

## RESEARCH GRANTS COUNCIL

### **Guidelines on Disbursement, Accounting and Monitoring Arrangements for Competitive Research Funding Schemes for the Local Self-financing Degree Sector (SF-DAMA)**

These guidelines set out the disbursement, accounting and monitoring arrangements for research funding schemes administered by the Research Grants Council (RGC). Principal Investigators (PIs) / Project Coordinators (PCs) / Project holders<sup>1</sup> and their respective institutions should observe the requirements in the guidelines and check with the University Grants Committee (UGC) Secretariat where clarification is needed.

#### **Three Competitive Funding Schemes for the Local Self-financing Degree Sector**

2. In Policy Address 2011, the then Chief Executive proposed a new injection of HK\$5 billion into the Research Endowment Fund (REF). Out of that, HK\$3 billion was designated to support the academic and research development of local self-financing degree sector on a competitive basis. Funding was approved by the Legislative Council in January 2012. The investment income will be used to finance research projects of the sector. The Education Bureau (EDB) invited the UGC / RGC to oversee the new resources for local self-financing degree-awarding institutions including the formulation of the framework of proposed funding schemes and monitoring the implementation of the new funding schemes. Three funding schemes were launched in December 2013:

- Faculty Development Scheme (FDS)
- Inter-Institutional Development Scheme (IIDS)
- Institutional Development Scheme (IDS)

3. After a comprehensive review in 2018, the RGC decided to expand the scope of IDS to incorporate collaborative research. The IDS branched out into two grants, namely the “Research Infrastructure Grant” and the “Collaborative Research Grant” starting from 2019/20 exercise.

---

<sup>1</sup> Project holder refers to the Head of Institution, who is also the Applicant, under the Institutional Development Scheme (IDS) from 2014/15 to 2018/19 exercises and the IDS Research Infrastructure Grant from 2019/20 exercise.

## Part I - General

### *Roles of Institutions*

#### (A) Grant Undertakings

4. UGC / RGC grants, though awarded to specific projects in the name of individual PIs / PCs / Project holders, are actually grants allocated to institutions. By accepting the grants and signing the grant undertakings (**Appendix I**), the institutions and PIs / PCs / Project holders agree to abide by all the relevant UGC / RGC guidelines on disbursement, accounting and monitoring arrangements.

#### (B) Designated Bank Accounts

5. Institutions are, in general, required to open a separate interest-bearing bank account with a licensed bank registered under the Banking Ordinance (Cap. 155) solely for depositing receipts and making payments in relation to the grants funded by the REF. A separate ledger designated for the sole purpose of keeping and transacting all monies of the grants funded by the REF should be kept. Bank reconciliation should be prepared promptly and regularly, at least once a month, of the balance as shown in the ledger. Institutions should also draw up proper instructions and guidelines regarding the conduct of business through the said bank account.

6. Institutions may be exempted from opening a separate interest-bearing bank account with a licensed bank registered under the Banking Ordinance (Cap. 155) solely for depositing receipts and making payments in relation to the project grants funded by the RGC provided that:

- (a) all the project funds would **not** be put in any investment instrument other than risk-free interest-bearing bank accounts with a licensed bank registered under the Banking Ordinance (Cap. 155); and
- (b) if the project funds are placed together with other funds of the institution, the interest income for the project funds shall be apportioned equitably from all ACTUAL monthly bank interest income generated from total bank deposits<sup>2</sup>, from the date of receipt of the project funds<sup>3</sup> up to the date of returning

---

<sup>2</sup> Total bank deposits include fixed deposits and savings accounts only.

<sup>3</sup> Applicable to projects awarded starting from 2015/16 funding exercise. For projects awarded in previous exercises, interest on the remaining balances in the project ledger accounts should be apportioned with the UGC starting from 1 July 2015.

the unspent balance to the Government, in accordance with the following formula:

$$\frac{\text{Average positive ledger balance (i.e. the simple average of the opening and closing balances) of all relevant projects for the month, adjusted for disallowed expenses, unrecorded income, if any, and accrued interest (Notes 1&2)}}{\text{Average bank balance (extracted from bank statements / bank passbooks) for the month of institution's funds placed in bank deposits}^2 \text{ (Note 2)}} \times \text{Total actual monthly interest income generated from total bank deposits}^2 \text{ for the month included in the institution's funds}$$

*Important Notes:*

- (1) *Negative interest is **not** allowed to be charged on any negative projects' fund balances.*
- (2) *As the amount of unpresented cheques would have been transferred to the current account, therefore the effect of the unpresented cheques is contra with the current account. In other words, a proportionate share of the average bank balance of the institution's fund placed in the working capital (cash and current accounts) for the month is not provided for in the denominator. It is based on the assumption that all projects' fund balances are placed in bank deposits (fixed deposits and savings accounts only).*

7. The above exemption and interest apportionment arrangements took effect from 1 July 2015 and are applicable to both existing projects awarded before this date as well as new projects.

8. All interest income generated in the said bank account should be kept in the account and returned to the UGC / RGC as appropriate on an annual basis together with the completed proforma at **Appendix II** and supporting document such as bank statement before end of January of each year (i.e. interest received from January to December should be returned in January of the following year).

### **(C) Auditors' Reports**

9. Upon termination / completion of a funded project, institutions are required to submit audited financial statements for each of the project. The

---

<sup>2</sup> Total bank deposits include fixed deposits and savings accounts only.

assurance report should be issued by independent Auditors who must be certified public accountants holding a practising certificate registered under the Professional Accountants Ordinance (Cap. 50) (the Auditors).

10. Institutions should specify in the engagement letter for the employment of the Auditors that they should follow the requirements and the specimen stipulated in the latest version of the Notes for Auditors (**Appendix III**) in conducting a reasonable assurance engagement and preparing Auditors' report. The institutions and PIs / PCs / Project holders are required to make available to the Auditors all information, invoices / receipts, documents, and explanations relating to the projects.

11. In case a project has been transferred to another local self-financing degree-awarding institution during the project period, the last institution should be responsible for submission of all the necessary report(s) and Statement of Accounts covering the entire project period in one go. The last institution should also include the project in their consolidated project account and assurance report after project completion / termination.

#### **(D) Internal Monitoring by Institutions**

12. While the PI / PCs / Project holder is held responsible for the overall management, implementation and completion of a research project, the institution is also required to assume the important role of managing the projects and expenditures, overseeing the procurement of equipment/services approved under the projects and putting in place an internal monitoring system.

13. Since the funding schemes for the local self-financing degree sector involve public monies, institutions are obliged to ensure that the public monies entrusted to the institutions are being properly used for their intended purposes in accordance with the provisions of the funding schemes. Institutions are required to make reference to the "Strengthening Integrity and Accountability – Government Funding Schemes Grantee's Guidebook", "Corruption Prevention Guide for Tertiary Education Institutions", "Best Practice Checklist on Staff Administration" and other related guidelines issued by the Independent Commission Against Corruption (ICAC) in the procurement of goods and services, recruitment and management of project staff, and the associated financial and accounting controls, etc. The PIs / PCs / Project holders and relevant project staff should always avoid and declare conflicts of interest in the conduct of business of the projects.

14. Whenever irregularities have been detected, institutions have the responsibility in rectifying and following up the cases closely. Where the RGC's approval and advice is required to be sought, institutions are expected to

exercise their judgement to ensure that only fully justifiable cases are recommended to the RGC for consideration.

15. Please note that institutions have the primary responsibility for prevention, detection and investigation of research misconduct. Institutions are required to report to the RGC immediately when any suspected research misconduct cases are discovered.

#### **(E) Keeping of Records**

16. Institutions are required to keep all accounting records related to the UGC / RGC project grants for seven years for inspection when needed. Other project records such as working papers or publications should be kept for at least three years after project completion / termination.

#### ***Disbursement, Accounting and Monitoring Arrangements***

17. The disbursement, accounting and monitoring arrangements in Part II to IV below are generally applicable to the projects approved under all funding schemes for the local self-financing degree sector, unless otherwise specified in **Annexes A to C**.

18. The UGC / RGC assumes no responsibility, financial or otherwise, for expenditure or other liabilities arising from the research projects it supported.

19. The UGC / RGC reserves the rights to amend, supplement, apply, interpret and make exception to these guidelines without prior notice.

## Part II - Disbursement Arrangement

20. From the 2015/16 academic year onwards, the RGC adopts the following disbursement arrangement which is applicable to the projects funded under the FDS and the IDS Collaborative Research Grant:

<b>Project Duration<sup>4</sup></b>	<b>Grant Size per Project</b>	<b>Disbursement Arrangement</b>
12 months or less	Irrespective of grant size	One-off payment in the year of approval.
13 to 36 months	(a) (i) Projects of \$800,000 or above approved under E, M & P Subjects  (ii) Projects of \$600,000 or above approved under B & H Subjects  (see notes below)	<u>First instalment</u> 60% in the year of approval.  <u>Second instalment</u> 40% subject to satisfactory assessment of annual / mid-term progress report.
	(b) (i) Projects below \$800,000 approved under E, M & P Subjects  (ii) Projects below \$600,000 approved under B & H Subjects  (see notes below)	<u>First instalment</u> 60% in the year of approval.  <u>Second instalment</u> 40% subject to submission of annual / mid-term progress report and no major irregularities in project progress.  Second instalment for projects with major irregularities identified in progress reports will be withheld. Payment will be made until PI proposes remedial action acceptable to the RGC.

