PROJECT LEDGER ACCOUNTS

POLICY:

Purpose, set-up, usage, carry-forward and use of residual funds.

1 PURPOSE

To outline the details of the:

- Purpose of the Operating Ledger and Project Ledger within the University finance system,
- Type of Accounts that may be established within the Project Ledger, and
- Purpose, set-up, usage, carry-forward and use of residual funds for each type of Account in the Project Ledger.

2 BACKGROUND

This Policy provides clarity on the appropriate uses of the Project Ledger within the University financial system, and the governance and controls surrounding set-up and ongoing use during the duration of the Accounts set up within this ledger.

3 SCOPE

This Policy applies to all staff and students at all campuses and locations of the University.

4 DEFINITIONS

Commonly defined terms are located in the University Glossary. The following definitions apply for the purpose of this Policy:

**Account**: Major Account within the Finance One Project Ledger, within which transactions are grouped. Accounts have a parent-child structure, with income and expenses recorded in the 'child' layer, known as the sub-group. Separate 'child' codes are typically established to separate out different sources, or purposes, of funding, e.g.

- Account 12345 – parent layer (reporting layer only), comprising several ‘children’ or sub-groups:
  - 12345/20 – sub-group – e.g. internal income from the DVC (Research)
  - 12345/19 – sub-group – e.g. external income from the ARC Fellowships

**Account Active Period**: time between Account Start Date and Account End Date.

**Account End Date**: the last date by which funds are available to deliver against the purposes for which the Account was established. This date is commonly stated in the Written Document or will otherwise be stated in the OFS Project Ledger Account Set-up Form. For externally funded projects, the final Chief Investigator Report and the final Financial Acquittal report are typically completed after the Account End Date, as part of project closure activities.

**Account Residual Period**: the period between the Account End Date and the Carry Forward End Date.

**Account Start Date**: the date when the Account commences. For externally funded projects, this date will typically be stated in the Written Document. For internally funded activities, or other activities without an Account Start Date specified in the Written Document, the Account Start Date is deemed to be the earlier of either the date on which a Written Document is signed, or the date on which an Account is opened in Finance One.

**Carry Forward End Date**: the latest date the funds in the Account can be accessed, i.e. the date after which funds will not be carried forward into the next Financial Year within the original Account, and the account is made inactive in Finance One. The Carry Forward End Date will normally be the 31st of
December of a given year and may be the same date, or later, than the Account End Date, depending on the Account type, as detailed in this Policy.

**Carry Forward Process**: activities performed by OFS to make available unspent funds in an Account from the end of one Financial Year at the beginning of the next Financial Year.

**Chief Investigator Report**: predominantly non-financial progress report written by the Chief Investigator for the Funding Provider.

**Discipline Code**: The lowest level of hierarchical organisational structure within Finance One, denoted by a 4-digit code. E.g. Ancient History belongs to Faculty 2000 (Faculty of Arts), Department 2030 (Department of Ancient History) and Discipline Code 2031. All areas of the University have a discipline code.

**Faculty Residual Non-Research Funds Account**: An Account in the Project Ledger of Finance One to which residual non-research funds from Externally Funded Non-Research Accounts and Individual Academic Accounts are transferred after the Carry Forward End Date of these Account types. Funds in this account are for use on strategic non-research activities, at the discretion of the relevant Faculty Executive Dean in consultation with the DVC Academic.

**Faculty Residual Research Funds Account**: An Account in the Project Ledger of Finance One to which residual research funds from Externally Funded Research Accounts are transferred after the Carry Forward End Date of that Account type. Funds in this Account are for use on strategic research activities, at the discretion of the relevant Faculty Executive Dean in consultation with the DVC Research.

**Finance One**: the University financial system.

**Financial Acquittal**: a financial report prepared for the purpose of communicating summarised financial transactions for an Account, to the Funding Provider, over an agreed period of time.

**Financial Year**: 1 January to 31 December.

**Funding Provider**: external institution (e.g. Australian Research Council) or internal department (e.g. DVC-Research, DVC-Academic) that provides funds to be spent for a specific purpose, and over a specific timeframe, as specified in a Written Document.

**HERDC code**: a code assigned to all Accounts to denote which category of research income the Account should be reported under in the annual Higher Education Research Data Collection (HERDC) submission to the Department of Education. Note that non-HERDC reportable Accounts are allocated a “non HERDC reportable” HERDC code.

**IRIS number**: a unique tracking number issued by the Research Office to identify funds received for Research Activities.

