



**Directorate of Research & Development**  
**Alex Ekwueme Federal University, Ndufu-Alike Ebonyi State, Nigeria**

**POLICY ON FINANCIAL ADMINISTRATION AND MANAGEMENT OF  
RESEARCH PROJECTS**

*Excerpt from the AE-FUNAI Research Policy*

**April 2018**

1.0 Research Project Proposals and Project Management

This document summarizes the AE-FUNAI policy and procedures with respect to the preparation, review, and submission of proposals for external sponsorship.

1.1 APPLICABILITY

AE-FUNAI depends to a large extent on external sources to support programmes of research, instruction, and scholarship. Due to the growing complexity of conditions attached to sponsored projects, plus a trend toward greater diversity in sources of support, this policy will apply to the preparation, review, and submission of proposals for external sponsorship.

This policy applies to all proposals for work to be carried out in AE-FUNAI academic departments, laboratories, administrative units, and at FMC. In addition, the terms of this policy also apply to proposals which commit AE-FUNAI resources for projects to be performed off-campus, including affiliated institutions.

1.2 SUBMITTING PROPOSALS

The Directorate of Research and Development (DRD) and the Senate Research Grants Committee (SRGC) are responsible for submitting proposals and accepting awards on behalf of AE-FUNAI. The DRD and the SRGC can grant various levels of signature authority to others to submit proposals and/or accept awards, as appropriate. Sponsored project proposals must be submitted and awards accepted only by individuals authorized to sign the necessary documents. Questions in this regard may be directed to DRD or SRGC staff.

The SRGC requires sufficient time to undertake review of the proposal in consonance with established guidelines on sponsored research within the University. Also, proposals are to be submitted with complete application documents and components or

requirements to the DRD or SRGC through the approved channels (either via electronic systems [FURA] or/and manual submission) at least five working days in advance of the sponsor's deadline. Proposals that do not follow approved channels and deadlines will be rejected.

### 1.3 PROPOSALS INVOLVING POLICY EXCEPTIONS

Proposals which involve any exception to University policy, e.g., requests for PI exceptions or Facilities and Administrative (F&A), i.e., indirect cost waivers, are subject to the approval of the appropriate authorities, and, in some cases, the approval of the Office of the Director of RD. Such approvals should be sought as soon as practical, and must be received prior to submission of the proposal to DRD or SRGC.

### 1.4 BUDGET JUSTIFICATIONS

The primary purpose of a justification is to provide support for the funds requested to ensure adequate funding. Experience has shown that including budget justifications in the proposal increases the likelihood that the sponsor will award the cost.

Budget justifications will be included in sponsored project proposal budgets for costs normally treated as Facilities and Administrative (F&A) costs that are proposed as direct costs, except when not required by the sponsor. This requirement includes proposed direct costs for equipment, operations and maintenance, and administrative salaries. Particular care must be given to the federal requirement that costs incurred for the same purpose in like circumstances shall be treated consistently as either a direct cost or an F&A cost. The following are key elements that are to be included in budget justifications:

- a description of the expense or service
- how it relates to and benefits the project
- the anticipated cost
- the time-period in which it will be utilized
- any other information that will aid the sponsor in evaluating and funding the proposed item of cost

For administrative charging to federal sponsors only: describe how the administrative role is integral, i.e., essential, vital or fundamental, to the project.

Some sponsors provide re-budgeting authority that would allow a PI, after an award is received and the project is in progress, to re-budget awarded dollars within the project scope.

If, during the course of the project the PI becomes aware of other expenditure needs that were not included in the proposed budget, re-budgeting within the sponsor's provisions is permitted. This includes equipment, operations and maintenance, or administrative costs that are normally treated as F&A costs. Of course, all other provisions of Stanford and sponsor policy for acceptability of the costs as a direct charge must be met.

When costs are explicitly listed and justified in the sponsor accepted budget, grant/contract administrators, auditors, and sponsoring agencies can easily understand the nature of the costs and their allowability under the regulations.

### 1.5 STUDENT-INITIATED RESEARCH

In the circumstances where a student has initiated a research project, a proposal will normally need to be submitted with a faculty member as PI. The provisions for rare exceptions to the policy on PI eligibility are applicable.

### 1.6 SUCCESSFUL APPLICATION REPOSITORY

AE-FUNAI is currently in the process of establishing an online repository of successful research funding applications from academics at AE-FUNAI. This repository is only available to staff and students at AE-FUNAI (login required). If you would like to submit your own application for inclusion, or if you have any questions about the repository, then please contact the office of the Director of Research and Development.

### 1.7 QUALITY ASSURANCE

Researchers in AE-FUNAI are to note that research funding is highly competitive and funders often receive more highquality proposals than they are able to support. Therefore, it is advisable to devote quality time to writing and submitting proposals.