### *Notes on Subject Codes*

E: Engineering

B: Business Studies

M: Biology & Medicine

H: Humanities & Social Sciences

P: Physical Sciences

<sup>4</sup> As originally approved by the RGC before project commencement.

## Part III - Accounting Arrangement

21. The UGC / RGC grants are public resources. PIs / PCs / Project holders and institutions have the obligation to use the public resources in an accountable and transparent manner while avoiding and declaring conflicts of interest.

### *Approved Scope*

22. It is the institutions' responsibilities to ensure that the UGC / RGC grants are used appropriately and reasonably within the approved scope and timeframe. The expenditure for the following items should be spent within the respective scope unless otherwise specified for the respective schemes as set out in **Annexes A to C**:

(a) Research Support Staff

Funding support may be provided for the remuneration of research support staff like Senior Research Assistants, Research Assistants, Postdoctoral Fellows and Research Postgraduate Students who assist in conducting research work of RGC funded projects concerned. UGC / RGC grants must not be used to remunerate PIs / PCs / Project holders / Co-Principal Investigators (Co-PIs) / Co-Investigators (Co-Is) / Team leaders / Team members<sup>5</sup> or to subsidise their salaries, including honorarium, in any way.

(b) Equipment

For projects including acquisition of equipment and library collection, etc., the responsible PI / PC / Project holder and the institution should follow the procurement procedures as required by the RGC (**Appendix IV**) or by the institution (whichever is more stringent). Once purchased, the equipment / library resources etc. should be made available for joint use by staff for the research purposes.

Specialised equipment essential for the approved project and not otherwise provided by the institution may be funded. Institutions may however be expected to meet part of such cost if the equipment will be available for other research projects or teaching during the project's duration. Upon completion of the

---

<sup>5</sup> Team leader and Team members refer to projects under the IDS from 2014/15 to 2018/19 exercises and the IDS Research Infrastructure Grant from 2019/20 exercise.

approved project, the equipment acquired with value below \$500,000 can be redeployed at the discretion of the institutions. For equipment costing \$500,000 and over, any redeployment of the equipment within and outside the institution should be reported to the RGC. Should an approved project be terminated for any reason, institutions should report any major items of research equipment (costing \$500,000 and over) to the RGC. The RGC reserves the right to redeploy any such major equipment acquired by the UGC / RGC grants for use by other institutions where appropriate or practicable.

For equipment purchased, such items should be well insured and a register of assets (inventory records) should be kept for inspection and audit purpose. The relevant institutions should also put in place a mechanism to explore ways to put under-utilized assets to more gainful use. The institutions should set up appropriate authority to approve the disposal of both serviceable and unserviceable equipment items. The mode of operation should be operated in a transparent manner with sufficient checks and balances in place. The institutions are responsible to ensure that the movement of equipment is properly recorded and accounted for, in line with the requirements set out. The institutions are also required to follow the RGC's requirement on management and disposal of equipment at **Appendix IV**.

Notwithstanding that the approved projects are fully funded or the equipment items have been included in the research proposals, the PIs / PCs / Project holders and the institutions must not use the UGC / RGC grants to purchase:

- (i) personal electronic devices such as cell phones, tablets, iPod, iPad, MP3 players, digital cameras/video recorders and personal digital assistants (PDAs); and
- (ii) standard office equipment such as personal computers, servers, laptop computers, printers, scanners and standard software / software licence / dataset known to be available, or reasonably expected to be provided in the institutions, except with sound justification as specially approved by the RGC.



(c) Relief Teacher

Upon the provision of detailed and sound justification, the RGC will provide funding support for employment of relief teacher so as to enable the PI / PC to allocate sufficient time for research. The funding is an earmarked sum. This earmarked amount is not transferable and should not be used to meet other items of expenses of the approved project. Any surplus should be returned to the RGC.

The salary of the relief teacher should not exceed the salary of the PI / PC concerned. Unless RGC's approval to employ a relief teacher with higher salary is granted, the institution is requested to bear the exceeding part of salary.

The PI / PC concerned is not allowed to use the UGC / RGC grant(s) (including the new project and the on-going project(s), if any) for relief teacher to cover more than 50% of his / her annual teaching load.

(d) High-performance computing services

A ceiling of up to \$100,000 will be allowed for the subscription of high-performance computing services for each funded project. The funding is an earmarked sum out of the approved project grant. This earmarked amount is not transferable and should not be used to meet other items of expenses of the approved project. Any surplus should be returned to the RGC.

(e) Travel / Conference Grant

On request, a conference grant of up to \$20,000 per year is allowed to encourage the PI / PC / Co-PI / Co-I and other research personnel engaged in the approved project to meet travelling and associated expenses for attending recognised international conference(s) to deliver paper(s) related to the project.

(f) Workshop, Seminar or Short Courses

For schemes with the grant supporting workshops, seminars or short courses, the grant can only be used to cover the direct cost incurred in organizing the event. Expenditure on standard equipment and consumables are not covered. The event organized should be opened to all academics in the institution. For IIDS, the event organized should also be opened to the public.

If overseas travel is involved, either incoming or outgoing, the grant is to meet only the air passage, accommodation and subsistence costs directly related to the proposed events. Insurance or other personal expenses are not covered.

(g) Outsourcing of Research Work Outside Hong Kong

Research grants awarded by the RGC should primarily be used in undertaking research work in Hong Kong by the PIs / PCs / Project holders and their teams in order to train and groom research talents in Hong Kong. It will be legitimate for the PIs / PCs / Project holders to subcontract out a small part of the research work (regardless of geographic locations) only if all the following conditions are fully met:

- (i) The proposed activity is a necessary and justified part of the research and has already been outlined in the approved proposal;
- (ii) The PIs / PCs / Project holders should have identified and possessed a high level of research expertise in their teams when they submit research applications to the RGC. The activity to be subcontracted out, for instance, data collection work, should not be the main intellectual focus of the research project;
- (iii) The persons / organizations providing the subcontracting services should be at arm's length with the PIs / PCs / Project holders, their project staff or serving institutions (for instance, employees, friends, relatives, subsidiary companies, etc. should be avoided) and the procurement should be done in accordance with the RGC's or the institution's procedures and guidelines, whichever are more stringent; and
- (iv) The PIs / PCs / Project holders or their project staff should be involved in monitoring the subcontracting services or the supervision of the subcontracting services.

Any subcontracting services or research work to be conducted outside Hong Kong that were not included in the approved proposal will require RGC's prior approval.

(h) Research Experience for Undergraduate Students

This is an earmarked sum for the provision of a monthly allowance of up to \$2,500 for a maximum of ten months to an undergraduate student for his / her participation in the FDS project. Monitoring of the undergraduate students' participation in the research projects is the joint responsibility of the PIs and the institutions. The results of the undergraduate students' participation in the research projects must be included in the progress reports and completion reports of the projects.

***On Approval of New Projects***

23. Institutions are required to create a reserve account, to which unexpended grant balances of projects will be transferred at the end of the academic year, to be carried forward to the following year.

24. A project grant is, unless otherwise stated, a one-line vote without further division into sub-allocations. For "One-line Vote", virement between approved budget items within the same project does not require RGC's approval. If a PI / PC / Project holder wishes to spend the money on an item that is not covered by the approved budget, he / she has to seek the approval from the RGC on this new item. Virement between projects is not allowed. For "Earmarked Items", the funding for the respective item is an earmarked sum out of the approved project grant. This earmarked amount is not transferable and should not be used to meet other items of expenses of the approved project. Any unspent balance of the project grant should be returned to the RGC.

25. The official start dates for newly approved projects will be 1 January of the following year, unless the PI / PC / Project holder advises an earlier date. Project grants must not be expended earlier than the project commencement date. Any deferral beyond the official start date will require the special prior approval from the RGC. If the deferral is approved, normally no temporary waiver of eligibility requirements of the PI / PC / Co-PI / Project holder / Team leader (such as long-term leave) will be allowed thereafter. Under no circumstances will a project be allowed to be deferred beyond 12 months of the announcement of the funding results. If the project does not commence within 12 months of the announcement of the funding results, the RGC will withdraw the funding support and the institution should immediately return the grant to the RGC. Applicants have the discretion to decline a grant before commencement of the project if they do not consider it viable to carry out the projects. The RGC will not attach any penalty to such cases.

