1. STATEMENT OF POLICY

1.1 The University seeks to encourage contract research activity as an integral part of its overall research mission. In this regard various supports and incentives are provided including the Millennium Research Programme, EU project development grants and Triennial Travel Grants.

1.2 The University seeks to ensure that its financial practices and Procedures in relation to Contract Research are objective and transparent and it regards Part C - 'Financial Management' of the EU's Model Contract "Cost Reimbursement" draft dated 26th June 1999, as representing current best practice in relation to these matters. This applies to all research projects which are funded by the EU. It sets out regulations and procedures in relation to allowable costs, justifications of same, payments, audits and details the manner in which cost statements should be compiled.

1.3 The University specifically recognises and adopts Part C of these regulations and procedures (copies of which may be obtained from the Research Accountant) in relation to all EU funded contract research projects.

1.4 The University also recognises and, in general, adopts Part C of these regulations and procedures as indicative guidelines in respect of all other contract research projects. However particularly onerous provisions (in relation to depreciation and overheads) may be waived as appropriate.

1.5 Staff engaged in contract research projects to be carried out for industry should ensure that adequate allowance is made for the University's overhead charge. This will be levied at a minimum rate of 10% on the total funds provided by the external sponsor for the project.

For EU projects operating on an additional (i.e. marginal) cost basis, the budget for the project is computed as the total marginal (or real cost) of carrying out the project + 20%, to cover overheads.

The Industrial Liaison or Research Accounts Office will be happy to assist or advise on any aspect of project costing.

2. AUTHORITY AND RESPONSIBILITY

2.1 The Governing Authority has overall responsibility for financial management of contract research projects. In general these functions are delegated through a decentralised structure with limited authority being vested in relevant University officers as follows: -
2.2 The member of academic staff who is denoted Technical Manager on the contract documentation has overall responsibility and authority for the management of the project budget subject to University policies and procedures.

2.3 The Industrial Liaison Officer, under the general direction of the Vice President for Development and External Affairs, is responsible with the Technical Manager for ensuring that the general terms and conditions of all 'Research' project contracts, are in agreement with University Research policies. The Technical Manager and the Industrial Liaison Officer shall authorise and sign all relevant 'Research' project contracts, on behalf of the University.

2.4 The Research Accountant under the general direction of the Bursar, is responsible with the Technical Manager for ensuring that the financial management of all 'Research' project contracts is in agreement with University Financial Policies and Procedures. The Technical Manager and Research Accountant shall authorise and sign all financial ‘Research' accounting reports on behalf of University.

2.5 The Director of Human Resources under the general direction of the Vice President for Human and Physical Resources, is responsible with the Technical Manager for ensuring that all 'Research' employment contracts are in accordance with University policies. The Technical Manager and Director of Human Resources (or his/her designate) shall authorise and sign all such employment contracts, prior to submission to payroll office.

2.6 The University's Financial Policies and Procedures Manual applies to all research activity and the Technical Manager, as budget holder, has the various authorities and responsibilities laid down therein (e.g. Purchasing and Procurement etc.).

3. PROCEDURES

3.1 Prior to submission to funding agencies, proposals must in all cases be signed on behalf of the University by the Industrial Liaison Officer. The total and detailed budget agreed with the Contractor (and included in the formal 'Contract Research' contract) shall be the project budget. All accounts pertaining to University research activity must be maintained in a properly designated account under the administrative control of the Bursar.

3.2 An 'Initial Contract Set-Up Form' (see appendix 1) must be fully completed and signed by the Technical Manager and the Director of Industrial Liaison and forwarded to the Research Accountant prior to the opening of a research/project account in the General Ledger.

3.3 Procurement of goods and services must be in compliance with relevant University policies (copies available on the University web page http://www.mis.nuigalway.ie/finance_office/financial_policy_and_procedural_manual.html or from the Accounts Office secretary).

3.4 All project workers, whether staff or students, whose payroll costs are charged against the project must be employed on formal employment contracts and be paid under deduction of PAYE and PRSI. Employment contracts may only be issued by the Human Resources office following confirmation of the availability of Budget from the Research Accountant via Post Proposal Form. All such contracts must bear the Finance Office designated cost centre (sub-account) code.
3.5 All full-time registered students availing of a fellowship must fully complete the Postgraduate Set-up Form (See Appendix 2, page 4) and submit it to the Research Accounts Office prior to the receipt of a stipend.

