## Annex 4A

Between various Types of Recurrent Grants			
Recurrent Grants (usually referred to as Triennial Recurrent Grant) (para. 4.1)	Block Grants (paras. 4.3 to 4.4)		Indicated Grants (e.g. Teaching Development and Language Enhancement Grant)
	Earmarked Recurrent Grants <sup>Note</sup> (e.g. when a university first join the UGC-funded sector and requires close attention and monitoring at the initial stage) ( <i>para. 4.6</i> )		(para. 4.5)
	Earmarked Grants for Specific Purposes (paras. 4.7 to 4.8)		Earmarked Research Grants (e.g. General Research Fund and Collaborative Research Fund) Grants for Knowledge Transfer activities Grants for Areas of Excellence Scheme Central Allocation Vote Project Grants
	Supplementary Grants/Adjustment (paras. 4.9 to 4.13)	L	etc.

## **Overview of the Relationship Between Various Types of Recurrent Grants**

Except with the approval of the UGC, any surplus of Earmarked Recurrent Grants after the close of financial year or the approved funding period must be forfeited. If universities consider that carry-over of the unspent balance of an allocated Earmarked Recurrent Grant to the next financial year or funding period is justified and necessary, they must submit their application to the UGC for approval. Any proposed transfer of any surplus of Earmarked Recurrent Grants to Reserve Funds must follow the rules and procedures laid down in paragraphs 7.7 to 7.12 of Chapter 7.

<sup>&</sup>lt;sup>Note</sup> For Earmarked Recurrent Grant, an expenditure budget for each financial year has to be approved by the UGC under agreed expenditure headings (normally under the four expenditure headings of academic staff, non-academic staff, equipment and general expenses). The provision under each of the headings is strictly controlled and virement between headings can only be made with the approval of UGC. Regular reports on spending position (as indicated in an allocation letter) should be submitted for the UGC's scrutiny. Major causes to deviation (including both overspending and under-spending) from approved budget will need to be identified and accounted for. The grant will be provided for on an annual basis with payments being released monthly in advance.