26. In case a project budget is reduced and the applicant accepts the grant, the concerned applicant is required to submit the revised budget and the

revised objectives or work programme if deemed necessary for consideration and endorsement by the appropriate RGC Committee / Panel. Comments by the RGC on the revisions will be provided to the applicant through the institution as soon as practicable. In any event, an applicant should only accept a grant when he / she is satisfied that the funding approved by the RGC plus other resources available will be sufficient for the completion of the project. For on-going projects, requests for revision of project objectives should be separately submitted to the RGC for consideration as and when deemed necessary (see paragraph 35(d)).

27. To facilitate the management and the public access of all newly funded projects, the concerned PIs / PCs / Project holders are required to submit essential data, including the revised project estimates, revised start / scheduled completion dates, PIs' / PCs' / Project holders' Chinese names, Chinese project titles, etc.

### ***On Termination / Completion of Projects***

28. For cases where the PI / PC / Co-PI / Project holder / Team leader becomes ineligible for the grant (e.g. on prolonged leave / leaving Hong Kong / leaving the institution / incapable of managing the project) prior to the completion of the project, the institutions should endeavour to identify a suitable and eligible replacement who preferably has been involved in the project since commencement to take over the role of PI / PC / Co-PI / Project holder / Team leader and recommend to the RGC for approval. Institutions should notify the RGC as soon as the PI's / PC's / Project holder's departure / leave has been confirmed and the project account should be frozen at the same time.

29. The following accounting rules should be observed in handling project termination:

- (a) Once the project account is frozen, both the PI / PC / Project holder and the institution are obliged to cease immediately committing or incurring new expenditures under the account except for committed and uncancellable normal expenditure of salary to Research Assistants or equivalent employed before project termination date for a reasonable but limited time (i.e. payment in lieu of notice when staff's contracts have to be terminated as a result) and ordered equipment (where penalties are involved for cancellation of order). Such expenses must be solely and directly related to the project in question and have been committed before the project account is frozen.

- (b) Should the RGC eventually reject a PI's / PC's / Project holder's request for change or temporary waiver of eligibility requirements and the date of termination takes retrospective effect from the commencement of PI's / PC's / Project holder's departure or leave, the institution is required to return the expenses incurred by the project starting from the retrospective termination date except under very exceptional and justifiable circumstances.
- (c) Institutions are required to return the unspent balance (and expenses incurred since the retrospective termination date if applicable) and submit a concluding report together with the Auditor's Report to the RGC within six months of termination.
- (d) The RGC will consider the possible redeployment of the equipment acquired by UGC / RGC grants where necessary. Exceptional cases will be considered by the RGC on their individual merits.

30. The project account in respect of a completed project should be frozen immediately after the completion date, and any request for additional expenses incurred after that date to the unspent balance of the project must not be entertained. Under exceptional circumstances, institutions are given the discretion to allow charging certain expenses shortly after the project completion date to the unspent project account in justified circumstances. Before exercising such discretions, institutions must satisfy themselves that the expenses are strictly necessary for dissemination of research results (e.g. attendance at important international conferences and essential publication work). In any case, usage of unspent balance to meet the costs of purchase of stores / equipment or staff salaries beyond the project completion date is strictly prohibited.

31. It is the onus of institutions to verify any claim of expenses incurred while the account is frozen and to satisfy themselves that due efforts have been made to ascertain whether to pay the expenses incurred after the project account has been frozen. For audit purpose and in order to ensure accountability, institutions and the PIs / PCs / Project holders are required to provide an itemized report of such expenses, together with corresponding justification, in the relevant Statement of Accounts of the projects.

32. Upon termination / completion of a project, the institution is required to return the unspent balance together with an Auditor's Report, including the Statement of Accounts (in **Annex A to Appendix III**) as

appropriate, to the UGC Secretariat within six months of project termination / completion date.

33. The RGC reserves the right to withdraw support and project grant for particular projects at any time by giving appropriate advance notice.

## Part IV - Monitoring Arrangement

### *Changes to Approved Projects*

34. Institutions are required to assume the important role of managing the projects and expenditure, overseeing the procurement of equipment / services approved under the funded projects. A due internal monitoring system should be accessible to all stakeholders and be made available to the RGC upon request.

35. All major changes to approved projects require RGC's prior approval. PIs / PCs / Project holders should submit the request by completing the form "Request for Change for On-going Project" (Form SF1) at **Appendix V** via his / her institution.

(a) General principles

Where the proposed changes are initiated by the PI / PC / Project holder, the institution should consider them internally before forwarding its recommendation, with any additional information, to the RGC for consideration. Both the PIs / PCs / Project holders and the institutions have the responsibility to file the applications for RGC's approval in good time and well in advance of the effective date of proposed changes / waivers. If a PI's / PC's / Project holder's request for change / waiver is submitted to the RGC after or just shortly before the effective date of the proposed change / waiver, his / her project is liable to the risk of being terminated with retrospective effect from the date of his / her departure (for change of PI / PC / Project holder), the commencement of his / her leave (for temporary waiver of eligibility requirements) or the original completion date (for project extension). In such a case, the institution will be required to return the expenses incurred by the project since the retrospective termination date except under very exceptional circumstances. If the RGC's approval is still pending by the original completion date or by the time the PI / PC / Project holder has become ineligible to hold the grant, the project account in question should be frozen immediately until the RGC's approval is granted.

(b) Change of PI / PC / Project holder, Co-PI / Team leader / Team member and Co-I

*Change of PI / PC / Project holder*

Change of PI / PC / Project holder will not be approved within the first six months of an approved project save for very

exceptional circumstances. Change of PI / PC / Project holder from the seventh month may be considered by the RGC under the following circumstances:

- (i) Clear evidence can be provided by the PI / PC / Project holder to the satisfaction of the RGC that when the project commences, he / she is not aware of the changing circumstances that may not allow him / her to complete the project;
- (ii) Genuine and convincing reasons in support of the change for PI / PC / Project holder must be given (e.g. departure of PI / PC / Project holder due to emigration, change of profession, ill health, etc.) and supported by the institution concerned; and
- (iii) A suitable replacement who has preferably been involved in the project since commencement is available and considered suitable by the RGC to take over the role of PI / PC / Project holder.

The PI / PC / Project holder is required to complete the proforma at **Appendix VI / VII** (as appropriate) and submit it to the UGC Secretariat via the institution. The institution should provide confirmation that the nominee meets all the RGC eligibility requirements as the PI / PC / Project holder of the approved project.

#### *Change of Co-PI / Team leader / Team member*

For any proposed change of Co-PIs / Team leaders / Team members, the PIs / PCs / Project holders are required to complete the proforma at **Appendix VI / VII** (as appropriate) and provide justifications for consideration by the RGC. Institutions are also required to confirm the new Co-PI's / Team leader's eligibility by completing the relevant part of proforma.

#### *Change of Co-I*

PIs / PCs / Project holders / institutions are required to notify the Secretariat of any changes to the Co-Is of the funded project.

Once the research protocol and the composition of a research team have been approved, the RGC normally does not entertain requests to add Co-PIs / Co-Is save in very exceptional



circumstances. Institutions are expected to exercise their judgement before forwarding recommendations to the RGC for consideration.

- (c) PIs / PCs / Co-PIs / Project holders / Team leaders proceeding on prolonged leave

PIs / PCs / Co-PIs / Project holders / Team leaders, who are on leave for a continuous or cumulative period exceeding 183 days within the project period but wish to continue as PIs / PCs / Co-PIs / Project holders / Team leaders, are required to seek the RGC's approval in advance for temporary waiver of eligibility requirements. If the temporary waiver is approved, normally no extension and change of the objectives of the projects concerned will be allowed. Institutions should seek the RGC's approval for the temporary waiver before granting the leave. The application for waiver may be considered by the RGC under the following circumstances:

- (i) Evidence is provided that the PI / PC / Co-PI / Project holder / Team leader is able to continue to oversee the project during his / her leave; and
- (ii) An undertaking must be made by the PI / PC / Co-PI / Project holder / Team leader to confirm that he / she will return to the concerned institution upon expiry of his / her leave.

Failure to meet these requirements will result in termination of the concerned project. As a result, the institution is required to return the RGC grant spent during the leave of PI / PC / Co-PI / Project holder / Team leader.

- (d) Revision of project objectives

Research projects are supported on the basis of, among other things, the objectives stated in the original proposals. The PIs / PCs / Project holders should not alter the project objectives without seeking prior approval of the RGC. In case revision of project objectives is warranted, the PIs / PCs / Project holders should seek formal approval through their institutions. The institutions will exercise their judgement, recommend the justifiable cases and confirm the new institutional commitments, if any, to the RGC for consideration.

- (e) Transfer of project to another institution (excluding IDS project)

Before the PI / PC / Project holder takes up an appointment at another local self-financing degree-awarding institution before the completion of a project, the current institution should reach a mutual consensus with the receiving institution on the transfer of the balance of the allocation for the project (normally together with the equipment where justified and appropriate) to the receiving institution. The current institution should then report any changes in the appointment status of the PIs as well as submit the request for transfer to the RGC for prior approval. RGC's prior approval is needed to effect the transfer of projects. By accepting the transfer of the project, the receiving institution agreed to abide by all the relevant UGC / RGC guidelines on disbursement, accounting and monitoring arrangements.