3.6 Time sheets which record all hours charged to the project budget must be completed by each employee or student, and countersigned by the Technical Manager. A sample time sheet form is attached at Appendix 2 which should be used unless the sponsor/contractor specifies a different layout. Completed time sheets must be made available to the Research Accountant prior to completion of regular cost statement for submission to the Contractor.

3.7 All claims in respect of travel, subsistence and such costs must be submitted on University standard claim and must not exceed University norms, i.e. Government approved subsistence and mileage rates, both domestic and overseas.

3.8 All pay and non pay expenditure documentation in respect of Research contracts should record the necessity of the cost and its relationship to the project, unless this information is clearly recorded on the source documents.

3.9 Transfers to or from Research Accounts may only be made by completion of the relevant form, which must be signed by the transferor, transferee, and the Dean of Research. Appendix 3 herewith contains the prescribed form.

3.10 Formal contracts must be completed and signed by both parties, prior to the commencement of the work for all external assistance costs incurred (associated contracts and/or sub-contracts). Copies of such contracts must be made available to the Research accountant prior to the completion of regular cost statements for submission to the Contractor.

3.11 In accordance with Article 23 of the EU model contract, only those costs incurred within the contract period, may be claimed i.e. no costs should be incurred before the official start date or after the official closing date of the contract unless in accordance with article 23, paragraph regarding durable equipment. Allowable costs after this period are limited to the review or evaluation and reporting requirements of the contract.

3.12 Original documentation in the form of Purchase Orders, Invoices, Credit Notes, Journal Vouchers, Bank Statements, Cheque Requisitions, Employment Contracts, Time Sheets etc. should be filled in the appropriate originating office. The filling system should facilitate easy retrieval, in the event of the original documentation being required, e.g. by a visiting auditor or for the purpose of photocopying.

3.13 Cost statements and similar financial reports must be extracted from, and reconciled to, the General Ledger. Where necessary for reporting purposes, accrual and prepaid adjustments should be "booked" and reversed to the General Ledger on a timely basis and should reflect only routine "timing variances".

3.14 Cost Statements shall be presented to the Contractor at the intervals specified in the formal Contract by the Technical Manager. Budget versus actual reports will be presented to the Technical Manager on a monthly basis by the Research Accountant. Summary Budget Versus Actual Reports by faculty will be presented to the Finance Resource Committee on
Extreme care should be taken in ensuring that project workers are correctly coded to the relevant project. Transfers of costs during the project period from one project account to another (even if due to clerical error) will cause considerable difficulties with the EU.

Where specific "in house" costs e.g. a cylinder of gas, are to be charged to a sponsor’s project, formal documents must be issued by the vending department/project to the purchasing project and forwarded to Research Accounting, for processing.

Six months after the completion of the project, a final account will be presented by the Research Accountant to the Technical Manager. The account will then be closed following approval of the disbursement of outstanding balances as agreed between the Technical Manager, Industrial Liaison Officer and Research Accountant. Use of the from at Appendix 3 must be made for such transfers.

The Research Accountant shall review all accounts in the Research Ledger on a twice a year to ensure that debit balances are recoverable and that credit balances are adequately controlled. Non active accounts noted in the course of this review shall be highlighted on a report summarising the results of same, to be presented to and approved by the Management Accountant.

Stiúrthóir Cuntasáiochta Airgeadai
Aibreám 2003
FRC/M14/7(b)
APPENDIX 1

INITIAL CONTRACT SET-UP FORM

To be completed by Technical Manager and approved by Industrial Liaison Office prior to submission to Finance Office. (please type)

NAME OF PROJECT: _____________________________________
CONTRACTORS REFERENCE: _____________________________________

COORDINATORS DETAILS:

NB If NUI, Galway => ENCLOSE _____________________________________

Contract of Management Information Form *

PROJECT LEADER - NUI, GALWAY: _____________________________________
E-MAIL ADDRESS: _____________________________________

PROJECT MANAGER (IF NOT LEADER):
E-MAIL ADDRESS: _____________________________________

FUNDING AGENCY:
FUNDING TYPE:

CONTRACT AMOUNT: CURRENCY__________ & € _____________
NAME OF CONTRACTOR: _____________________________________
(if different to Funding Agency)

