PROCEDURES

Development Assistance and Research Project Management Procedure

Policy Number: 6.33.15a
Responsibility: Executive Director Finance

1. Overview

Guideline for efficient management of development assistance and research projects from inception to completion and the treatment of the surplus & deficit arising from a project.

Responsibilities of Fund Controllers, Finance, and Development Office

4.1. A) Fund Controllers

A fund controller is an assigned delegate of the University who has the authority to make a decision and approve USP's financial transaction within the limits defined in the Scheme of Financial Delegation.

The Fund Controller/ project team leader is held accountable for the operations of the project from inception to completion. The Fund Controller's specific responsibilities shall include:

  i.   Being mindful of, and adhering to, all sponsor-imposed terms and conditions, as well as University policies and procedures related to administering sponsored agreements.

  ii. Obtaining prior approvals from the Development Partners through Development & Marketing Office (DMC) or Research Office (RO) from the development partner for post-award changes relating to

         -   the conduct of the research/ project,

- scope of the work,

- budget amendment,

- expenditure of funds awarded

- and no cost extension of the project.

iii. Observing the Universities policies and procedures to protect intellectual property rights and academic freedom.

iv. Managing and controlling project funds in a prudent manner and expending funds in accordance with the restrictions imposed by the award terms and conditions and University policy and not exceeding the award amount.

v. While responsibility for certain day-to-day management of the project finances may be delegated to administrative or other staff, accountability for compliance with the development partner's requirements and University policy ultimately rests with the Fund Controller.

4.1. B). Finance Office

The Management Accounting Team in Finance Section is primarily responsible for setting up awards in the MIS, billing and cash collection throughout the life of the project, coordinating the effort reporting process and preparing financial reports to the agency, primarily at the close out of the award. The Management Accounting Department's specific responsibilities include:

i. Setting up of all new sponsored research/project vote code in banner system.

ii. Billing all agencies in accordance with the award invoicing terms.

iii. Managing internal accounts receivable system to assure data integrity.

iv. Resolving unidentified payments from the development partners.

v. Researching and resolving any credit balances in accounts receivable.

vi. Providing monthly project summary to the Development, Marketing, Communications & Alumni (DMCA) Office, Research Office and the respective Fund Controllers; addressing the following:

- Balances remaining in each project account, highlighting overspending; if any,

- Identifying those projects which has not been invoiced to development partners,

- Project termination dates.

vii. Calculating and posting all overhead charges to the individual projects.

viii. Assisting the project finance officer in terms of reporting & responding to audit queries.

ix. Preparing final reports and assisting in project closure.

x. Deactivating the closed projects on Banner and transferring left over balances as per initial funding agreement.

xi. Performing post audit reviews on individual project transactions.

4.1. C) Development, Marketing, Communications & Alumni (DMCA) Office

The Development, Marketing, Communications & Alumni (DMCA) Office is responsible for the overall coordination, awarding and monitoring of all projects accounts.

DMCA's specific responsibilities during the post award management process include:

i. Serving as the office of record for all awards made to The University of the South Pacific.

ii. Reviewing and approving of all memorandum of agreement with the development partners.

iii. Critically assessing the impact of the respective MOU on the University.

iv. Ensuring that contracts address legal implication and requirements of the University.

v. Monitoring project activity and liaising with the donor where necessary.

i. Coordinating and negotiating any changes with the development partners and as necessary, and accepting or executing modifications to the award to effectuate these changes in consultation with the fund controller and the project team.

ii. Reviewing award changes to ensure that the scope of work and terms and conditions are acceptable to the Fund Controller and are consistent with University policies.

iii. Accepting or executing modifications to sponsored agreements on behalf of the University of the South Pacific in consultation with the fund controller.

iv. Assisting the respective faculty and fund controller in terms of interpreting funding agency policies, University policies and government regulations relating to the terms and conditions of the award, the conduct of the project and the delivery/reporting of project results.

v. Serving as a liaison between the Faculties and Sections, Finance office and the funding agency/donor.

vi. Assisting Management Accounting project staff on unpaid University invoices by the development partners, due to non-submission of technical/progress reports and other required deliverables by Fund Controller; and disputes on contractual terms.

vii. Monitoring and coordinating the submission of project reports required by the terms of the award and the administrative closeout

of the project upon completion. Assisting in the completion of all closeout procedures as necessary.

viii. Coordination of regular Board/Committee meetings and discussions between the Fund Controller and the development partner, as per the signed Agreement.

4.1. D) Research Office

The Research Office is fully responsible for the overall coordination, awarding and monitoring of all research project accounts.