**Major Account**: component of the Finance One Operations and Project Ledgers, within which transactions are grouped. Major Accounts within the Project Ledger, for the purpose of this Policy, are known as Accounts.

**Non-Research Activities**: activities that do not meet the Research Activities definition in this Policy, but which form part of the core mission of the University, e.g. teaching and learning.

**OFS**: Office of Financial Services.

**OFS Project Ledger Account Set-up Form**: form issued by OFS for gathering all pertinent information and approvals required for the set-up of those Accounts that are not set-up via the Research Office APLI Process.

**OFS Project Ledger Account Amendment Form**: form used to request an amendment to the key terms of an Account e.g. Account End Date (except for changes to Account End Dates for Research Accounts, as these changes are processed by the Research Office).

**Operating Ledger**: component of Finance One financial system. Funds that reside within Major Accounts of the Operating Ledger do not Carry Forward from one Financial Year to the next.

**Project Ledger**: component of Finance One financial system, within which Accounts are located.
**Research Activities**: activities which support 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. This could include synthesis and analysis of previous research to the extent that it leads to new and creative outcomes. This definition of research is consistent with a broad notion of research and experimental development (R&D) as comprising of creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of humanity, culture and society, and the use of this stock of knowledge to devise new applications. This definition of research encompasses pure and strategic basic research, applied research and experimental development. Applied research is original investigation undertaken to acquire new knowledge but directed towards a specific, practical aim or objective (including a client-driven purpose).

Note that this definition of Research Activities is consistent with the definition provided by the Department of Education in the Higher Education Research Data Collection guidelines.

**Research Office**: Office of Macquarie University that supports researchers with external research grant applications and ongoing research lifecycle management activities.

**Research Office APLI Process**: process that encompasses pre-award (grant application) and post-award (grant set-up for successful application) administration. All new Accounts for Research Activities that are funded either via an external Funding Provider or via the DVC-Research Office are created via this process.

**Residual Funds**: funds remaining in an Account at the Account End Date.

**Sunset Clause**: a period of five years in which funds received into an Individual Academic Account can be used, or they will be transferred to the Faculty Residual Non-Research Funds Account, for use as noted in section 5.5. At the end of each Financial Year, the carry-forward amount on an Individual Academic Account will be equal to or lower than the sum of the last five years of income into that Account.

For the purpose of monitoring this Sunset Clause, it is assumed that oldest funds are spent first from the Individual Academic Account.

**Written Document**: a document, including an agreement, contract or other written format, that specifies the income source, required use and duration for the funds that will be allocated to the Account. This document will usually be written, or at least approved, by the Funding Provider.
5 POLICY STATEMENT

Contents

5.1 Operating Ledger versus Project Ledger
5.2 Types of Accounts in the Project Ledger
5.3 Key dates in the life of an Account in the Project Ledger
5.4 Use of any residual funds not required to be returned to the Funding Provider during the Residual Period
5.5 Use of residual funds after the Carry Forward Date
5.6 Expenditure from Accounts
5.7 Ownership of equipment purchased from funds in Accounts
5.8 Indirect Costs
5.9 Group application of this Policy
5.10 Implementation of this Policy to existing Accounts in the Project Ledger

Appendix: summary of key components discussed in this Policy by Account type.

5.1 Operating Ledger versus Project Ledger

The financial system used by Macquarie University (Finance One) has two components:

5.1.1 Operating Ledger

The Operating Ledger is used to record routine financial transactions that typically happen every year. Income and expenses are recorded in Major Accounts, which are linked to Discipline Codes. Income and expenditure is subject to review during the annual budget process. Unspent surplus within a Major Accounts at the end of the Financial Year is not available for use in the following year.

5.1.2 Project Ledger

The Project Ledger is used for specific activities that will often, but not always, span several Financial Years. These activities are not expected to happen as recurring or routine transactions year-after-year. Project Ledger income and expenditure is grouped into Accounts, which are linked to Discipline Codes. Accounts are created with a parent-child structure, with income and expenses recorded in the ‘child’ layer, known as the sub-group. Separate ‘child’ codes are typically established to separate out different sources or purposes of funding, e.g.

Account 12345 – parent layer (reporting layer only), comprising several ‘children’ or sub-groups:
12345/20 – sub-group – e.g. internal income from the DVC (Research)
12345/19 – sub-group – e.g. external income from the ARC Fellowships

There are several different types of Accounts, as described in section 5.2 of this Policy. Account types are differentiated by their funding source, their purpose, the policies required for account set-up and the permitted use of Residual Funds at the Account End Date.