CONTRACT START DATE: _____________________________________
CONTRACT FINISH DATE: _____________________________________
FINANCIAL REPORTING DATE(S): _____________________________________
VATABLE Y/N * _____________________________________

ACADEMIC DEPARTMENT IN NUIG: _____________________________________
COST CENTRE (SUB-ACCOUNT)
CODE ASSIGNED: ________/________ Group ________

SPECIAL CONDITIONS (if any): _____________________________________
e.g. VAT RECOVERY

BILLING FREQUENCY
AND TERMS TO INDUSTRY: _____________________________________

* The EU form which contains details of partners, their bank details, contact numbers, etc.
TOTAL COMMITMENTS TO PROJECT: | EURO | EURO Value Net of VAT (20%) If vatable project
--- | --- | ---

TOTAL EXTERNAL PAYMENTS:
- Subcontractor Fees
- Vat @ 20% (if applicable)
- Wages/Salaries
- Consultancy Fees
- Vat @ 20% (if applicable)
- 3rd Party Services

TOTAL INITIAL COSTING PROPOSAL:
- Labour (Schedule Attached)
- Travel & Subsistence
- Durable Equipment
- Consumables
- Vat @ 20% (if applicable)
- Services
- Other Costs
- Overheads

TOTAL

INDUSTRY CONTRIBUTION:
- CASH included above
- OTHER details

Signed ___________________________  Technical Manager  Date ____________
Signed ___________________________  Finance Department  Date ____________
Signed ___________________________  Industrial Liaison Office  Date ____________

Financial Report Requirement __________  Qtr/six monthly/yearly/end of project

Vatable  Y / N

Vatable Research Projects
With effect from the 1st September 2001 All EC Funded projects will be zero rated.
It is important that reports are prepared showing expenses as Net, Vat and Gross and copies of expense invoices are filed with Purchase Orders for the reporting period being submitted.

Non Vatable Research Projects
Other projects that are not vatable should show expenses as Vat Inclusive (mainly in Durables and Consumables Categories)

An Account can not be opened without - Completed pages : 1 - 4,
- Enclose copy of relevant contract pages,
- EU Coord. Contract of Management Information Form

Pages to be held by Technical Managers for reference : 5 + 6
Pages to be returned to Finance Department : 7

APPENDIX 2 cont.

Employment Information/Eolas Fostaíocht
<table>
<thead>
<tr>
<th>Name/Ainm</th>
<th>Reg No.</th>
<th>Dates</th>
<th>Salary €</th>
</tr>
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<tbody>
<tr>
<td>Postgrads</td>
<td>___________</td>
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<td>___________</td>
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<tr>
<td>Iarchéimí</td>
<td>___________</td>
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</tr>
</tbody>
</table>

**Leader Must Complete For Research Files**

| TOTAL (agrees to labour in costing) | _______ | _______ | ___________ |

**Summary/Achoimre**

**Sources of funding/Foinse Moinithe:**
- Research Project/Conradh Taighde: ___________
- Local authority/Údarás Aitiúla: ___________
- College JTF/Coláiste JTF: ___________
- Others/Foinse Eile: ___________

**Leader/Ceannaire**

__________________________

**Signed/Siniú**

__________________________

**Date/Dáta**

__________________________
The college require time sheets in respect of all persons whether temp/contract/permanent. The most common form of time sheet contains the following info. & can be drawn up locally as a Template, one sheet per person per year.

**TIME SHEET/CLÁR ÁMA**

| Name a/ Postgraduate/Iarchéimí ____________________ |              |
| Anim Number/Uimhir ____________________________ |              |
| b/ Employee/Fostaí ____________________________ |              |
| Number/Uimhir ____________________________ |              |

| EU Contract No./Name ____________________________ |
| Conradh - Uimhir/Ainm ____________________________ |
| Contract Leader at NUI, Galway ____________________________ |
| Ceannaire an Chonradh ____________________________ |
| NUI G A/C No./uimhir _____________ Year/Blian ________ |

