

UNIVERSITY OF NEWCASTLE GUIDELINES FOR EXPENDITURE OF ARC DISCOVERY PROJECTS FUNDS

INTRODUCTION

As your Administering Organisation, the University of Newcastle enters into an agreement with the ARC to administer your research grant and comply with the conditions of the agreement. As a Chief Investigator, you are responsible for complying with the University's administrative processes which have been set up to ensure the obligations of the funding agreement are met as well as complying with the ARC funding agreement.

This information has been drawn from the Discovery Projects Funding Rules for funding commencing in 2013 and Funding Agreement. It is stressed that it is not comprehensive and that for direct research costs that are not included then reference should be made back to the relevant Funding Rules and Agreement in the first instance. If further assistance is required then clarification should be sought from Research Services (RS).

WHAT BUDGET ITEMS ARE SUPPORTED BY THE ARC?

Even though ARC budgets are provided on a one-line basis for the majority of research funding schemes, the ARC still requires that **expenditure is in accordance with the application budget** and that the Scheme rules are adhered to.

Expenditure must not exceed category totals as per the submitted application budget over the life of the grant. Should you need to increase the budget for a category or significantly change items requested contact RS for advice regarding whether or not a Variation of the Funding Agreement (VFA) is required. Please note that the ARC will only accept VFA submitted by RS (see below for further information regarding this process).

Providing items were included as part of the budget and research plan in the application for funding, budget items which directly support a research program may be funded, include:

- a. Access to national and international research and infrastructure facilities including specialist archives, collections and databases;
- b. Access to workshop services linked to and justified explicitly against the Project (for example, machine tools and qualified technicians);
- c. Equipment;
- d. Personnel: for example research associates and assistants, technicians and laboratory attendants. Salary support must be requested at an appropriate salary level for the Administering Organisation, including 28 per cent on-costs.
- e. PhD stipends;
- f. Maintenance;
- g. Specialised computer equipment and software essential to the Project;
- h. Teaching relief;
- i. Travel costs essential to the Project, including economy travel costs for domestic and/or international travel and not exceeding \$50,000, over the life of the Project. Funding is permitted for CIs, PIs and research support personnel.

VARIATION TO FUNDING AGREEMENT

Expenditure of ARC funds must be in accordance with the broad structure of the budget detailed in the original project application, or the revised budget approved by the ARC. ARC approval must be sought if you wish to make significant changes to the way in which ARC funds are expended.

If a budget variation is required RS can assist with compiling the relevant documentation for the ARC. Please note that requirements for variations can change from year to year.

The Lead CI must notify RS in order to seek a Variation of Funding Agreement from the ARC. This is a formal process requiring full documentation. The Lead CI must obtain written authorisation from all parties involved in the variation (all CIs/fellows/PIs/Partner Orgs/Collaborating Orgs), which should be forwarded to RS along with the relevant completed [VFA Proforma](#) and a summary of the reasons for the requested variation.

Note: RS will collate all documents, write a submission letter, obtain required signatures from DVC(R) or delegate and submit the variation to the ARC. The Lead CI will be notified of the outcome in due course. Please note also that the ARC can take several weeks to process requests and the expenditure should not occur prior to the ARC approval.

UON ACCOUNT CODES V BUDGET ITEMS SUPPORTED?

The following table will assist you in identifying where action must be taken to either seek ARC approval for expenditure or transfer costs to operating accounts. Expenditure against these accounts should be reviewed to ensure it is appropriate, essential to the project and in accordance with the approved research plan/budget.

Whilst these items are eligible, if you did not include them in your application budget or you wish to significantly increase the value from the approved application budget then a Variation may be required.