- (f) Extension of project completion date

- (i) For extension of a period of six months and less for FDS and IIDS projects, the authority is with the institution. The PIs should apply to their institutions direct. From prudent project management angle, institutions are expected to exercise their judgement to ensure that only fully justifiable cases are approved, particularly during the first half of the project life. The RGC must be notified of the extension approved by institutions before the original completion date of the project.
- (ii) For extension beyond six months for the FDS and IIDS projects, the RGC's approval is needed. The PIs are required to submit up-to-date progress reports together with their requests for project extension. As at the date of extension application, if the PIs have recently submitted progress reports ending within three months, the requirement for an up-to-date progress report is waived. The institutions should exercise their judgement and recommend the justifiable cases to the RGC for consideration.
- (iii) Requests for further extension (i.e. after approvals have been given for a total of 12 months at (i) and (ii)) will not be considered except under

extraordinary circumstances (e.g. serious illness of PI).

- (iv) For IDS projects (including projects funded under the Research Infrastructure Grant and the Collaborative Research Grant), regardless of the extension period, the RGC's approval is required.

### ***Submission of Progress Reports***

36. PIs / PCs / Project holders are required to submit annual progress reports (for projects with a duration other than 36 months) or mid-term progress reports (for 36-month projects) on all on-going projects through their institutions to the RGC for monitoring for projects funded from 2014/15 to 2016/17 exercises. For projects funded from 2017/18 exercise onwards, PIs / PCs / Project holders are required to submit a mid-term progress report for all on-going with project duration from 13 months to 36 months, or annual progress reports for all on-going projects of greater than 36 months duration, through their institutions to the RGC. The reporting period and the date of submission of the report to the UGC Secretariat are detailed in specific guidelines for FDS and IDS (including Research Infrastructure Grant and Collaborative Research Grant) at **Annexes A and C**. No progress report is required for IIDS projects. However, the PI of an IIDS project is required to submit the form "Progress Update for Requesting the Release of Funding" (**Appendix VIII**) to the UGC Secretariat via his / her institution at least three months prior to the commencement of the approved activities.

37. The progress report of an approved project will be reviewed by the responsible RGC Committee / Panel Member(s) to ensure that the project is proceeding on schedule and that any problems identified are followed up. While the PIs / PCs / Project holders are responsible for the submission of progress reports, the institutions should put in place an internal monitoring system to ensure the PIs / PCs / Project holders comply with all monitoring rules laid down by the RGC.

38. The RGC reserves the right to withhold the release of the second / third instalment of a project or terminate a project if its progress is found unsatisfactory.

### ***Submission of Completion Reports***

39. Completion reports should be submitted no later than 12 months after the approved completion date of the project.

40. PIs / PCs / Project holders are required to release the completion reports to the public through the RGC website. Completion reports containing information such as abstracts in non-technical terms, objectives, research output including the list of conference papers / publications / journals and research findings and contact information of PIs / PCs / researchers concerned should be open to public access. The PIs / PCs / Project holders will be requested to give reasons for not providing any required information for public access. Arrangement of releasing completion reports to the public is applicable to all approved projects under any funding schemes administered by the UGC / RGC.

41. On public access of publications resulting from research funded by the RGC:

- (a) Upon acceptance of a paper for publication, the PI / PC / Project holder should check whether the publisher already allows (i) full open access to the publisher's version, or (ii) the author's depositing a copy of the paper (either the publisher's version or the final accepted manuscript after peer-review) in the institutional repository for open access;
- (b) if both (a) (i) and (ii) are not allowed, the PI / PC / Project holder should request the publisher to allow to place either version (preferably the publisher's version, but failing that the final accepted version) in PI's / PC's / Project holder's institutional repository for restricted access immediately upon publication or after an embargo period of up to 12 months if required by the publisher; and
- (c) subject to the publisher's agreement on (a) or (b) above, the PI / PC / Project holder should deposit a copy of the publication in his / her institutional repository as early as possible but no later than six months after publication or the embargo period, if any.

42. On open access to research outputs, for projects awarded starting from 2016/17 funding exercise:

- (a) the PIs / PCs / Project holders are encouraged to include in their research completion reports the data repositories where research data of their projects could be accessed and shared; and
- (b) the PIs / PCs / Project holders are required to include in the project completion reports the URL links to the institutional repositories or the publishers' websites so that the public

could have ready access to the manuscripts or journal articles (though the public may be required to subscribe at the publishers' websites).

### ***Unsatisfactory, Barely Satisfactory and Overdue Reports***

43. Timely submission of reports is important and reflects on the diligence and ability of the PI / PC / Project holder in managing a project. If reports remain overdue by the submission deadline, the RGC will consider terminating the projects and rating them as "Unsatisfactory" for record. All records of RGC funded projects rated "Unsatisfactory" or "Barely Satisfactory", regardless of whether they are for overdue or other reasons, may be taken into account when a PI's / PC's / Project holder's new funding application is considered. The overall grading of the PI's / PC's / Project holder's funding application submitted to the new funding exercises may be downgraded. For cases concerning non-submission and overdue submission of completion or progress reports, the PI / PC / Project holder may be debarred from applying for UGC grants for two years or until the submission of the outstanding report. Normally, the "Unsatisfactory" and "Barely satisfactory" records would be disregarded by the Panels three years after passing the judgement.

44. The institution should freeze the project account if any progress report of an on-going project is overdue. In this regard, institution should undertake thorough and timely checking on the submission of reports to the RGC, take immediate action to freeze the accounts of projects which have overdue progress reports and notify the UGC Secretariat of the action taken.

### ***On-site Visits***

45. On-site visits will be conducted by "project shepherds" / members of the Monitoring & Assessment Panel / Sub-groups to monitor and assess the progress of approved projects of the funded institutions.

### ***Acknowledgement***

46. Upon completion of the project, one copy each of any refereed publications together with a list of other publications resulting from the project should be submitted together with the completion report to the RGC for record and assessment purpose. While the RGC does not claim copyright or other intellectual property right of the output produced, a suitable acknowledgment of the RGC funding should be included in any equipment / facilities purchased and any publication / publicity arising from the work done on a research project funded in whole or in part by the RGC / UGC as follows:

*For publications / publicity:*

“The work described in this paper was fully / substantially / partially supported by a grant from the Research Grants Council of the Hong Kong Special Administrative Region, China (Project No.), e.g. UGC/FDS10/B01/18”.

*For funded facilities / equipment:*

The badge / plaque (e.g. “Funded by the Research Grants Council / RGC”) should be placed on the facilities / equipment funded by the RGC in a prominent location. PIs / PCs / Project Holders are required to provide photos of such acknowledgements in the completion / concluding reports.

- End -

**Specific Guidelines Applicable to  
Faculty Development Scheme (FDS) and  
Institutional Development Scheme (IDS) Collaborative Research Grant**

**(A) Disbursement Arrangement**

The first instalment will be made in October / November of the year of approval.

**(B) Accounting Arrangement**

***Approved Scope***

2. The expenditure for the items should be incurred within the following respective scopes:

**(A) One-line Vote**

*(Virement between approved budget items under one-line vote within the same project normally does not require RGC's approval. For requests involving significant changes in budget of individual items / new items, RGC's approval is required. Any unspent balance should be returned to the RGC together with the Statement of Accounts within six months of the project termination / completion date.)*

- (a) Research Support Staff  
*(Please refer to Part III paragraph 22(a))*
- (b) Equipment  
*(Please refer to Part III paragraph 22(b))*
- (c) Travel / Conference Grant  
*(Please refer to Part III paragraph 22(e))*
- (d) Outsourcing Expenses of Research Work Outside Hong Kong  
*(Please refer to Part III paragraph 22(g))*
- (e) General Expenses
- (f) Expenses for dissemination of the deliverables of research

(B) Earmarked Items

*(All earmarked items are NOT transferable. They should only be used to meet the expenses of the respective specified purposes and should not be used to meet other items of expenses of the approved project. Any unspent balance should be returned to the RGC together with the Statement of Accounts within six months of the project termination / completion date.)*

- (a) Relief Teacher  
*(Please refer to Part III paragraph 22(c))*
- (b) High-performance computing services  
*(Please refer to Part III paragraph 22(d))*
- (c) Research-related Software Licence / Dataset
- (d) Research Experience for Undergraduate Students  
*(Please refer to Part III paragraph 22(h))*

3. UGC / RGC grants must not be used to remunerate or subsidise academics of the UGC-funded universities or the local self-financing degree awarding institutions eligible for the competitive research funding schemes for the local self-financing degree sector, including honorarium.

4. The UGC / RGC may claw back funding from institutions and / or PIs / PCs in cases where there are expenditure incurred outside the approved scope, and / or any irregularities observed, found substantiated and resulted from improper use of funding.