<table>
<thead>
<tr>
<th>Month/Mí</th>
<th>Wks/Seachtain</th>
<th>Hrs</th>
<th>Signature/Siniu:</th>
</tr>
</thead>
<tbody>
<tr>
<td>January/Eanair</td>
<td>1 2 3 4 5</td>
<td></td>
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</tr>
<tr>
<td>February/Feabhra</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>March/Mártá</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April/Aibreán</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May/Bealtaine</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June/Méitheamh</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>July/Lúil</td>
<td>1 2 3 4 5</td>
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<td></td>
</tr>
<tr>
<td>August/Lúnasa</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>September/Meán Fómhair</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>October/D. Fómh.</td>
<td>1 2 3 4 5</td>
<td></td>
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<tr>
<td>November/Samh.</td>
<td>1 2 3 4 5</td>
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</tr>
<tr>
<td>December/Nollaig</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Number of Weeks/Iomlán Seachtain</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signed/Siniu ____________________________ Date/Date ____________________________

Leader/Ceannaire Current Date/Dáta Inniú ____________________________

Page 5-8
Below are some of the services available to you and a reminder of some of the responsibilities of Project Leaders.
If you need any clarification or indeed any further information, please call the Research Accounts Office at 2715/3464/3588.

Timesheets

All cost charge to Labour in contract research must be supported by timesheets. They should record all hours charged to the project budget must be completed for each employee or student at least monthly. It is advisable that this process is initiated in the first month of the project.

Capital Expenditure

In the cases of European Funded Research projects, Durable Equipment can be charged against the research contract and depreciated over a five year period. It is therefore, clearly more advantageous to purchase Durable Equipment early in the project term, thus charging a greater proportion of the value of the equipment to the project. We would encourage you to take advantage this 'efficient' funding method. The Project Leader must also decide from where the unfunded balance of the Durable Equipment will be financed. These invoices MUST be forwarded to the Research Accounts Office.

Maintenance of Files

Care should be taken in filing original documentation like Purchase Orders, Timesheets, Travel Requests. Visiting auditors will require proof that all expenditure charged to the project is expressly necessary for the performance of the work under the project.

Submission of Expenses

All travel related expenditure should be submitted on standard University Expense Forms directly to the Payments Office, Accounts Office, ext. 2114/2742 and fully coded. Documents which are not fully coded and properly authorised will be returned to sender.

Submission of Purchase Orders

All POs should be submitted directly to the Accounts Payable Office, Oifig na gCuntas, ext. 2120 and be properly coded and authorised. The delivery address should also be completed in order to ensure delivery to the correct University location.
<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Initial Setup Form &amp; New Account No. Form</td>
</tr>
<tr>
<td></td>
<td>Employment Information</td>
</tr>
<tr>
<td></td>
<td>Postgraduate's Individual Information Form</td>
</tr>
<tr>
<td></td>
<td>Contract showing period/amounts/conditions, etc.</td>
</tr>
<tr>
<td></td>
<td>Copy VAT Declaration form IOT - Original sent to Coordinator/EU</td>
</tr>
<tr>
<td>B</td>
<td>Details of monies received/paid to partners</td>
</tr>
<tr>
<td></td>
<td><strong>ADV YR2 YR3 YR4 TOTAL</strong></td>
</tr>
<tr>
<td>C</td>
<td>Cost Statement &amp; replies form EU/Coordinators</td>
</tr>
<tr>
<td></td>
<td><strong>YR1 YR2 YR3 YR4 CCS</strong></td>
</tr>
<tr>
<td>D</td>
<td>VAT claims</td>
</tr>
<tr>
<td></td>
<td><strong>YR1 YR2 YR3 YR4</strong></td>
</tr>
<tr>
<td>E</td>
<td>Other relevant information</td>
</tr>
</tbody>
</table>
Appendix 3

Request for Transfer of Funds

Please complete and return to the Research Accounts Office

Date: ______/______/______

Please transfer the sum of €________ from account code ________ to account code __________, such monies to be applied by the transferee in accordance with the following budget:

<table>
<thead>
<tr>
<th>Budget Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour</td>
<td>____________</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>____________</td>
</tr>
<tr>
<td>Laboratory</td>
<td>____________</td>
</tr>
<tr>
<td>Travel &amp; Subsistence</td>
<td>____________</td>
</tr>
<tr>
<td>Equipment Purchase</td>
<td>____________</td>
</tr>
<tr>
<td>Books/Journals</td>
<td>____________</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>____________</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>____________</td>
</tr>
</tbody>
</table>

Signed: ______________________ Date: _____________ Print Name:______________________
Transferor

____________________ Date: _____________ Print Name:______________________
Transferee

____________________ Date: _____________ Print Name:______________________
Dean of Research