All Accounts, regardless of type, must have the purpose, funding source, Account Start Date and Account End Date specified at creation of the Account.
Funds that are unspent at the end of a Financial Year, but are within the agreed Account Active Period of an Account, will be made available for use in the following year, subject to the terms of this Policy. OFS administers this Carry Forward Process each January.

Typically, Accounts must not go into deficit (i.e. a negative balance); this is to prevent over-spend. It is acknowledged there are certain cases where this is required, e.g. for a research contract with an external Funding Provider where costs are incurred up to a certain limit before seeking reimbursement from the Funding Provider. In such cases, the maximum permitted deficit limit should be explicitly documented and approved at opening of the Account. Deficit amounts will be regularly monitored by Faculty, Department and OFS staff.

5.2 Types of Accounts in the Project Ledger

There are several types of Accounts, differentiated by their funding source, their purpose, the policies required for account set-up, the permitted use of Residual Funds at the Account End Date, and the calculation of the Carry Forward End Date.

The Account types apply to the Account sub-group or ‘child’ level, rather than the Account ‘parent’ level.

Note that where funding is received for a mixture of research and non-research purposes, the funds assigned for each purpose will be recorded in different sub-groups within the Account, to enable different HERDC codes to be assigned to each sub-group.

Each Account type is summarized in the table below, with additional detail included in the Appendix.

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Purpose of Account</th>
</tr>
</thead>
</table>
| Externally Funded Research Accounts | Externally Funded research activities with a Written Document that specifies the income source, required use and available duration for use of the funds.  
  Common sources of income are listed in the Appendix. |
| Externally Funded Non-Research Accounts | Externally Funded Non-Research activities with a Written Document that specifies the income source, required use and available duration for use of the funds.  
  Common sources of income are listed in the Appendix. |
| Internally Funded Research / Non-Research Accounts | Internally Funded activities with a Written Document that specifies the income source, required use and available duration for use of the funds.  
  Common sources of income are listed in the Appendix. |
Individual Academic Accounts

An account opened for use by an individual academic to record income earned that does not have specific usage restrictions attached to the income source.

Detailed examples of the types of income allowed within this account type, and the permitted use of these funds, are listed in the Appendix.

Funds must not be allocated to this account if they meet the definition of another Account type.

Creation of an account will be via approval by a member of Executive, or their nominated delegate, using the OFS Project Ledger Account Set-up Form. Any academic with a genuine need for this account type may apply for an Account. Account requests will not normally be accepted where the anticipated future income to be allocated to the Account is less than $1000.

The purpose, current and likely future income sources, expenditure plan, and anticipated account duration must be agreed and documented in an OFS Project Ledger Account Set-up Form.

Accounts will typically be assigned an Account End Date ten years from the Account Start Date, unless a shorter End Date is stated in the OFS Project Ledger Account Set-up Form. A member of Executive or their delegate may periodically request a review of plans for expenditure of funds in the Account.

For the purposes of this Account type, the Account End Date acts as a review date, rather than an unmovable account finish deadline. Extensions to the Account End Date will be subject to approval by a member of Executive. An Executive member will only refuse an extension of an Account End Date if there have been clear breaches of the use of these funds contrary to:

- the purpose for which the Individual Academic Account was established and documented at inception of the Account.
- or, purchasing and travel policies.
- or, other key terms of the Account type as detailed in this Policy

If the Executive refuses to extend the Account End Date, then Residual Funds will transfer to the Faculty Residual Non-Research Funds Account, for use as noted in this Policy.

Funds in this account type are also subject to the Sunset Clause, which is a period of five years in which funds received into an Individual Academic Account can be used, or they will be transferred to the Faculty Residual Non-Research Funds Account. At the end of each Financial Year, the carry-forward amount on an Individual Academic Account will be equal to or lower than the sum of the last five years of income into that Account.

The inclusion of this Sunset Clause is to set a balance between giving individual researchers considerable flexibility in how funds within this account type can be used, whilst also ensuring that such funds do not ‘stockpile’ over long periods of time, when they could be spent on strategically important University activities. Exceptions to the Sunset Clause must be approved by the Chief Financial Officer.

It will be assumed that all funds allocated to this account type are Non-Research (and therefore will not be considered for HERDC reporting), as all funds for Research Activities will be assigned to either an Externally Funded Research Accounts or an Internally Funded Research Account.