**(C) Monitoring Arrangement**

***Changes to Approved Projects***

5. As stated in Part III paragraph 35, all major changes to approved projects require the RGC's prior approval and the PIs / PCs are required to submit the application in writing to the UGC Secretariat via the Research Coordinators (RCs) of the institutions in advance.

***Extension of project completion date***

6. For project extension beyond 12 months, the maximum allowable further extension is another six months, making the total extension 18 months. Where further extensions in this regard are granted by the RGC, such periods will be counted towards the period allowed for preparation and submission of completion reports.



7. RGC's approval for project extension will not be given to projects awarded with longer-term grants except for cases with very sound justification.

***Submission of Progress Reports***

8. The reporting period and the date of submission of the report to the UGC Secretariat are given in the table below:

For projects funded from 2014/15 to 2016/17 exercises:

<b>Project Duration</b>	<b>Report Type</b>	<b>Report End Date</b>	<b>Report Due Date</b>
36-month projects	Mid-term progress report	15 months after the project start date	Three months after the report end date
Projects other than the above	Annual progress report	Every 12-month after the project start date	Three months after the report end date

For projects funded from 2017/18 exercise onwards:

<b>Project Duration</b>	<b>Report Type</b>	<b>Report End Date</b>	<b>Report Due Date</b>
12 months or less	No progress report is required	Nil	Nil
13-23 months	Mid-term progress report	Ten months after project start date	Two months after the report end date
24-35 months	Mid-term progress report	Three months before the mid-point of the project duration *	Three months after the report end date
36 months	Mid-term progress report	15 months after the project start date	Three months after the report end date
37 months or longer	Annual progress report	Every 12-month after the project start date	Three months after the report end date

\* rounded down to the nearest whole month

Please note that the original report submission schedule should remain unchanged even if an extension of project completion date is approved by the institution / RGC under paragraph 35(f) after project commencement.

### ***On-site Visit***

9. PIs of selected FDS projects are required to present the progress of projects in the form of “Poster Session” during the on-site visits by “project shepherds” / members of the Monitoring and Assessment Panel / Sub-groups.

10. PCs and Co-PIs of the project teams of IDS Collaborative Research Grant are required to present the progress of projects in detail to members of the Monitoring and Assessment Panel / Sub-groups.

### ***Acknowledgement***

11. The following format of acknowledgment should be used:

#### *For publications / publicity:*

“The work described in this paper was fully / substantially / partially supported by a grant from the Research Grants Council of the Hong Kong Special Administrative Region, China (Project No.), e.g. UGC/FDS10/B01/18”.

#### *For funded facilities / equipment:*

The badge / plaque (e.g. “Funded by the Research Grants Council / RGC”) should be placed on the facilities / equipment funded by the RGC in a prominent location. PIs / PCs are required to provide photos of such acknowledgements in the completion / concluding reports.

**Specific Guidelines Applicable to  
Inter-Institutional Development Scheme (IIDS)**

**(A) Disbursement Arrangement**

The RGC adopts the following disbursement arrangements:

<b>Project Duration<sup>1</sup></b>	<b>Grant Size per Project</b>	<b>Disbursement Arrangement</b>
12 months or less	Irrespective of grant size	One-off payment two months in advance to the commencement of the respective activity approved.

2. The PI is required to submit the form of “Progress Update for Requesting the Release of Funding” to the UGC Secretariat via the RCs of the institution at least three months prior to the commencement of the approved activities.

**(B) Accounting Arrangement**

3. Virement among items under Direct Cost without RGC’s approval is not allowed. Surplus should not be used to meet other items of expenses of the approved project and should be returned to the RGC. UGC / RGC grants must not be used to remunerate or subsidise academics of the UGC-funded universities or the local self-financing degree awarding institutions eligible for the competitive research funding schemes for the local self-financing degree sector, including honorarium.

4. The UGC / RGC may claw back funding from institutions and / or PIs in cases where there are expenditure incurred outside the approved scope, and / or any irregularities observed, found substantiated and resulted from improper use of funding.

***On approval of new projects***

5. Once a project is approved, satisfactory arrangements should be worked out among the institutions concerned for the ownership, responsibility and management of the funded equipment / facilities, if any.

---

<sup>1</sup> As originally approved by the RGC before project commencement.

## **(C) Monitoring Arrangement**

### ***Submission of Completion Reports***

6. Projects under the scheme may last for a few days or several weeks or have a maximum duration of one year. Only completion reports are required to be submitted to the RGC. No progress report is required.

7. In submission of completion reports, relevant information on programme activities including participant number, modules (for courses), photos of activities, evaluation form / questionnaire and outcome of survey should be attached.

### ***On-site Visit***

8. PIs of selected IIDS projects are required to present the progress of projects in the form of “Poster Session” during the on-site visits by “project shepherds” / members of the Monitoring and Assessment Panel / Sub-groups.

### ***Acknowledgement***

9. The following format of acknowledgment should be used:

*For publications / publicity:*

“The work described in this paper was fully / substantially / partially supported by a grant from the Research Grants Council of the Hong Kong Special Administrative Region, China (Project No.), e.g. UGC/FDS10/B01/18”.

*For funded facilities / equipment:*

The badge / plaque (e.g. “Funded by the Research Grants Council / RGC”) should be placed on the facilities / equipment funded by the RGC in a prominent location. PIs are required to provide photos of such acknowledgements in the completion / concluding reports.

**Specific Guidelines Applicable to  
Institutional Development Scheme (IDS) Research Infrastructure Grant**

**(A) Disbursement Arrangement**

Funding approved under the IDS is released to the institutions by three instalments on an annual basis subject to satisfactory assessment of project progress with reference to the approved implementation timetable.

<b>Project Duration<sup>1</sup></b>	<b>Grant Size per Project</b>	<b>Disbursement Arrangement</b>
36 months or less	Irrespective of grant size	<p><u>First year instalment</u> In the year of approval.</p> <p><u>Second year instalment</u> Subject to satisfactory progress of the previous stage which is assessed by reviewing the first progress report and / or conducting site visit.</p> <p><u>Third year instalment</u> Subject to satisfactory progress of the previous stage which is assessed by reviewing the second annual progress report and / or conducting site visit.</p> <p>The instalments will be disbursed according to the RGC's approved amount.</p>

**(B) Accounting Arrangement**

***Approved Scope***

2. Virement of funds among the following budget areas is not allowed:

- (i) Research Support Activities  
*(For workshop, seminar or short courses, please refer to Part III paragraph 22(f))*

---

<sup>1</sup> As originally approved by the RGC before project commencement.

(ii) Facilities and Equipment  
*(For equipment, or high-performance computing services, please refer to Part III paragraph 22(b) & (d))*

(iii) Supporting Staff  
*(Please refer to Part III paragraph 22(a))*

3. Any surplus in each of these budget areas is not transferable. The surplus should be returned to the UGC Secretariat. Within each budget area, if a Project holder wishes to spend the money on an item that is not covered by the approved budget, he / she has to seek the approval from the RGC on this new item by submitting a written request.

4. UGC / RGC grants must not be used to remunerate or subsidise academics of the UGC-funded universities or the local self-financing degree awarding institutions eligible for the competitive research funding schemes for the local self-financing degree sector, including honorarium.

5. The UGC / RGC may claw back funding from institutions and / or Project holders in cases where there are expenditure incurred outside the approved scope, and / or any irregularities observed, found substantiated and resulted from improper use of funding.

#### ***On approval of new projects***

6. In case a project budget is reduced and the Project holder accepts the grant, the concerned Project holder is required to submit the revised budget and the revised objectives or work programme, together with the revised “Implementation Time-table” if deemed necessary for consideration and endorsement by the RGC.

#### **(C) Monitoring Arrangement**

##### ***Changes to Approved Projects***

###### *Change of Team Leader*

7. The Project holder may delegate the coordination work to a Team leader. The Team leader plays a very important role in steering the course of a project and, for this reason, any request for change of Team leader should be submitted with reasonable justification to the RGC for approval. Prior approval of RGC is required for major changes of the project, including the change of project team composition.

###### *Extension of project completion date*

8. The RGC will only approve application for extension of projects in exceptional circumstances where sound justification is provided. As a matter of

policy, the RGC normally does not approve an aggregate extension of more than six months for a project save in very exceptional circumstances. The Project holders are required to submit up-to-date progress reports together with their request for extension to the RGC for consideration. Normally, a request must be submitted at least six months before project completion.

### ***Submission of Progress Reports***

9. Project holders are required to submit annual progress reports within 3 months after each reporting period. The reporting period and the date of submission of progress report to the UGC Secretariat are as below:

<b>Project Duration</b>	<b>Report Type</b>	<b>Report End Date</b>	<b>Report Due Date</b>
For any project duration	Annual progress report	Every 12-month after the project start date	Three months after the report end date

### ***On-site Visit***

10. The Project holders, Team leaders and Team members of the project teams are required to present the progress of projects in detail to members of the Monitoring and Assessment Panel / Sub-groups.