UON Account Code	Comments	
503X – Staff Training & Development	The ARC allows training costs essential to the Project	
5033 – Internal Conferences / Seminars	Publication and dissemination of Project outputs and outreach activity costs may be supported at up to two (2) per cent of total ARC funding awarded to the Project, and no prior approval is required; nor does this need to be separately itemised at time of application.	
5035 – External Conferences / Seminars	The ARC allows travel costs essential to the Project, including economy travel costs for domestic and/or international travel. Combined travel expenditure must not exceed \$50,000, over the life of the Project. Travel must be in accordance with that described in the Proposal. In addition, combined travel expenditure must not exceed that of the total requested in the application budget. The ARC does not permit expenditure on visas, costs of dependants or insurance.	
5301 – Travel - Domestic Airfares	If travel was not requested in your application, or you need to increase the level, then it will be likely that a Variation will be required prior to incurring this expense.	
5302 – Travel - Domestic Accommodation		
5303 – Travel – Domestic Meals / Subsistence / Incidentals		
5304 – Travel - Domestic Transport-Non Airfares, eg. Taxi's & Care Hire		
5311 – Travel - International Airfares		
5312 – Travel - International Accommodation		
5313 – Travel – International Meals / Subsistence / Incidentals		
5314 – Travel - International Transport-Non Airfares, eg. Taxi's & Care Hire		
5121 – Gas Cylinder Rental & Charges		The ARC allows consumable costs essential to the Project. Consumables must be in accordance with that described in the Proposal.
5122 – Laboratory Consumables		
5123 – Liquid Nitrogen		
5124 – Laboratory Chemical & Biological Materials - Non		

Hazardous	
5133 – Hazardous & Dangerous Materials	
5141 – Workshop Consumables	
5142 – Workshop Materials	
5151 – Animal Costs	
527X – Entertainment	The ARC does allow catering, where relevant to the project, such as providing food for participants in a study/focus group/survey etc. or where food itself is a part of the research is allowed. General catering for meetings, workshops, conferences, etc is not allowed.
5701 – Minor Equipment Purchases < \$1,000	The ARC allows the purchase of items essential to the Project.
5702 – Minor Audio-Visual Equipment < \$1,000	
5703 – Attractive Items	“Attractive Items” is a UoN term, for example digital cameras, iPads, etc.
5705 – Plant & Equipment Hire	
5732 – Software & Licence Fees & Maintenance	Software must be specialised and not something normally provided by UoN (e.g. Microsoft Office, & Adobe etc, are already provided by UoN).
5733 – Computer Hardware >\$1,000	Computing equipment should be specialised and required for the completion of the project. The ARC does not allow expenditure on desktops and standard computing including for RAs, Students, etc. This includes mobile computing such as laptops, iPads, etc.
5734 – Computer Software > \$1,000	Software must be specialised and not something normally provided by UoN (e.g. Microsoft Office, & Adobe etc, are already provided by UoN).
5751 – Research Equipment Purchases > \$1,000	The ARC allows expenditure on equipment essential to the Project. Must be in accordance with that described in the Proposal.
5833 – Shared Research Grant-Pymt to other Uni's	UoN's portion of contribution to research grants, shared with various other universities – Finance use only
5853 – Visitor Related	The ARC allows expenditure on travel on international return economy class airfares, reasonable local travel, a living allowance and consumables up to a maximum of \$20,000 for up to six (6) months over the life of the Project per overseas based PI. The ARC does not permit expenditure on visas, costs of dependants or insurance.
711X – On-going and Fixed Term Academic	The ARC allows expenditure on research support personnel (e.g. research associates and assistants, technicians and laboratory attendants) associated with the project. Salary support must be at an appropriate salary level for the Administering Organisation. The ARC funding includes a 28% loading to contribute to salary-related on-costs, including payroll tax, workers' compensation, leave loading, long-service leave, non-contributory and contributory superannuation. The 28% loading excludes items such as extended leave and severance pay.
712X – Casual Academic	
721X – On-going & Fixed Term Administrative	
722X – Casual Administrative	The ARC does not permit expenditure on salaries and/or on costs, in whole or in part, for CIs or PIs

WHAT BUDGET ITEMS ARE NOT SUPPORTED BY THE ARC?

Indirect Research Costs are only permitted where they relate to undertaking and completing the research proposal; were included as part of the budget and research plan in the application for funding; and/or have received ARC approval post-award.

Budget items which will not be supported by ARC funding are:

- a. Salaries and/or on costs, in whole or in part, for CIs or PIs, excluding DORA recipients;
- b. Capital works and general infrastructure costs;
- c. Fees for international students or the Higher Education Contribution Scheme (HECS) and Higher Education Loan Program (HELP) liabilities for students;
- d. Costs not directly related to research, for example, professional membership fees, fees for patent application and holding, visas, relocation, costs of dependants, insurance, and mobile phones (purchase or call charges); and
- e. Bench fees or similar laboratory access fees.