There is a growing level of pressure from funders/sponsors on research organisations to manage the numbers of applications submitted and to improve quality control. AE-FUNAI has a peer review process to help ensure the quality of proposals submitted which funders encourage. Peer reviewers have a responsibility to ensure that proposals are of high quality, meet the strategic aims of the University and the funder and represent good value for money.

### 1.8 PROJECT MANAGEMENT

Prospective awardees are expected to prepare an outline for their project from the start date onwards, showing when they expect to conduct periods of fieldwork (if applicable) and the time required for data analysis, experimentation and writing up of results. A chart is preferable.

### 1.9 RESEARCH MANAGEMENT

Advice and policy in research matters is coordinated through a number of bodies and committees, including the following:

(a) The Senate Research Grants Committee, chaired by the Director of RD on behalf of the Vice Chancellor, is the University's highest research management body.

(b) Postgraduate School and Faculties are required to establish research committees to support the research activities of their staff and postgraduate thesis/dissertation students.

## 2.0 Financial Management in Research

### 2.1 Award of research Grants

As soon as the PI receives the letter of award, he/she is required to complete the following procedures:

1. In the case of University Research Grants, e.g. TETFund Institution Based Research Grants, the PI should write application to the Vice Chancellor through the Director of Research & Development for the release of the first installment of the Grant. The following documents should be attached to the application:
  - i) Letter of Award
  - ii) Letter of Ethical clearance
  - iii) Work plan/project time table for the first phase
  - iv) Budget table showing the three instalments and their percentages  
e.g. (1<sup>st</sup> phase (40%), 2<sup>nd</sup> phase (40%), 3<sup>rd</sup> phase (20%))
2. In the case of external research grant award, the PI should inform the Vice-chancellor and University Research and Development board through the Directorate of Research & Development and identify any special implications that the award may have on the University. The letter should be accompanied with the award notice, abridged version of the proposal, approved budget and any special guidelines and other relevant information concerning the award.  
In the event of securing external research grant by staff of the University, the grant would be transferred into a designated AE-FUNAI account to be provided by the university bursar depending on the currency<sup>1</sup>. A unique budget code and an accounting officer shall be assigned to the project. The accounting officer shall be responsible for keeping financial records of the project and will undertake account reconciliation using the cash book and bank statement (cheques not credited and cheques not presented will be considered). The frequency of account reconciliation shall be on monthly basis. The reconciliation report shall be submitted to the Director of Research and University Bursar.

A formal written agreement (i.e. a grant contract, or cooperative agreement) would be entered by AE-FUNAI and the sponsor and generally contains the following financial accountability elements:

- i) An agreement that binds the university to a specified project plan with "start" and "stop" dates;
- ii) A project schedule and a line-item budget, both of which are essential to financial accountability;
- iii) A requirement to return any unexpended funds at the end of the project funding period or as described in the binding agreement;
- iv) Regular financial reporting and audit;
- v) The university's full negotiated Facilities and Administrative (F & A) indirect cost rate, unless a waiver of those costs have been approved; and

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<sup>1</sup>Prevailing exchange rate will be applied or as may be agreed with grantor.

- vi) Terms and conditions for the disposition of tangible properties (e.g., equipment, records, specified technical reports, theses or dissertations or intangible properties (e.g., rights in data, copyrights, inventions).

## 2.2 Responsibilities of Principal Investigators

- PIs are overall accountable and responsible for:
- The research funding awarded to them
- Delivering the research outcomes in a timely manner while ensuring that funding received is expended as per the grant rules and conditions
- Achieving and maintaining a financially sustainable position for the University
- Promptly informing the DRD with regard to variation of research deliverables
- Providing timely notification on achievement of milestone deliverables to enable prompt recovery of research funding (invoicing)
- Monitoring the status of shared funding funds sent to other institutions (for compliance with funding rules and reporting to Sponsors)

## 2.3 Researcher Accountabilities

The Principal Investigator (PI) is the lead researcher who is responsible for carrying out research activities. The Account Holder is the individual under whose name or title the research project is held. The Account Holder is most often the Principal Investigator; however, there are instances where a Department Chair or Dean is the Account Holder. The Account Holder responsibilities apply regardless of the role within the research project. As funds are awarded, the Account Holder assumes responsibility for using the funds for the purpose for which they were awarded and for complying with the guidelines and policies of the sponsor and the University. The Account Holder shall access the fund using the unique budget code. It is also important that the PI understands the allowable expenses that can be charged to a research project based on the budget, funding source and program.

### 2.2.1 PI Authorization

Account Holders/Principal Investigators are the primary signing authority on research projects and they must approve all expenditures that are applied to their research projects. Proof of authorization and related supporting documentation must be retained for audit purposes.