Funds in this account type are subject to periodic review by Department, Faculty or OFS staff.

Any unspent funds in this account type when the account owner leaves the employment of Macquarie University will be transferred to the Faculty Residual Non-Research Funds Account, for use as noted in this Policy.
<table>
<thead>
<tr>
<th>Capital</th>
<th>An account, used by typically Property and IT, to capture capital expenses in delivery of an approved capital project.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>Occasionally an account may be required in the Project Ledger that does not fit into any of the above Account types. Request for such accounts must be made via an OFS Project Ledger Account Set-up Form. Approval for creation of such an account must be given by either the Chief Financial Officer or the Director – Financial Control and Treasury.</td>
</tr>
</tbody>
</table>

5.3 Key dates in the life of all Accounts in the Project Ledger

<table>
<thead>
<tr>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Account Start Date</strong></td>
<td>The date when the Account commences. For externally funded Accounts, this date will typically be stated in the Written Document. For internally funded Accounts, or other Accounts without a start date specified in the Written Document, the Account Start Date is deemed to be the earlier of either the date on which a Written Document is signed, or the date on which an Account is opened in Finance One.</td>
</tr>
<tr>
<td><strong>Account End Date</strong></td>
<td>The last date by which funds are available for spending to deliver against the objectives of the requirements of a Written Document. This date is commonly stated in the Written Document (for external Funding Providers) or will be stated in the OFS Project Ledger Account Set-up Form. Funds will typically all be spent by this date. For externally funded projects, the final Chief Investigator Report and the final Financial Acquittal report are typically completed after this date. Policy on extensions to the Account End Date varies by Account type; refer to the Appendix for details.</td>
</tr>
<tr>
<td><strong>Account Active Period</strong></td>
<td>The time between the Account Start Date and Account End Date is the Account Active Period, and is the period of time during which all key activities stipulated in the Written Document are delivered.</td>
</tr>
<tr>
<td><strong>Carry Forward End Date</strong></td>
<td>This is the last date on which funds in the Account can be accessed for any purpose. For Externally Funded (Research or non-Research) Accounts, the Carry Forward End Date will be the 31st of December of the year following the Account End Date, unless residual funds are required to be returned to the Funding Provider, in which case the Carry Forward End Date will be the date on which residual funds are transferred to the Funding Provider.</td>
</tr>
</tbody>
</table>
For Internally Funded (Research or non-Research) Accounts, Individual Academic Accounts and Capital Accounts, the Carry Forward End Date will be same as the Account End Date.

**Account Residual Period**

The period between the Account End Date and the Carry Forward End Date is known as the Account Residual Period.

This concept only applies for Externally Funded (Research and non-Research) Accounts. During this time, final Chief Investigator Reports are commonly written, and residual funds are returned to the funding Provider, if stipulated in the Written Document (e.g. ARC, NHMRC) or are used by the Account owner.

### 5.4 Use of any residual funds not required to be returned to the Funding Provider during the Residual Period

This concept only applies for Externally Funded (Research and non-Research) Accounts.

Externally Funded Research Accounts: funds are available for use by the Account owner for spending on Research Activities.

Externally Funded Non-Research Accounts: funds are available for use by the Account owner for spending on Non-Research Activities.

Such funds will remain in their residual sub-group during this Account Residual Period, for utilization from this sub-group. *[This is a change from the previous Carry Forward Policy, where such funds were moved to a new ‘99’ sub-group account during the Account Residual Period].*

Usage of funds during the Residual Period may be subject to periodic review by Department, Faculty or OFS staff.

### 5.5 Use of Residual Funds after the Carry Forward Date

This concept only applies for Externally Funded (Research and non-Research) Accounts.

Funds that remain unspent at the Carry Forward Period are transferred to a Faculty Project Ledger Account. Each Faculty will have two such account types:

#### 5.5.1 Faculty Residual Research Funds Project Ledger Account

An Account in the Project Ledger Finance One to which residual research funds are transferred after the Carry Forward End Date of an Externally Funded Research Account.

Funds in this Account will be available for use, at the direction of the relevant Executive Dean, in consultation with the DVC-Research, to meet the strategic research aims of their Faculty, for twelve months from the Carry Forward End Date of the transferred funds.