### ***Acknowledgement***

11. The following format of acknowledgment should be used:

*For publications / publicity:*

“The work described in this paper was fully / substantially / partially supported by a grant from the Research Grants Council of the Hong Kong Special Administrative Region, China (Project No.), e.g. UGC/FDS10/B01/18”.

*For funded facilities / equipment:*

The badge / plaque (e.g. “Funded by the Research Grants Council / RGC”) should be placed on the facilities / equipment funded by the RGC in a prominent location. Project Holders are required to provide photos of such acknowledgements in the completion / concluding reports.

**RESEARCH GRANTS COUNCIL**

**Competitive Research Funding Schemes  
for the Local Self-financing Degree Sector  
2019/20 Funding Results**

**Institutional Undertaking**

To: Secretary, Research Grants Council

I refer to your letter dated (**Date**) referenced (**Letter's reference no.**) setting out the results of the captioned three funding exercises.

2. On behalf of (**Name of institution**), I confirm and undertake that the institution:

- (a) accepts the project grants; and
- (b) undertakes to comply with the terms and conditions laid down in the following documents issued by the Research Grants Council –
  - (i) Guidance Notes (FDS2/IDS(C)2/IDS(R)2/IIDS2) for Completing the Application Form of the corresponding funding exercises;
  - (ii) funding conditions laid down in the letter under reference;
  - (iii) Disbursement, Accounting and Monitoring Arrangements for Competitive Research Funding Schemes for the Local Self-financing Degree Sector (SF-DAMA); and
  - (iv) any other prevailing accounting and monitoring guidelines as issued by the Research Grants Council from time to time.

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Post : \_\_\_\_\_

Institution : \_\_\_\_\_

Date : \_\_\_\_\_



**Refund of Interest Relating to Projects Funded by the Research Endowment Fund (REF)**

Institution: \_\_\_\_\_

Year: \_\_\_\_\_

Month	Positive Ledger Balance of All Projects Funded by the REF for the Month <i>(adjusted for disallowed expenses, unrecorded income and accrued interest)</i>			Bank Balance for the Month of Institution's Fund Placed in Bank Deposits <i>(include fixed deposits and saving accounts only)</i>			Total Actual Monthly Interest Income Generated from Total Bank Deposits for the Month Included in the Institution's Funds HK\$ (C)	Interest for the Month to be Refunded to the Government HK\$ (D) = (A)x(C)/(B)
	Opening Balance	Closing Balance	Average Balance	Opening Balance	Closing Balance	Average Balance		
	HK\$ (a1)	HK\$ (a2)	HK\$ (A) = [(a1)+(a2)]/2	HK\$ (b1)	HK\$ (b2)	HK\$ (B) = [(b1)+(b2)]/2		
Jan								
Feb								
Mar								
Apr								
May								
Jun								
Jul								
Aug								
Sep								
Oct								
Nov								
Dec								
<b>TOTAL</b>								

Approved by: \_\_\_\_\_ *(Name of officer)*

Signature: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

**RESEARCH GRANTS COUNCIL**

**Competitive Research Funding Schemes  
for the Local Self-financing Degree Sector**

**Notes for Auditors of Recipient Institutions**

As stipulated in the Guidelines on “Disbursement, Accounting and Monitoring Arrangements for Competitive Research Funding Schemes for the Local Self-financing (SF) Degree Sector”, the recipients of the Competitive Research Funding for the SF sector should provide with the Research Grants Council (RGC) a financial statement audited by Certified Public Accountants (Auditor’s Report) within six months upon completion / termination of a funded project. The requirement to submit “audited accounts” is to assure the RGC that:

- (a) the project funds were fully and properly applied to the project for which they were paid, and received and expended in accordance with the approved project budget; and
- (b) the Principal Investigators (PIs) / Project Coordinators (PCs) / Project holders and their affiliated institutions complied with the funding terms and conditions, as well as the accounting and monitoring rules laid down by the RGC for each funded project.

2. These notes aim to provide guidance for Auditors of Recipient Institutions in conducting reasonable assurance engagements and in preparing Auditors’ reports for each RGC project.

3. The Audited accounts comprise Statement of Accounts for RGC-funded / administered Projects, income and expenditure statement, balance sheet, notes to the accounts and the Auditors’ report and mean annual and final accounts of the project which have been reported by the Auditors under a reasonable assurance engagement. Examples of Statements of Accounts and Income & Expenditure are enclosed at **Annexes A and B to Appendix III** for reference.

4. In conducting a reasonable assurance engagement, the Auditors should perform such procedures as they consider necessary in the circumstances and obtain all the information and explanations which they consider necessary in order to provide them with sufficient evidence to give their conclusion as to whether the recipient institution has

complied with, in all material respects, the requirements set by the RGC, and all the terms and conditions of the RGC funding, as specified in the following documents:

- (a) institutional commitment as set out in the application form;
- (b) terms and conditions as set out in the approval letters / notice;
- (c) Guidelines on Disbursement, Accounting and Monitoring Arrangements for Competitive Research Funding Schemes for the Local Self-financing Degree Sector (SF-DAMA) and the supplementary notes issued by the RGC;
- (d) all instructions and correspondences issued by the RGC to the recipient institutions in respect of the project; and
- (e) alongside with their respective in-house policies / guidelines, institutions are required, in all circumstances, to make reference to the ICAC's "Strengthening Integrity and Accountability – Government Funding Schemes Grantee's Guidebook", "Corruption Prevention Guide for Tertiary Education Institutions", "Best Practice Checklist on Staff Administration" and other related guidelines for acquisition of goods and services, recruitment and management of project staff and the associated financial and accounting control, etc., whichever is more stringent.

5. The Auditor should obtain a sufficient understanding of the recipient institution and its environment, including its internal controls, to assess the risk of misstatement of the subject matters.

6. The Audit of the project accounts should be conducted in accordance with the Hong Kong Standards on Auditing (HKSAs) issued by The Hong Kong Institute of Certified Public Accountants. In addition, both HKSAE-3000 and HKSRS-4400 should be included as requirement for Auditors to comply with. The following information is required in an Auditors' report prepared by the Auditors for submission to the RGC:

- (a) the Auditors should state whether, in their conclusion, the recipient institution has complied with, in all material respects, the requirements set by the RGC (including the requirements to keep proper books and records and to prepare audited accounts of the projects, inventory record of equipment purchased with RGC funding), and all the terms and conditions of RGC funding, as specified in documents mentioned in

paragraph 4 above;

- (b) if the Auditors are of the opinion that there exists any material non-compliance as identified in paragraph 4 above, they should make full disclosure and quantify the effects of such non-compliance in the Auditors' report; and
- (c) if the Auditors are of the opinion that a proper and separate set of books and records and a designated bank account solely and exclusively for the RGC funding has not been kept, or the project accounts have not been properly prepared by the recipient institution for the project, or if Auditors fail to obtain all the information and explanations which are necessary for the purpose of their reasonable assurance engagement, they should make appropriate qualifications in their audited account reports.

7. Auditors should plan and conduct the reasonable assurance engagement to satisfy paragraph 6 above. In case of any ambiguity regarding the terms and conditions contained in the project agreement and the rules and regulations governing the RGC projects, Auditors should seek clarification from the UGC Secretariat. Any unreasonable reservation or denial of conclusion, for example, comments about ambiguity of the RGC guidelines or requirements, expressed by Auditors in the Auditors' report, will be returned to recipient institutions for rectification before re-submission.

8. Auditors may come across during the course of their reasonable assurance engagements any weaknesses / breakdown in internal control which are considered material. They should bring to the recipient institution's attention the details of such weaknesses / breakdown and provide the recipient institution with their recommendations for improvement by setting them out in a letter to the recipient institution. A copy of such letter should be sent to RGC for reference and action as appropriate.

9. The Auditor should maintain professional skepticism throughout the engagements, recognising that circumstances including fraud may exist that cause material misstatement to the subject matters. If the Auditor finds that fraud or irregularity has occurred or is likely to have occurred, the Auditor should make an immediate written report to the RGC. The RGC will decide on follow-up actions.

