



# RESIDUAL FUNDS SCHEDULE – MONASH UNIVERSITY MALAYSIA

## SCOPE

This procedure applies to all Monash University Malaysia staff, adjuncts and affiliates undertaking research on behalf of the University in all locations.

## SCHEDULE STATEMENT

Monash University Malaysia's approach to research costing and research pricing is underpinned by the principles of accountability, consistency, fairness and transparency, mandating that cost calculations are based on full cost recovery of both direct and indirect costs. Where applicable, the addition of a research contribution margin recognises the academic and institutional value associated with a research project.

In addition to the external research funds, research projects undertaken at Monash University may be subsidised through faculty and professional support (central support charges). Where funds remain at the conclusion of a research project, the University may allow for the strategic use of residual funds for further research endeavours where permitted and in accordance with the requirements of the external funding body.

This schedule outlines the requirements for providing access to residual funds arising from externally funded research projects to ensure that all residual funds are redistributed back to the external funding body or transferred to the Research Excellence Unit and if permitted, expended in a timely and transparent manner.

### 1. Assessment of residual funds

- 1.1 The University's research costing methodology supports the full cost recovery of externally funded research projects as outlined in the Research Costing & Pricing Policy. There may be circumstances where a research project may not require disbursement of all costs calculated, with funds remaining at the conclusion of the research project ('residual funds').
- 1.2 Where residual funds exist at the completion of a research project, the funds may be accessed or redistributed in accordance with the requirements set out in this schedule.

#### Identification of residual funds

- 1.3 The Finance unit will determine whether there is a residual fund at the conclusion of the research project, after the grant end date, or within twelve months of reporting completion as follows:
  - 1.3.1 The Finance unit will confirm with the Chief or Principal Investigator in writing that the research project has been completed and all contractual reporting milestones have been met.
  - 1.3.2 All expenditure, including applicable University overheads or support charges have been fully utilised and are compliant with the external research funding guidelines. Where applicable, the original costing model and calculations will be assessed to verify the project budget.
  - 1.3.3 The Finance unit will calculate the final balance, including accounting for any foreign exchange fluctuations of the residual fund for the Chief or Principal Investigator to review and confirm.

### 2. Return of residual funds to external funding body

- 2.1 If a contract requires residual funds to be returned to an external funding body, upon the completion of 1.3 in identifying the residual funds the Finance Unit will process the return of the residual funds.

### 3. Redistribution of residual fund

- 3.1 Where an external funding body does not require the return of residual, upon the completion of 1.3 in identifying the residual fund will be confirmed for distribution within three months of the grant end date.

- 3.2 The Finance unit will finalise the cessation of the original project fund and transfer the residual balance to the Research Excellence Unit (REU)
- 3.3 The Head of the Research Excellence unit and Vice President (Research and Development) will determine the access and use of the residual funds, in accordance with the University's strategic research priorities.

## DEFINITIONS

Chief or Principal Investigator	The individual designated by the Monash to have the appropriate level of authority and responsibility to direct the project or program to be supported by the award, otherwise referred to as the Primary Chief Investigator.
Direct Costs	Direct costs are those that can be specifically and easily attributed to a particular research project or commercial activity (as defined by the University, not as specified by funding bodies).
External research funding	Income from outside the University, and may include competitive research grants, contract research, joint ventures and consultancies
Grant end date	The date when a grant has concluded, usually identified within the contractual agreement or amended through writing as determined by the funding body and Principal Investigator.
Indirect Costs	Indirect costs, sometimes referred to as overheads, are those incurred by the University to support research projects and commercial activity, but cannot be directly attributed to an activity; these include but are not limited to the cost of using University facilities (e.g. building maintenance, libraries, IT equipment or software), central overheads, and opportunity costs.
Overheads	Cost of services provided centrally to faculties, departments and units, which are costed and charged based on usage (volume) per University budget paper.
Research costing	The process by which the direct and indirect costs associated with carrying out research are accounted for and to determine the real cost of a project (completeness). Costing forms part of, but is distinct from, pricing.

## GOVERNANCE

Parent policy	<a href="#">Cash and Financial Management Policy</a>
Associated procedures	<a href="#">Research Costing Procedure</a> <a href="#">Research Pricing Procedure</a>
Related legislation	N/A
Category	Operational
Approval	Chief Financial Officer 26 March 2021
Endorsement	Executive Management Committee Monash University Malaysia 30 April 2021
Parent policy owner	Chief Financial Officer
Schedule owner	Vice President (Research and Development), Monash University Malaysia
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