Use of funds from the Faculty Residual Research Funds Account can occur via the following mechanisms:

- Allocation of funds to a new Internally Funded Research Activities Account (e.g. where the Faculty runs an internal competitive process to award research funds). New Accounts of this type would be subject to the set-up policies outlined in this Policy.
- Use of funds directly from the Residual Research Funds Account (e.g. to fund a Faculty-wide research conference).
- Note that funds from this Account type must *not* be allocated to an Individual Academic Account.
The amount of money transferred at the beginning of each Financial Year into each Faculty's Residual Research Funds Account will be reported to the relevant Executive Dean by OFS by the end of January each year, so that appropriate use of funds can be planned and executed.

The Faculty Residual Research Account will not be carried forward each year. This means that unspent funds at the end of each year are not available to the Faculty in the following year. For ease of management a new Account will be created each year, with a 12 month life, e.g.

- Account Name: Faculty of Science Residual Research Funds 2016. Account Start Date: 1 Jan 2016, Account End Date and Account Carry Forward End Date: 31 Dec 2016
- Account Name: Faculty of Science Residual Research Funds 2017. Account Start Date: 1 Jan 2017, Account End Date and Account Carry Forward End Date: 31 Dec 2017

5.5.2 Faculty Residual Non-Research Funds Account

An Account in the Project Ledger of Finance One to which residual non-research funds are transferred after the Carry Forward End Date of an Externally Funded Non-Research Account.

Funds in this account will be available for use, at the direction of the relevant Faculty Executive Dean, in consultation with the DVC-Academic, to meet the strategic non-research aims of their Faculty, for twelve months from the Carry Forward End Date of the transferred funds.

Use of funds from the Faculty Residual Non-Research Funds account can occur via the following mechanisms:

- Allocation of funds to a new Internally Funded Non-Research Activities Account (e.g. where the Faculty runs an internal competitive process to award non-research funds). New Accounts of this type would be subject to the set-up policies outlined in this Policy.
- Use of funds directly from the Unused Residual Non-Research Funds Account (e.g. development of Faculty-wide learning and teaching initiatives).
- Note that funds from this Account type must not be allocated to an Individual Academic Account.

The funds transferred at the beginning of each Financial Year to each Faculty's Residual Non-Research Funds Account will be reported to the relevant Executive Dean by OFS by the end of January each year, so that appropriate use of funds can be planned and executed.

The Faculty Residual Non-Research Account will not be carried forward each year. This means that unspent funds at the end of each year are not available to the Faculty in the following year. For ease of management a new Account will be created each year, with a 12 month life, e.g.

- Account Name: Faculty of Science Residual Non-Research Funds 2016. Account Start Date: 1 Jan 2016, Account End Date and Account Carry Forward End Date: 31 Dec 2016
- Account Name: Faculty of Science Residual Non-Research Funds 2017. Account Start Date: 1 Jan 2017, Account End Date and Account Carry Forward End Date: 31 Dec 2017

5.6 Expenditure from Accounts in the Project Ledger

Authorization of expenditure from all types of Accounts within the Project Ledger is subject to the University’s Financial Delegations of Authority (Administrative Functions) Policy.

Expenditure must also comply with all relevant University policies and procedures, including the Purchasing Procedure, the Procurement Handbook, and the Travel Policy.

Note that the above applies to all types of Accounts, including the Individual Academic Accounts.

5.7 Ownership of equipment purchased from funds in Accounts
Equipment purchased using funds from all types of Accounts are the legal property of Macquarie University. Should an employee leave the University, such items will remain the property of the University unless their transfer to another institution has been agreed in writing with the relevant Funding Provider as part of a funding novation agreement.

5.8 Indirect Costs

Accounts are subject to Indirect Cost levies according to the Indirect Costs Policy.

5.9 Group application of this Policy

The principles of this Policy apply to all controlled entities within the Macquarie University group, including, but not limited to MGSM Ltd, Access Macquarie Ltd, Australian Proteome Analysis Facility Ltd and MUH Operations No.2 Pty Ltd. Specific application of these principles within the financial ledger systems of these entities may vary, due to the array of financial systems used across the Group. Adherence to this Policy across the Group will be monitored by the Contact and Implementation Officers of this Policy.

5.10 Implementation of this Policy to existing Accounts in the Project Ledger

5.10.1 Compliance with Policy

All existing Accounts at the date of implementation of this Policy will be assessed against the terms of this Policy as soon as is practical after the date of implementation. The Policy Implementation Officer will oversee this process, which will involve OFS, DVC-R, Department and Faculty staff.