Research Office's specific responsibilities include:

vi. Reviewing and approving of all memorandum of agreement with the development partners.

vii. Critically assessing the impact of the proposed research and ensures:

    a. that it is linked to the strategic research themes of the University;

    b. generates additional research incomes to the University;

    c. yield benefits to the University and member countries.

viii. Ensuring that contracts address legal implication, ethics and other policy requirements of the University.

ix. Monitoring research activity and liaising with the donor where necessary.

ix. Coordinating and negotiating any changes with the development partners and as necessary, and accepting or executing modifications to the award to effectuate these changes in consultation with the fund controller and the research team.

x. Reviewing award changes to ensure that the scope of work and terms and conditions are acceptable to the Fund Controller and are consistent with University policies.

xi. Assisting the respective faculty or section and fund controller in terms of interpreting funding agency policies, University policies and government regulations related to the terms and conditions of the award, the conduct of the project and the delivery/reporting of project results.

xii. Coordination of regular Board / Committee meetings and discussions between the Fund Controller and the development partner, as per the signed Agreement.

4.1 Procedure on Debit/Credit Balances & Acquittals

4.4. A) Externally Funded Research Contracts and Grants

Upon reaching the end date of the given project, it is mandatory for the fund controller to account for any savings or overrun after taking into account of all commitments of the said Project. Balances remaining in externally funded research project accounts after all commitments have been processed will be treated according to the development partner's requirements as specified in the funding contract/agreement. (Compulsory for all Project Leaders to fill the: xxx_Project_Closure_Form)

The procedures described below are aligned with these requirements and the University Finance policy & procedures. The treatments of externally funded research project balances are:

4.4. B) Overspent (Debit) Balances

i. As soon as it is evident that a research/project fund is in overrun or is overspent and there are insufficient future grant incomes to cover any losses, the project account shall be closed for financial transactions by Finance Office.

ii.   The respective fund controller shall be responsible to prepare a full detailed project report and justify all the use of funds and clearly state the reason for the overrun. This report needs to be shared with the development partner and seek possible/additional funding.

iii.   In the event that additional funding is not received from the partner, the overspent amount will be recovered from a vote code that is nominated by the Faculty Dean or Head of Section, provided the additional expenditures were incurred in the interest of the University, on the approval of the Vice Chancellor, up to his/her delegation as defined in the write off policy.

iv.   The fund controller will be personally liable to repay the University the overspent amount in cases where the Vice Chancellor does not approve the justifications for the overspending.

4.4. C) Underspent (Credit) Balances

i.   Some development partners may not require unexpended funds to be returned to them. However, this needs to be clearly communicated with the partner if the initial MOU remains silent on the use of unspent funds. In these cases, the Fund Controller through DMCA Office or Research Office must seek approval from the partner to use the remaining funds for a specified purpose.

ii.   The Fund Controller must apply within three months of the project expiry date to provide a brief research plan and an approved budget.

iii.   Any unspent project/ research funds without any specific instruction will be transferred to the project pool account which the Senior Management Team would then allocate towards the University's strategic initiatives.

The University's procedures for the treatment of unspent funds at project expiry date are provided below:

4.4. C.1) Criteria for Refund of Unspent Funds

The following will apply for unspent funds in research/project accounts after three months of the project termination date.

- Refund the unspent amount to the partner for those clearly stated in the MOU.

- For projects in which the MOU is silent on the use of unspent funds, the fund controller, through the DMC office, will seek and propose the usage of the funds to the partner. The funds will only be utilized for those purposes as defined in writing by the partner.

4.4. C.2) Process for Refund of Unspent Funds

- The Transfer of Unspent Funds process will occur following the circulation of 6 monthly accounts for June & December. The Finance Office will be responsible for managing these transfers in association with the appropriate Faculty/Section's Finance staff member in close consultation with DMCA/ Research office and the fund controller. The procedures are specified below:

  The Finance Office will identify all projects with surplus funds that fall into one of the categories specified above and check each project to determine whether or not:

- All revenue has been received.

- There are any purchase order commitments.

- There are any HR commitments.

- There are any receipt accruals.

  If there are commitments of any kind, the Finance Office will inform the Faculty/Section's Finance person who will then have 30 days to clear the project account. After 30 days, the project will be closed.

4.5   15% overheads

a. Overhead costs are set at 15% of the total costs of the project. However, there could be cases of exemption agreed by the Vice Chancellor with the donor agency.

b. The 15% is charged when the budgeted expenditure is actually spent.

4.6 Audit of Project Funds

a) As part of the financial monitoring process at the University of the South Pacific, a Fund Controller should anticipate at any time the possibility of a random audit by the Audit Risk Committee. All current projects have the possibility of being selected for a random audit.

b) Audits may also be carried out on the request of the development partner in which the partner has the discretion to appoint the auditor.

SOURCE OF INFORMATION

The following Universities have been referred to:

- *University of Auckland*
- *University of California*
- *James Cook University*
- *University of Otago*
- *University of Queensland*