD transaction reporting detailing all income and expenditure appearing in the Project Code account.

8.1.3. The Lead is responsible for providing regular reports on grant expenditure and milestones to the Faculty [ADLT/ADR/NHoS/ED].

8.2. Timeliness of data

8.2.1. Due to the finalisation of month end processes, the finalised month end data will normally be available by 12th working day of the month

8.3. The Lead is responsible for reviewing actual expenditure and commitments in comparison to project financial plans/budgets on an ongoing basis during the project and engaging the Finance Office and the relevant executive in required changes to project financial plans.

8.4. The transactions in the transaction report and the balance in the financial statement should be checked and any errors should be corrected as soon as possible. Finance Office can provide assistance with any corrections that may be required. This is especially important as the project

is nearing the completion date as stated in the agreement/contract.

8.5. The Finance Office will review actual project expenditure on an ongoing basis throughout the life of the project, in comparison to project financial plans, funding rules and updated forecasts. Finance must prioritise their review based on higher risk and complex projects and those in their final year, with the overall objective of quarterly interaction with Lead to revisit project financial plans.

9. RESEARCH GRANT FINANCIAL REPORTING

9.1. Externally funded projects generally require periodic financial reporting to the funding body, in line with the executed agreement. In such instances, the Finance Office is responsible for preparing the reports and submitting them to the funding body, after these have been reviewed and verified by the Lead, Research Services or relevant Department as applicable.

9.2. The Lead is responsible for assisting the Finance Office in the preparation of financial acquittals both during and at the completion of a project and providing necessary comfort in relation to expenditure, including declaration statements that may be required by the Funding body.

9.3. Only financial acquittals prepared and authorised by the Finance Office are to be provided to granting bodies.

9.4. The cost of an external audit will be borne by the project budget and should be factored into the project cost when submitting applications.

10. TRANSFER OF RESEARCH PROJECT FUNDS TO OTHER INSTITUTIONS

10.1. The Lead is responsible for notifying Research Services if they are leaving the University employment while holding external research funds.

10.2. When the Lead leaves the University part way through a research project it may be necessary for unspent research funds to be transferred to another institution. Such transfer can only be in accordance with the conditions of the agreement.

10.3. The transfer of unspent research project funds to another institution will conform to research contract conditions and will require approval by the Pro-Vice Chancellor, Research (**PVCR**), the funder and the recipient institution.

10.4. Where a Lead joins the University and seeks to transfer unspent external research funds from a previous institution, the transfer requires approval of the Senior Leader, the funder, and the releasing institution, and must be in accordance with the conditions of the agreement and University Policy and Procedures.

10.5. The Finance Office is responsible for recognising the transferred funds and ensuring financial management is consistent with the conditions of the agreement and University Policy and Procedures.

11. COMPLETION OF AN EXTERNALLY FUNDED GRANT

11.1. Closure occurs after all agreement milestones, deliverables and final reports are complete. Surplus funds can only be retained where permitted by the agreement.

11.2. The Finance Office is responsible for the closure of a project code following confirmation from the Lead that the externally funded activity has been completed.

11.3. At the completion of an externally funded project, it is the responsibility of the Lead or delegate to verify the transactions recorded against the project code and provide the necessary advice

to the Finance Office to finalise the account.

11.4. The Lead must notify payroll to cease allocations to the project code at the time of closing the grant.

11.5. In the event that a project goes into deficit, the shortfall of funds will be recovered from the operating budget of the relevant Faculty or Division.

11.6. It is the responsibility of the Lead to negotiate with the appropriate Executive to transfer funds as required to reconcile the project code.

If a project surplus is achieved (above the full cost of the project) at the end of the project, and there is no obligation to return the surplus to the funding body, the funds will be transferred to a Special Research Account (SRA) managed by the PVCR. These funds will be spent on research and research-related purposes and applications can be made to the PVCR to utilise these funds.

11.7. Once the project requirements are completed, the project code is closed in the University financial system. This should be done within six months of the project's end date. If the project cannot be closed, the end date must be amended with sufficient supporting evidence.

11.8. The Finance Office is responsible for the closure of a project code following confirmation from the Lead that an externally funded project has been completed.