## 2.3 Research Budgeting and Financing

Research budgeting and financing are very crucial to every funded project in AE-FUNAI be it from the University Research Grants or External Research Grants, consequently, every expenditure must be properly accounted for AE-FUNAI may decide to proceed with a contract if it can be demonstrated that the work fits the research, education, and public service mission of the university, and if the work will advance the research, creative or scholarly activities of the faculty, staff and students who will undertake it. If

it proceeds, then the university must fully recover its costs (direct costs plus indirect costs) in performing the services, and it can neither set out to generate a profit nor be in a deficit when the project ends. For audit purposes, the university PI must document all expenditures to show they comply with the terms and conditions of the award, ensure that all costs are fully expensed to the sponsor, provide evidence that all personnel costs reflect actual effort, and carefully handle any residual funds. In proposing budgets for External Research Grants, the PI must ensure that AE-FUNAI and the potential sponsor of the project are represented as accurately as possible with regard to all financial matters. The following are important policy issues that must be considered:

- i) **Commitment of University Resources:** Sponsored awards are made to the university. To accept awards, the university must legally commit itself to the conditions of the award document and the provision of the resources necessary to fulfil the award. The Vice Chancellor or Chairman of the University Research Development Board is the official authorized to approve grants documents, contracts and inter-governmental agreements
- ii) **Allowability:** Proposals should not include expenses which the sponsor has identified as unallowable. Similarly, expenses which are to be considered as indirect expenses (e.g., certain types of office supplies and clerical salaries) may not be proposed and budgeted as direct expenses.
- iii) **Commitment to Effort:** Proposals should accurately represent the amount of time that key personnel are committing to the project. In preparing proposals, PIs must be cautious to not over commit themselves or others. Effort to the project must take into account the time required for teaching and other academic and administrative duties of staff.
- iv) **Cost Sharing:** Cost sharing is the contribution made by the university to the total sponsored project cost. Two types of cost sharing may occur in a grant: a) Mandatory cost sharing required by the sponsor as a condition to obtaining an award; and  
b) Committed cost sharing, which is an agreement by the university to use some of its own resources for related research, but not required by the sponsoring agency.
- v) **Travels:** If not specified otherwise in the agreement with grantor, travel costs shall be based on the University approved rates as specified in the Condition of Service and Federal Government Civil Service Rules.  
Note: The AE-FUNAI will not hesitate to recommend to the University the cancellation and full recovery of the released grant and even stiffer sanctions in the event of violation of the grant contract terms.

### 3.0 Financial Administration and Management of Sponsored Research Programs

3.1 The purpose of this policy and its procedures is to ensure that funds provided from either internal or external sources to sponsor research projects are administered in accordance with both institutional and sponsor policies. External sponsors include both governmental and private organizations.

3.2 All internally and externally sponsored research projects will be administered through the Directorate of Research & Development. The Directorate provides comprehensive services to AEFUNAI staff on the preparation, review, approval, management, non-financial reporting requirements, and close out procedures of sponsored project proposals.

3.3 Award Acceptance Procedure-When notice of funding is received by the University, the Directorate of Research & Development will set up an account and assign a budget number for the grant funds, and send a summary of the grant terms and conditions to the Principal Investigator.

3.4 Grant Account Establishment and Management-Principal Investigators (PIs) should allow one to two weeks for the assignment of the budget number once the application is approved by the funding agency. PIs are expected to spend grant money according to the budget approved by the funding agency. Some agencies, however, permit the Department to transfer funds from certain categories to other categories without prior agency approval. PIs wishing to move funds from one budget category to another should contact the Directorate of Research & Development. PIs should be aware that sponsor and University budgeting guidelines apply to rebudgeting as well. In particular, equipment must be necessary to the research and not available or easily accessible. Ordinarily, the purchase of general purpose equipment is not allowed.

3.5 Fulfilling Sponsor Expectations-Award documents (e.g. Notice of Grant Award) will outline sponsor expectations and will generally reference terms and conditions, timelines for financial and technical reports and deliverables, compliance and other valuable information related to the project. They may also reference when sponsor approval must be sought for modifications/changes to budgetary/administrative or technical work. Knowledge of government guidelines, sponsor referenced documents, and university policies are the responsibility of the Principal Investigator. The notification or award letter should be reviewed at the time of receipt by the Principal Investigator and his/her assigned research administrator. For questions related to the terms and conditions of the award, contact the Directorate of Research & Development.

3.6 ROLES & RESPONSIBILITIES-The Principal Investigator has overall responsibility for the conduct of the project described in the proposal. The PI must monitor the budget to ensure that over-expenditure of grant funds does not occur. PIs are expected to spend their project funds according to the categories specified in the approved grant budget and within the time frame defined in the award. PIs are also responsible for ensuring

that anyone performing work supported by the grant also understands the relevant guidelines. The other primary PI responsibility is the filing of interim and final project reports as required by the funding agency. Since sponsor funds are provided to PIs only for the advancement of their research projects, personal expenses should never be charged to a grant, even if it is the intention of the PI to reimburse the grant. Nor should grant funds be borrowed and paid back.