**RESEARCH GRANTS COUNCIL**

**Competitive Research Funding Schemes for the Local Self-financing Degree Sector**

**Statement of Accounts for Faculty Development Scheme (FDS) Projects**

For the Period from \_\_\_\_\_ to \_\_\_\_\_

Institution: \_\_\_\_\_  
Project Ref. No: \_\_\_\_\_  
Name of PI: \_\_\_\_\_  
Project Title: \_\_\_\_\_

**HK\$**

**Source of Funding**

RGC Grant (excluding on-costs)

Institution

Others

**Total Funding** (I) \_\_\_\_\_

**Less Expenditure**

(i) Supporting Staff Costs (SRA / RA / etc)

(ii) Equipment Expenses

(iii) Outsourcing Expenses of Research Work Outside Hong Kong

(iv) General Expenses

(v) Conference Expenses

(vi) Expenses for Dissemination of the Deliverables of Research

(vii) Costs for Employment of Relief Teacher

(viii) Expenses of Research Experience for Undergraduate Students

(ix) High-performance Computing Services Expenses

(x) Research-related Software Licence / Dataset

(xi) Auditing Expenses

**Total Expenditure** (II) \_\_\_\_\_

Amount of RGC funding used

Amount of institution's funding used

Amount of other funding used

**Unspent Balance** (III)=(I)-(II) \_\_\_\_\_

**Unspent Balance to be returned to the RGC:**

Project Fund

On-costs (15% of unspent balance of project fund)

**Total** \_\_\_\_\_

**RESEARCH GRANTS COUNCIL**

**Competitive Research Funding Schemes for the Local Self-financing Degree Sector**

**Income and Expenditure Statement for Faculty Development Scheme (FDS) Projects –  
Actual vs Estimate**

For the Period from \_\_\_\_\_ to \_\_\_\_\_

Institution: \_\_\_\_\_

Project Ref. No: \_\_\_\_\_

Name of PI: \_\_\_\_\_

Project Title: \_\_\_\_\_

	Final Budget	Actual <sup>#</sup>	Variance with Final Budget <sup>##</sup>
	(A)	(B)	(C) = (B) - (A)
	HK\$	HK\$	HK\$
<b>Source of Funding</b>			
RGC Grant (excluding on-costs)			
Institution			
Others			
<b>Total Funding</b>	(I) _____	_____	_____
<b>Less Expenditure</b>			
(i) Supporting Staff Costs (SRA / RA / etc)			
(ii) Equipment Expenses			
(iii) Outsourcing Expenses of Research Work Outside Hong Kong			
(iv) General Expenses			
(v) Conference Expenses			
(vi) Expenses for Dissemination of the Deliverables of Research			
(vii) Costs for Employment of Relief Teacher			
(viii) Expenses of Research Experience for Undergraduate Students			
(ix) High-performance Computing Services Expenses			
(x) Research-related Software Licence / Dataset			
(xi) Auditing Expenses			
<b>Total Expenditure</b>	(II) _____	_____	_____
<b>Excess of Income over Expenditure</b>	(III)=(I)-(II)	_____	_____

<sup>#</sup> Please be reminded that figures stated in this column should tally with those shown in Annex A to Appendix III.

<sup>##</sup> Please provide explanation for major variances.

## **RESEARCH GRANTS COUNCIL**

### **Procurement, Management and Disposal**

Principal Investigators (PIs) / Project Coordinators (PCs) / Project holders and institutions should observe the following requirements concerning the procurement, and the management and disposal of equipment items for projects funded under the competitive research funding schemes for the local self-financing degree sector.

#### **Procurement Procedures**

2. The Research Grants Council grants are public resources. PIs / PCs / Project holders and institutions have an obligation to use the public resources in an accountable and transparent manner while avoiding and declaring conflicts of interest. Institutions are required to make reference to the “Strengthening Integrity and Accountability – Government Funding Schemes Grantee’s Guidebook” and the “Corruption Prevention Guide for Tertiary Education Institutions” issued by the Independent Commission Against Corruption (ICAC) and seek advice from the ICAC, where necessary, on the safeguards to prevent corrupt practices on procurement.

3. For procurement of equipment, goods and services made with the funding from the RGC, the institution has to meet the following requirements, or shall comply with its own established mechanism / internal procedures, whichever is more stringent:

- (a) The institution shall exercise the utmost financial prudence in the procurement of the equipment, other goods and services for or incidental to all the funded projects and shall, unless otherwise with sound justifications, adhere to the procurement procedures of the institution and shall meet the minimal requirements as set out below:
  - (i) for every procurement of the equipment, other goods or services the aggregate value of which does not exceed HK\$50,000, written price quotations from at least two suppliers or service providers shall be obtained. The procurement contract should, unless otherwise well justified, be awarded to the supplier or service provider submitting the lowest price quotation;
  - (ii) for every procurement of the equipment, other goods or services the aggregate value of which exceeds HK\$50,000 but does not exceed

HK\$1,400,000<sup>1</sup>, written price quotations from at least five suppliers or service providers shall be obtained. The procurement contract should, unless otherwise well justified, be awarded to the supplier or service provider submitting the lowest price quotation; and

- (iii) for every procurement of the equipment, other goods or services the aggregate value of which is more than HK\$1,400,000<sup>1</sup>, there shall be open tendering. The procurement contract should be awarded to the supplier or service provider in accordance with the terms of the tender.

4. All quotations and tendering documents issued by the institution for procurement of goods and services shall be kept by the institution for at least seven years after the completion of the projects or for any other period as may otherwise be specified with justifications.

5. The institution shall ensure that all the procurement for the equipment, goods and services for and incidental to the funded projects are carried out in an open and fair manner. The institution shall ensure a system for declaration and management of interest is in place and observe the guidelines issued by the ICAC in procurement for equipment, goods and services as updated from time to time.

## **Equipment**

6. The institution is responsible for proper accounting of the acquired equipment records and shall maintain a full list of equipment which have been procured for the funded projects with relevant information of equipment provided in the assets register. The institution is not allowed to use the equipment items for commercial purpose during the first five years from the date of procurement.

7. The institution should maintain the equipment in good condition. The institution should arrange to check inventories at least once a year and ensure that any discrepancies are dealt with according to requirements and to detect any misuse of inventory items.

8. The institution is responsible to ensure that the movement of equipment is properly recorded and accounted for, in line with the requirements set out. The institution shall ensure that all equipment lost / stolen are properly reported to the Police or the appropriate parties and adequate records are kept.

---

<sup>1</sup> To be revised from \$1.43 million to \$1.4 million with effective from 1.1.2019.



9. The institution shall ensure that all disposed items are properly recorded in the equipment list.

*Disposal of Equipment*

10. The institution shall make reference to the guidelines issued by the ICAC in disposal arrangement and the established mechanism / internal procedures for the disposal of equipment for the funded projects.

11. Any disposal decisions should be recommended by the budget controller, endorsed by the appropriate procurement unit, and approved by a designated committee comprising a chairman who is a senior staff member and at least two other members from different departments.

12. The institution should inform RGC when equipment / goods items with purchasing value at or above HK\$200,000 are properly disposed of.

RGC Project Ref. No.

\_\_\_\_\_  
(to be filled by PI)

**RESEARCH GRANTS COUNCIL**  
**COMPETITIVE RESEARCH FUNDING SCHEMES FOR**  
**THE LOCAL SELF-FINANCING DEGREE SECTOR**

**Request for Change of On-going Project**

**Project Reference No.:**

**Project Title:**

**Principal Investigator (PI) / Project Coordinator (PC) / Project holder:**

**Project Duration:**

**Start Date:**

**End Date:**

**Proposed Change(s):**

**Justification(s):**

*[Please attach supporting document(s) if available]*

*Remarks: For change request on any approved budget items, please list the changes in a table for easy reference.*

Example

<i>Name of items</i>	<i>Funding Approved (HK\$)</i>	<i>Proposed Revision (HK\$)</i>
<i>Item 1</i>		
<i>Item 2</i>		
<i>Total</i>		

Signature of the PI / PC / Project holder: \_\_\_\_\_

Title / Name of PI / PC / Project holder  
(in BLOCK letters): \_\_\_\_\_

Institution: \_\_\_\_\_

Date: \_\_\_\_\_

RGC Project Ref. No.

\_\_\_\_\_  
(to be filled by PI)

**RESEARCH GRANTS COUNCIL**

**COMPETITIVE RESEARCH FUNDING SCHEMES FOR  
THE LOCAL SELF-FINANCING DEGREE SECTOR**

**Request for Change of  
Principal Investigator / Project Coordinator / Co-Principal Investigator for  
Faculty Development Scheme / Inter-Institutional Development Scheme /  
Institutional Development Scheme Collaborative Research Grant**

**Important Note:**

All major changes to approved projects require RGC's prior approval. If there is a request for change of Principal Investigator (PI) / Project Coordinator (PC) / Co-Principal Investigator (Co-PI) in the same institution, the PI / PC / Co-PI should complete this form (SF2) with endorsement from the institution.

If the PI / PC of a funded project under the FDS / IIDS / IDS Collaborative Research Grant is appointed to another institution within the local self-financing degree sectors, transfer of the funded project can be arranged subject to the mutual agreement of the outgoing and receiving institutions. In this regard, a separate application should be submitted to the RGC together with supporting documents indicating all the financial and operational arrangements and agreement of the institutions concerned.