11.9. The Finance Office will only close a project code after it has been reconciled and any surplus or deficit amounts have been transferred or reimbursed as required.

12. SPECIAL RESEARCH ACCOUNTS (SRA)

12.1. Eligibility

12.1.1. The surplus of a research project can be transferred to the PVCR SRA subject to the following conditions:

12.1.1.1. The project must reflect the full expenditure incurred in undertaking the project's activities, including all researchers' time and any outstanding leave accruals before a surplus is transferred to a SRA.

12.1.1.2. There must be no risk to the surplus from currency fluctuations, expenditure exceeding budgeted costs, excess research/consultant time or other financial risks. If there is a risk to the surplus, the University can retain an appropriate portion of the surplus to cover this risk.

12.1.1.3. There must be no contractual restrictions on the University retaining the surplus. Surplus funds will not be transferred to an SRA if the transfer will result in a breach of contract conditions by the University.

12.2. Establishment of an SRA

12.2.1. The establishment of further SRA's is at the discretion of the PVCR. At most, it is the intention that there are only SRAs for each Research Institute and one for the PVCR office.

12.3. Using an SRA

12.3.1. An SRA allows surplus funds to be managed according to standard financial controls and auditing requirements. These accounts enable and facilitate research in the University.

12.3.2. Funds in SRAs may be used to support research and research-related activities only.

12.3.3. The balance of a SRA cannot go into deficit.

12.3.4. Annual approved budgets for the SRAs must be provided through the University's annual budget process with suitable detail to allow the expenditure to be monitored.

12.3.5. The funds in the SRAs will be managed by the PVCR office.

12.3.6. An annual cap on total funds that can be accumulated will be determined by the PVCR

and the CFO.

12.3.7. SRA funds are eligible to be carried forward to future financial years. The impact of the SRA expenditure must be managed in the operating budget.

13. DEFINITIONS

13.1. For the purpose of this Procedure, the following definitions apply:

13.1.1. **Executive** means any Employee who is a member of the Senior Management Group, as determined by the Vice Chancellor.

13.1.2. **Senior Leader** retains the same definition as per the University Delegations of Authority

13.1.3. **Funding Body** means an Organisation or Agency that provided funds for a specific purpose.

13.1.4. **Grants** are agreements in which a funding agency provides, under generic terms and conditions, funds to support the cost of any project (i.e. to support academic research activities or to support a specific activity that is not research). Grants require a financial acquittal and normally the return of any unspent funding to the funding organisation

13.1.5. **Indirect costs** are costs that are not directly attributable to the activity but are incurred by the University in carrying out its business. Indirect costs may be referred to as 'Overheads' or 'Facilities and Administration Costs'. This can include utilities, physical facilities, information technology, library services, insurance, research services, financial, staffing and legal services, and administrative support at Faculty, Institute and University levels. Refer to the University's Overhead Cost Recovery Factor.

13.1.6. **In-kind** means payment in goods, commodities, or services (as opposed to cash) and can include personnel costs such as, employee/student salary and on-costs that are already paid by a source of funding other than the project in question (i.e., University salary) but are being committed to the project being costed.

13.1.7. **Lead** means either Project Lead or Chief Investigator.

13.1.8. **Overhead Cost Recovery Factor** means the charge applied to offset the indirect costs incurred by the University for conducting research activity. This is calculated using a scale according to the direct costs of the research activity and is to be included in the application or proposal price. This is to ensure that externally funded research activities comply with competitive neutrality principles

13.1.9. **Research** is the creation of new knowledge and/or the use of existing knowledge in a new and creative way so as to generate new concepts, methodologies and understandings. The research, along with its results, is ordinarily owned by the University

13.1.10. **Employee** means an Academic Employee and/or a Professional Employee, as defined by The University of Notre Dame Australia Enterprise Agreement 2022-2026, or its replacement.

13.1.11. **University** means The University of Notre Dame Australia.

Version	Date of approval	Approved by	Amendment
1	23 August 2022	Vice Chancellor	Effective date – new procedure.
2	1 January 2026	Chief Financial Officer	Major amendments to reflect changes in practice since inception.