**3.7 REPORTING RESPONSIBILITIES OF PIS - Interim Reports:** Many agencies require annual (or semi-annual) technical progress reports. The award document usually identifies the due dates of such reports. The PI is responsible for keeping track of reporting deadlines. In some instances, the progress report is required before the agency will release the second or third tranche of funding. **Final Reports:** Almost all agencies require final technical reports. The award document identifies the due date of the report, usually 30 to 120 days after the termination date of the project. Final progress or technical reports normally include: a summary of the progress made toward the goals stated in the proposal; a description of significant results; a list (and sometimes copies) of publications or products resulting from work on the project; disclosure of patents or inventions resulting from the project. Failure to file a final report when due may jeopardize the PI's eligibility for future funding from the University/ External Agency.

**3.8 RESPONSIBILITY FOR GRANT ADMINISTRATION-**The Directorate of Research & Development has overall responsibility for maintaining financial records for the grant, posting charges as they are incurred, and sending monthly budget reports to the PI. In addition, the Directorate of Research & Development requests payment from funding agencies as appropriate, files financial reports, and serves as a link between the PI and the grants management section of the funding agency. The PI can expect to be contacted by the Directorate of Research & Development at least three times: (1) when the grant is awarded, a budget number is assigned, and the grant budget is entered into the University accounting system; (2) three months before the end of the grant budget period, as a reminder that the grant is ending, that remaining funds may need to be returned to the agency, and that a no-cost extension may be requested from the University or the agency (see discussion below); and (3) when the grant is closed and the final financial report is filed.

**3.9 PROCESSING OF SPONSORED RESEARCH PROJECT EXPENDITURES –** The Directorate will review and approve transactions received from a department that are associated with sponsored research projects as appropriate. The Directorate will Review, approve and process requests for cost transfers, including salary reallocations related to sponsored projects and monitor expenditure activities on sponsored research funds to ensure compliance with federal regulations, agency specific requirements, and University policies and procedure.

**3.10 EQUIPMENT INVENTORY-**The Directorate of Research & Development maintains a record of all equipment purchased with project funds (fixed or consumables). If not specified otherwise in the agreement with grantor, every year an inventory is taken to identify the current location, use, and condition (useful economic life and depreciation) of all equipment purchased with grant funds. The methods for issuing inventory are

“Last-In-First-Out” (LIFO) and/or “Simple Average” (SAM) except otherwise agreed with the grantor. Sales and disposal of fixed property shall be in line with the agreement made with grantor. The research directorate shall investigate any loss or abnormal consumption patterns of inventory items. Unjustified explanation shall be reported to the University management for necessary action.

3.11 MAJOR PROJECT CHANGES- Events or problems may require changes in the project. Most of these changes will be minor (a transfer of funds among budget lines, different travel plans, or the purchase of equipment other than that included in the approved budget) and are easily accomplished. Major changes, such as a change in PI or a new objective, may also be made but usually require approval by the funding agency. The Directorate of Research & Development can provide information about whether an anticipated change is considered minor or major. A PI who plans either a short-term or long-term absence from the project or who anticipates devoting substantially more or less effort to the work than outlined in the proposal should contact the Directorate of Research & Development as soon as possible. Such a change would be considered a major change and might result in the naming of a replacement PI. In any case, agency notification and/or approval will be required. A PI who is leaving AEFUNAI for another institution should contact the Directorate of Research & Development as soon as possible. In most cases the grant can be transferred to the new institution without problems, but early planning is essential since the process can be quite lengthy. A PI who wants to change the phenomena under study or the objectives of the project as stated in the proposal will have to get approval for such changes from the funding agency. The Directorate of Research & Development can provide information about the mechanism for requesting such major changes. Neither the pursuit of "interesting and important leads" which arise during the course of research nor the adoption of an "alternative approach" which appears to be more promising constitutes a change in objectives or scope, but significant changes in methods or procedures do.

3.12 AWARD CLOSEOUT – The Directorate will send PI Award Expiration Notifications via email, as appropriate b. Coordinate financial closeout and termination of an award with Principal Investigators (PIs) and departmental staff. Reconciliation of any deficit or other corrections would then be processed by the responsible grant accountant based on applicable cost transfer/salary reallocation paperwork received by the PI and or departmental staff. Complete final reporting, if required. Complete Property Report, if required. Close out grant/fund(s) in the Financial System. Assist PIs to review project expenditures to ensure timely closeout and submission of financial reporting.

#### References

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