To be completed by the PI / PC concerned  
*(Please use additional sheet if necessary)*

Please tick '✓' as appropriate

- Faculty Development Scheme (FDS)
- Inter-Institutional Development Scheme (IIDS)
- Institutional Development Scheme (IDS) Collaborative Research Grant

**Project Ref. No.:** \_\_\_\_\_

**Project Title:** \_\_\_\_\_

**Part 1 – State of Progress on the Project**

**Part 2 – Reasons for Change of PI / PC / Co-PI\***

**Part 3 – Name of Replacement for the PI / PC / Co-PI\***

(A CV should be provided in one A4 page in standard RGC format)

Name :

(Surname in capital letters)

\_\_\_\_\_

Post:

\_\_\_\_\_

Institution:

\_\_\_\_\_

Please indicate if the replacement is currently a project team member: YES / NO\*

If “YES”, please indicate his / her role in the project team:

Co-PI / Co-Investigator (Co-I) / Others\* (please specify: \_\_\_\_\_ )

**Part 4 – Past Experience of the Replacement in the Research Area of the Project**

Signature of the PI / PC: \_\_\_\_\_

Title / Name of PI / PC (in BLOCK letters): \_\_\_\_\_

Institution: \_\_\_\_\_

Date: \_\_\_\_\_

\* Delete where appropriate

**Part 5 – Declaration by the Nominated PI / PC / Co-PI\***

- I am a full-time academic staff in a local self-financing degree-awarding institution, and I
  - spend at least 80% of time on locally-accredited local degree or local higher degree work; and
  - have at least a one-year renewable contract with the institution at the time of funding award being made.
  
- I am willing to take up the role of PI / PC / Co-PI\* of the project (RGC ref.: \_\_\_\_\_) and assume full responsibility for completion of the project. I will be held responsible and be accountable for the management and completion of the project. The final assessment on the project, be it ‘Satisfactory’, ‘Barely Satisfactory’ or ‘Unsatisfactory’, will apply to me.
  
- I will spend an average of \_\_\_\_\_ hours per week on the research project as PI / PC / Co-PI\*.

Signature of nominated PI / PC / Co-PI\* : \_\_\_\_\_

Title / Name of nominated PI / PC / Co-PI\*  
(in BLOCK letters): \_\_\_\_\_

Institution: \_\_\_\_\_

Date: \_\_\_\_\_

**Part 6 – Institutional Endorsement**

- I confirm that the above request for change of PI / PC / Co-PI\* is supported by the institution.
  
- I confirmed that the nominated PI / PC / Co-PI\* meets all the eligibility requirements as the PI / Co-PI\* of the funded project.

Signature : \_\_\_\_\_

Title / Name (in BLOCK letters): \_\_\_\_\_

Designation: \_\_\_\_\_

Institution: \_\_\_\_\_

Date: \_\_\_\_\_

*\*Delete where appropriate*

RGC Project Ref. No.

\_\_\_\_\_  
(to be filled by Project holder)

**RESEARCH GRANTS COUNCIL**

**COMPETITIVE RESEARCH FUNDING SCHEMES FOR  
THE LOCAL SELF-FINANCING DEGREE SECTOR**

**Request for Change of  
Project Holder / Team Leader / Team Member for  
Institutional Development Scheme Research Infrastructure Grant<sup>#</sup>**

**Important Note:**

All major changes to approved projects require RGC's prior approval. If there is a request for change of Project holder / Team leader / Team member in the same institution, the Project holder should complete this form (SF3) with endorsement from the institution.

To be completed by the Project holder concerned

*(Please use additional sheet if necessary)*

**Project Ref. No.:** \_\_\_\_\_

**Project Title:** \_\_\_\_\_

**Part 1 – State of Progress of the Project**

**Part 2 – Reasons for Change of Project Holder / Team Leader / Team Member\***

<sup>#</sup>Include the original Institutional Development Scheme from 2014/15 to 2018/19 exercises.

\*Delete where appropriate

**Part 3 – Name of Nominated Project Holder / Team Leader / Team Member\***

(A CV should be provided in one A4 page in standard RGC format)

Name :

(Surname in capital letters) \_\_\_\_\_

Post: \_\_\_\_\_

Institution: \_\_\_\_\_

**Part 4 – Past Experience of the Nominated Project Holder / Team Leader / Team Member\* in the research area of the Project**

Signature of the Project holder: \_\_\_\_\_

Title / Name of Project holder  
(in BLOCK letters) : \_\_\_\_\_

Institution: \_\_\_\_\_

Date: \_\_\_\_\_

*\*Delete where appropriate*



**Part 5 – Declaration by the nominated Project Holder / Team Leader / Team Member\***

Please complete the following as appropriate:

**Project Holder**

- I will be a full-time academic staff in the same local self-financing degree-awarding institution of the original Project holder with effective from \_\_\_\_\_ (DD/MM/YY).
  
- I am willing to take up the role of Project holder of the project (RGC ref.: \_\_\_\_\_) and assume full responsibility for completion of the project. I will be held responsible and be accountable for the management and completion of the project.

Signature of nominated Project holder: \_\_\_\_\_

Title / Name of nominated Project holder  
(in BLOCK letters): \_\_\_\_\_

Institution: \_\_\_\_\_

Date: \_\_\_\_\_

**Team Leader**

- I am a full-time academic staff in the same local self-financing degree-awarding institution of the original Team leader, and I
  - spend at least 80% of time on locally-accredited local degree or local higher degree work; and
  - have at least a one-year renewable contract with the institution at the time of funding award being made.
  
- I am willing to take up the role of Team leader of the project (RGC ref.: \_\_\_\_\_) and assume full responsibility for completion of the project. I will be held responsible and be accountable for the management and completion of the project.
  
- I will spend an average of \_\_\_\_\_ hours per week on the research project as Team leader.

Signature of nominated Team leader: \_\_\_\_\_

Title / Name of nominated Team leader  
(in BLOCK letters): \_\_\_\_\_

Institution: \_\_\_\_\_

Date: \_\_\_\_\_

**Team Member**

- I am a full-time academic staff in the same local self-financing degree-awarding institution of the original Team member.
  
- I am willing to take up the role of Team member of the project (RGC ref.: \_\_\_\_\_) and assume full responsibility for completion of the project. I will be held responsible and be accountable for the management and completion of the project.
  
- I will spend an average of \_\_\_\_\_ hours per week on the research project as Team member.

Signature of nominated Team member: \_\_\_\_\_

Title / Name of nominated Team member  
(in BLOCK letters): \_\_\_\_\_

Institution: \_\_\_\_\_

Date: \_\_\_\_\_

**Part 6 – Institutional Endorsement**

- I confirm that the above request for change of Project holder / Team leader / Team member\* is supported by the institution.
  
- I confirm that the nominated Project holder / Team leader / Team member\* meets all the eligibility requirements as required.

Signature : \_\_\_\_\_

Title / Name (in BLOCK letters): \_\_\_\_\_

Designation: \_\_\_\_\_

Institution: \_\_\_\_\_

Date: \_\_\_\_\_

\* *Delete where appropriate*

RGC Ref. No.:

\_\_\_\_\_  
(please insert ref. above)

**RESEARCH GRANTS COUNCIL  
COMPETITIVE RESEARCH FUNDING SCHEMES FOR  
THE LOCAL SELF-FINANCING DEGREE SECTOR**

**INTER-INSTITUTIONAL DEVELOPMENT SCHEME (IIDS)**

**Progress Update for Release of Funding**

1. This Report ***must*** be submitted to the UGC Secretariat at least three months prior to the commencement of the event.
2. Subject to satisfactory progress update, funding will be released around two months before the commencement of the event.

**Part A: The Project and Investigator(s)**

**1. Project Title**

\_\_\_\_\_

\_\_\_\_\_

**2. Investigator(s) And Academic Department(s) / Units(s) Involved**

<b>Research Team</b>	<b>Name / Post</b>	<b>Unit / Department / Institution</b>
Principal Investigator		
Co-Principal Investigator(s)		
Co-Investigator(s)		
Others		

**3. Project Expenditure**

3.1 Sources of funding

<b>Source</b>	<b>Amount (HK\$)</b>
RGC	
Institution	
Others ( <i>please specify</i> )	
<b>Total</b>	

### 3.2 Budget & Expenditure

<b>Direct Cost</b>	<b>Revised Budget after Approval</b>	<b>Expenditure to Date</b>
Total		

## **Part B: Report on Project Progress**

### 4. Progress Summary

#### 4.1 Collaboration with other self-financing degree-awarding institutions

<b>Collaborating Self-Financing Institution</b>	<b>% of Participation</b>	<b>Distinctive Element(s) that the Institution is Responsible for the Project</b>

#### 4.2 Progress update

<b>Original Implementation Schedule</b>	<b>Revised Implementation Schedule (Date of RGC's Approval)</b>	<b>Updated Progress</b>

#### 4.3 Speaker(s)

<b>Title / Name</b> (Surname in Capital Letters)	<b>Post / Institution</b>	<b>Title / Topic of Presentation / Course</b>	<b>Previous Research Links with Hong Kong Institutions</b> (Nature and Date (Month / Year))	<b>Appointed or Invited</b>

#### 5. Other Remarks

*(e.g. any other matters to be brought to the attention of the RGC)*

#### **Principal Investigator**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_