For existing Accounts that comply with this Policy, OFS and Faculty staff will work together to ensure that each complying Account has a clear purpose, fund source, Written Document, Account End Date and Account Carry Forward End Date, and any other required details agreed in writing and electronically attached to the Account in Finance One.

It is acknowledged that certain existing Accounts will not comply with this Policy at the date of implementation. Lack of compliance may stem from a lack of a Written Document stipulating the purpose and permitted uses of income in the Account, the use of the account being more akin to an Operating Ledger purpose, or other reasons. Once such accounts are identified, relevant information pertaining to the purpose, funding and expected duration of the Account will be gathered and presented, along with a recommendation of whether to continue or discontinue the Account. Approval for the continuation of any existing Account that does not comply with Policy must be approved by:

- either the relevant Executive Dean or his nominated delegate
- and, by either the Chief Financial Officer or the Director – Financial Control and Treasury

Existing Accounts that do not comply with the Policy and do not receive approval to continue by the approvers noted above will have any residual funds at the next Financial Year End after the implementation date of this Policy transferred to the relevant Faculty Residual Research/Non-Research Account.

5.10.2 Transfers of funds to Individual Academic Accounts

During implementation of this policy is it envisaged that funds transfers may be requested from existing Accounts to newly created Individual Academic Accounts, if funds exist that meet the criteria of an Individual Academic Account and have previously been allocated to a different Account. Any such journals
must be approved by either the Policy Contact Officer or Implementation Officer. Funds transferred to an Individual Academic Account during the implementation phase of this Policy will be deemed to have been received in 2015 for the purpose of the Sunset Clause.

RELEVANT LEGISLATION

None

7 KEY RELATED DOCUMENTS

Capital Asset Management Policy – Capital Accounts are subject to this Policy.

Purchasing Procedure, the Procurement Handbook – all expenditure from Accounts is subject to these Policies and Procedures

Travel Policy – all travel funded from all types of Accounts (including Individual Academic Accounts) must comply with the Travel Policy.

8 NOTES

<table>
<thead>
<tr>
<th>8.1 Contact Officer</th>
<th>Research Reporting Manager, OFS</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.2 Implementation Officer</td>
<td>Director – Financial Control &amp; Treasury, OFS</td>
</tr>
<tr>
<td>8.3 Approval Authority / Authorities</td>
<td>Chief Operating Officer, Deputy Vice-Chancellor (Research), Deputy Vice-Chancellor (Academic)</td>
</tr>
<tr>
<td>8.4 Date Approved</td>
<td>9 November 2015</td>
</tr>
<tr>
<td>8.5 Date of Commencement</td>
<td>9 November 2015</td>
</tr>
<tr>
<td>8.6 Date for Review</td>
<td>30 June 2018</td>
</tr>
<tr>
<td>8.7 Documents Superseded by this Policy</td>
<td>Carry Forward of Funds and Treatment of Surplus Funds Policy, dated January 2015</td>
</tr>
<tr>
<td>8.8 Amendment History</td>
<td>n/a</td>
</tr>
</tbody>
</table>

REQUIREMENTS FOR PUBLISHING TO POLICY CENTRAL

<table>
<thead>
<tr>
<th>Category</th>
<th>Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audience</td>
<td>Academic staff, Professional staff, Researchers &amp; HDR Candidates</td>
</tr>
</tbody>
</table>
APPENDIX - This appendix summarizes the key components discussed in this Policy by Account type:

<table>
<thead>
<tr>
<th>Account type</th>
<th>Externally Funded Research Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definition</strong></td>
<td>Externally Funded research activities with a Written Document that specifies the income source, required use and available duration for use of the funds.</td>
</tr>
</tbody>
</table>
| **Common sources of income**  | Externally Funded Research Projects performed under a Written Document (e.g. ARC or NHMRC funded research)  
                              | Externally Funded Research Conferences                                                             
                              | Externally Funded Research Consultancies performed under a Written Document                        
                              | Externally Funded Research Donations, Bequests and payments from Foundations                       
                              | Externally Funded Research Scholarships                                                             |
| **Expenditure**               | Permitted expenditure to achieve the deliverables of the Written Document                          |
| **Process for opening account** | All Externally Funded Research Accounts must follow the Pre-Award and Post-Award Account set-up processes stipulated by the Research Office. This ensures that all research activities are approved in an efficient manner and are tracked with an IRIS number and HERDC code from inception of the Account. |
| **Changes to Account End Date** | Any changes to the Account End Date must be approved by the Research Office Post Award team, to ensure that all contractual implications are addressed. |
| **Use of Residual Funds after Account End Date** | Residual Funds at the Account End Date will be returned to the External Research Funding Provider if this is stipulated in the Written Document. This is the case for all ARC and NHMRC funding.  
<pre><code>                          | If the Written Document does not stipulate that unspent funds must be returned, these funds can be used by the Account owner for Research Activities, once the final Financial Acquittal has been accepted by the Funding Provider, until the Carry Forward End Date. Usage of these funds may be subject to periodic review by department, Faculty or OFS staff. |
</code></pre>
<p>| <strong>Carry Forward End Date</strong>    | 31 December of the Financial Year after the Account End Date e.g. if the Account End Date is 30 June 2016, then Carry Forward End Date is 31 December 2017 |
| <strong>Use of Unspent Funds at Carry Forward End Date</strong> | Any unspent funds at the Carry Forward End Date will be transferred to a Faculty Residual Research Funds Account, for use as noted in this Policy. |</p>
<table>
<thead>
<tr>
<th>Account type</th>
<th>Externally Funded Non-Research Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definition</strong></td>
<td>Externally Funded non-research activities with a Written Document that specifies the income source, required use and available duration for use of the funds.</td>
</tr>
<tr>
<td><strong>Common sources of income</strong></td>
<td>Externally Funded Non-Research Projects performed under a Written Document</td>
</tr>
<tr>
<td></td>
<td>Non-research Consultancies performed under a Written Document</td>
</tr>
<tr>
<td></td>
<td>Externally Funded Non-Research Prizes</td>
</tr>
<tr>
<td></td>
<td>Externally Funded Non-Research Donations, Bequests and payments from Foundations.</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td>Permitted expenditure to achieve the deliverables of the Written Document.</td>
</tr>
<tr>
<td><strong>Process for opening account</strong></td>
<td>Completion of OFS Project Ledger Account Set-Up Form, with attached Written Document.</td>
</tr>
<tr>
<td><strong>Changes to Account End Date</strong></td>
<td>Any changes to the Account End Date must be agreed with the External Funding Provider, which should be attached to the OFS Project Ledger Account Amendment Form. In cases where it is inappropriate to consult the Funding Provider on changes to the Account End Date, then changes to this date must be approved by the Chief Financial Officer or the Director Financial Control and Treasury.</td>
</tr>
<tr>
<td><strong>Use of Residual Funds after Account End Date</strong></td>
<td>Residual Funds at the Account End Date will be returned to the External Funding Provider if this is stipulated in the Written Document. If the Written Document does not stipulate that unspent funds must be returned, these funds can be used by the Account owner for Non-Research Activities until the Carry Forward End Date. Usage of these funds may be subject to periodic review by department, Faculty or OFS staff.</td>
</tr>
<tr>
<td><strong>Carry Forward End Date</strong></td>
<td>31 December of the Financial Year after the Project End Date</td>
</tr>
<tr>
<td></td>
<td>e.g. if the Project End Date is 30 June 2016, then Carry Forward End Date is 31 December 2017</td>
</tr>
<tr>
<td><strong>Use of Unspent Funds at Carry Forward End Date</strong></td>
<td>Any unspent funds at the Carry Forward End Date will be transferred to a Faculty Residual Non-Research Funds Account, for use as noted in this Policy.</td>
</tr>
<tr>
<td>Account type</td>
<td>Internally Funded Research / Non-Research Accounts</td>
</tr>
<tr>
<td>--------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>Definition</td>
<td>Internally Funded activities with a Written Document that specifies the income source, required use and available duration for use of the funds.</td>
</tr>
</tbody>
</table>
| Common sources of income | Allocation from the DVC (Research) non-discretionary account for research purposes. Subject to approval by the Deputy Vice Chancellor (Research).  
Allocation from the DVC (Academic) non-discretionary account for non-research purposes. Subject to approval by the Deputy Vice-Chancellor (Academic).  
Allocation from Faculty Residual Research / Non-Research Funds Account. Subject to approval by the relevant Executive Dean.  
Allocation from Macquarie Departments or Offices that issue funding or Prizes for use over more than one year.  
Deposits from students for fieldwork or other excursion trips where the activity spans more than a year. |
| Expenditure  | Permitted expenditure to achieve the deliverables of the Written Document. |
| Process for opening account | Accounts that are co-funding part of a larger externally funded research activity will be set-up via the Research Office APLI Process.  
Stand-alone Accounts (i.e. accounts that are not linked to external funding) that receive funding from the DVC (Research) will be set up via the Research Office APLI Process.  
Stand-alone Accounts that receive funding from an internal source other than the DVC (Research) will be set-up by completion of the OFS Project Ledger Account Set-Up Form, with an attached Written Document from the Funding Provider. |
<p>| Changes to Account End Date | Any changes to this date must be approved by the internal funding provider. Changes to the Account End Date that extend the project into the next financial year will not normally be approved. |
| Use of Residual Funds after Account End Date | Residual Funds at the Account End Date will be returned to the internal funding provider. |
| Carry Forward End Date | Same as Project End Date. |</p>
<table>
<thead>
<tr>
<th>Account type</th>
<th>Individual Academic Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definition</td>
<td>An account opened for use by an individual academic to record income earned that does not have specific usage restrictions attached to the income source.</td>
</tr>
</tbody>
</table>
| Common sources of income        | Assessment Fees  
Examiner’s Fees  
Royalty income streams  
Performing roles in relation to editing or reviewing journals  
Committee membership e.g. ARC College of Experts  
Honorarums  
External prizes or awards  
Consulting Fees without a Written Document stipulating how the funds must be spent.  
Fees received for community engagement activities |
| Expenditure                     | Permitted expenditure in furtherance of the core research or teaching aims of the University, including:  
Running a conference or workshop  
HDR student support  
Staff development/training  
Pilot research projects  
Development projects  
Laboratory maintenance  
Open Access journal fees  
Purchasing or maintaining equipment  
Research Assistance  
Research services (e.g. lab or statistical analyses)  
Attending, or supporting a department member (including an HRD or MRes student) to attend outreach or engagement events |
<table>
<thead>
<tr>
<th>Account type</th>
<th>Individual Academic Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>for conferences (including travel and accommodation).</td>
</tr>
<tr>
<td></td>
<td>Travel to partner organizations/laboratories.</td>
</tr>
</tbody>
</table>

