**Financial Administration of Research Projects**

**Guidance on good financial practices to aid you with managing your budget effectively and within the correct guidelines.**

**May 2022**

A research project needs to be set up and allocated a project number in the University’s finance system (Agresso), before expenditure can be charged to the project. This guide sets out key information you need to be aware of when managing your project finances.

* **University policies** – expenditure must be in line with the University’s financial regulations. Information on these can be found at this page : <https://www.stir.ac.uk/about/professional-services/finance-office/core-information/>

It is the responsibility of the principal investigator to manage the project’s finances and to ensure only valid and justifiable expenditure is charged to the project.

* **Funders terms and conditions** – it is vital to know and understand the rules and regulations of the funder as these will normally specify which items of expenditure are allowable. Some items may be specifically disallowed, or other items may need prior approval of the funder. If you are unsure whether an item of expenditure is allowable contact Post Award (financeresearch@stir.ac.uk) for advice.
* **Start date** – ensure you are aware of the official start date of the project. This is normally the first date on which expenditure can be incurred. Start dates may be flexible, which means it will depend on the date the work starts, and some funders require the submission of start certificates. Other start dates are fixed and are specified in the contract.
* **End date** – ensure you are aware of the end date of the project. This will be the last day on which expenditure can be incurred on the project. Items must be ordered and received in the University before this date. Depending on the funder’s terms and conditions there may be restrictions on certain types of expenditure being incurred in the last few months of your project.
* **Contract delays** – getting contracts finalised and signed can take time and can result in delays in the set up of a project in the University’s finance system. In such cases, please contact Post Award (financeresearch@stir.ac.uk) to discuss and a holding account may be able to be used.
* **Extensions** – you may require an extension to allow you to complete the work on the project. Requests for extensions must be agreed by you with the funder. Post Award will only extend the project end date in Worktribe and Agresso on receipt of written confirmation of the new end date from the funder. Extensions can be either no-cost extension (time only) or costed extensions which may require assistance from Pre-Award ([researchdevelopment@stir.ac.uk](mailto:researchdevelopment@stir.ac.uk)) in RIBE.
* **Budgets and monitoring** – expenditure must be in line with the awarded budget as set out in the award letter or grant agreement and which will have been set up in Agresso. It is important that regular monitoring of actual spend against budget is carried out by you and your divisional administrator, ideally monthly or quarterly, using the Agresso Research and Enterprise Project Reports available via the portal. Instructions on how to access and use these reports can be found at: <https://www.stir.ac.uk/media/stirling/services/internal/finance/documents/agresso-research-enterprise-project-reports.doc> Requests for access to these reports in Agresso can be made by contacting Finance System (financeproject@stir.ac.uk).
* **Under spent budgets** – since most funders only reimburse actual expenditure incurred, under spending your project budget usually results in lost income to the University. If your project is not spending in line with the project budget, it is important to understand why this is happening e.g., is expenditure being charged to the correct project/heading, was there a delay in appointing staff, are third parties not submitting invoices for work done. Steps should be taken to address the underspend e.g., virement of budget headings (see below), further staff appointments to compensate for delayed appointments, chase third parties for outstanding invoices for work done. If you need assistance with reviewing actual expenditure against budget and/or forecasting future expenditure, please contact your divisional administrator or Post Award (financeresearch@stir.ac.uk).
* **Over spent budgets** –ensuring that the project budget is not overspent is the responsibility of the Principal and Co-Investigators and steps should be taken to address any foreseen overspend as soon as possible. Overspends are the liability of your division and will be transferred from the project to your division.
* **Virement** – virement is the authority to move part of one budget heading to supplement another budget heading. Some funders will allow virement between some budget headings. However, certain expenditure headings may be restricted (e.g., equipment and movement between Directly Incurred and Directly Allocated headings for Research Councils). You may also need to request permission for virement from the funder, especially if it is a significant change. If you are unsure contact Post Award (financeresearch@stir.ac.uk) for advice.
* **Expenditure statements** – most funders reimburse the University based on actual expenditure incurred. This requires expenditure statements to be submitted. Other funders only require invoices to be sent. The frequency of claims and invoices will vary, and this will usually be specified in the contract. Post Award will complete expenditure statements and submit invoices to funders.
* **Reporting requirements** – it is important to be aware of the reporting requirements of the funders. Failure to meet them may have serious implications, including financial penalties or loss of the entire award. A final report and claim are usually required to be submitted within a certain period. Post Award will prepare the final claim and will always obtain confirmation from the Principal Investigator or division before submitting the claim.
* **Salary and studentship costs** – these appointments will be arranged by your Divisional Administrator and HR. It is important that steps are taken to make these appointments as soon as possible to avoid potential underspent budgets. Studentship agreements must be entered into and retained for audit purposes. For most EU projects timesheets will require to be maintained to evidence work done on the project and these should be completed in a timely basis. For advice on completion of timesheets please contact Post Award (financeresearch@stir.ac.uk).
* **Purchasing** – must adhere to the University’s Procurement Policy which can be found here: <https://www.stir.ac.uk/about/professional-services/finance-office/core-information/> Purchase orders can normally only be raised between the project start and end dates and can be arranged by your Divisional Administrator.
* **Payment of invoices and expenses** – the Accounts Payable Team in the Finance Office can assist with queries relating to the payment of invoices, expenses, foreign payments, travel advances and studentship payments. An online expense claim can be submitted for sundry items not booked through the University’s approved providers for travel services. All queries relating to payments and expenses can be emailed to [payment.section@stir.ac.uk](mailto:payment.section@stir.ac.uk) and guidance can be found at <https://www.stir.ac.uk/internal-staff/finance-office/payments/> .
* **Equipment** – purchase of equipment must be in line with the application and award letter. Equipment should normally be purchased in the early stages of the project and must adhere to the University’s Procurement Policy which can be found here: <https://www.stir.ac.uk/about/professional-services/finance-office/core-information/>
* **EU Projects** – projects funded by the European Commission will be awarded in Euros. The Sterling-Euro currency rate in Worktribe used to cost the project will usually be the rate used to convert the awarded Euro budget to a Sterling budget in Agresso. Any movement in the exchange rate when reporting actual costs to the European Commission may result in exchange gains or losses. These exchange gains or losses will be transferred to the Finance Office since they are not the responsibility of the Principal Investigator. If there has been a significant change in the exchange rate and you would like to request a budget re-profile using a more current exchange rate, please contact Post Award (financeresearch@stir.ac.uk.
* **Audit** - certain funders (e.g., European Commission, Innovate UK) may require an audit of the costs and financial records relating to the project. If costs cannot be verified or justified and are deemed to be ineligible by the funder, then these costs will be transferred to your division. The requirement for audits is usually specified in the funder’s terms and conditions but a funder can also commission an audit at any time. It is important that all relevant financial records are kept for a period of 6 years (or 10 years for EU projects).