| Process for opening account | Approval by a member of Executive, or their nominated delegate, using the OFS Project Ledger Account Set-up Form. |
|                           | The purpose, current and likely future income sources, expenditure plan, and anticipated account duration must be agreed and documented in an OFS Project Ledger Account Set-up Form at account set-up. |

| Changes to Account End Date | The Account owner must apply for extension of the Account via an updated OFS Project Ledger Account Amendment Form, which must be re-approved by a member of Executive or their nominated delegate. |

| Use of Residual Funds after Account End Date | The Account owner will normally apply for an extension to the Account End Date if Residual Funds are remaining at this time. If the Executive refuses to extend the Account End Date, then Residual Funds will transfer to the Faculty Residual Non-Research Funds Account, for use as noted in this Policy. An Executive member will only refuse an extension of an Account End Date if there have been clear breaches of the use of these funds contrary to the purpose for which the Individual Academic Account was established and documented at inception of the Project Account. |

| Carry Forward End Date | Same date as Account End Date |

| Time to spend funds received into the Account – Sunset Clause | Funds received must be spent within five years, or they will be transferred to the Faculty Residual Non-Research Funds Account, for use as noted in this Policy. |
|                                                              | At the end of each Financial Year, the carry-forward amount on an Individual Academic Account will be equal to or lower than the sum of the last five years of income into that Account. |

<p>| Use of unspent funds if the Project Account owner leaves Macquarie | Any unspent funds in an Individual Academic Account when the Account owner leaves the employment of Macquarie University will be transferred to the Faculty Residual Non-Research Funds Account, for use as noted in this Policy. |</p>
<table>
<thead>
<tr>
<th>Account type</th>
<th>Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definition</td>
<td>Account, used by typically Property and IT, to capture capital expenses in delivery of an approved capital project</td>
</tr>
<tr>
<td>Common sources of income</td>
<td>None</td>
</tr>
<tr>
<td>Expenditure</td>
<td>Permitted capital expenditure to achieve the deliverables of the project scope, subject to the terms of the Capital Asset Management Policy.</td>
</tr>
<tr>
<td>Process for opening account</td>
<td>Completion of OFS Project Ledger Account Set-up Form.</td>
</tr>
<tr>
<td>Account End Date</td>
<td>The date by which all activities to deliver the asset to its location and condition for use should be completed, and all final invoices paid. Changes to this expected date must be communicated in writing by Property and IT to OFS.</td>
</tr>
</tbody>
</table>