The following basic facilities must be provided by the Administering Organisation:

- a. Access to a basic library collection;
- b. Access to film or music editing facilities;
- c. Accommodation (for example, laboratory and office, suitably equipped and furnished);
- d. Provision of basic computer facilities such as desktop computers, portable computer devices, printers, word processing and other standard software;
- e. Standard reference materials or funds for abstracting services; and
- f. Use of photocopiers, telephones, mail, fax, email and internet services.

UON ACCOUNT CODES V BUDGET ITEMS NOT SUPPORTED?

The following table will assist you in identifying where action must be taken to either seek ARC approval for expenditure or transfer costs to operating accounts.

UON Account Code	Comments
500X – Recruitment	The ARC has advised that recruitment and advertising costs are not normally allowable. However under individual cases, where sufficient justification can be provided, the ARC may at its discretion approve such allowances. All requests must be submitted via Research Services.
501X – Existing Employee Related Expenses	The ARC does not permit expenditure on costs not directly related to research, for example conjoint expenses, employee uniforms, gifts & employee service awards flowers etc for employees/family, industrial relations expenses and staff meals (whilst at work).
502X – Employee Salary Package	The ARC does not permit expenditure on costs not directly related to research, for example employee reimbursement - not subject to FBT and/or subject to FBT.
5034 – Membership Subscriptions	The ARC does not permit expenditure on professional membership fees.
504X – Staff Welfare	Account codes not appropriate against research funding.
510X – Office Consumables	The ARC does not permit expenditure on the use of photocopiers or mail.
511X – Library Consumables	Account codes not appropriate against research funding.
516X – General Consumables	The ARC does not permit expenditure on costs not directly related to research, for example, kitchen/bathroom incidentals.
520X – Consultants	Account codes not appropriate against research funding.
522X – Contractors	
523X – Management Fees	

524X – General Services	
525X – Fees & Commissions	
526X – Advertising & Marketing	
527X – Entertainment	The ARC does not permit expenditure on general catering for meetings, workshops, conferences, etc. Catering, where relevant to the project, such as providing food for participants in a study/focus group/survey etc. or where food itself is a part of the research is allowed.
528X – Other Services Expenditure	Account codes not appropriate against research funding.
529X – Agent Commissions	
5305 – Travel - Domestic Costs Employee Spouse & Associate	The ARC does not permit expenditure on costs of dependants.
5306 – Travel - EMS Staff Reimbursement	Account codes not appropriate against research funding.
5308 – Travel - Domestic Duty of Care	
5315 – Travel - International Costs Employee Spouse & Associate	The ARC does not permit expenditure on costs of dependants.
5316 – Travel - ATO Overseas Travel Allowances	Account codes not appropriate against research funding.
5318 – Travel - International Duty of Care	
532X – Motor Vehicles	
54XX – Student Support (Exception 547X – Scholarships - Payroll)	The ARC does not permit expenditure on fees for international students or the Higher Education Contribution Scheme (HECS) and Higher Education Loan Program (HELP) liabilities for students.
55XX – Property & Maintenance	The ARC does not permit expenditure on capital works and general infrastructure costs.
56XX – Utilities	The ARC does not permit expenditure on capital works and general infrastructure costs.
562X – Communications	The ARC does not permit expenditure on the use of telephones, fax, email or internet services.
5704 – Mobile Phone Purchases	The ARC does not permit expenditure on telephones.
5706 – Repairs & Maintenance - Equipment	The ARC does not permit expenditure on costs not directly related to research.
5707 – Equipment - Capital (Capital Projects Only)	Account code not appropriate against research funding. Purchase cost of all equipment >\$1,000 purchased for research projects should be coded to 5751.
5708 – Equipment - Non-University	Account code not appropriate against research funding.
575X – Furniture & Fittings	The ARC does not permit expenditure on accommodation. Laboratory and office spaces must be suitably equipped and furnished by the Administering Organisation.
5721 – Artwork Restoration	Account code not appropriate against research funding.
58XX – Other Expenditure	

717X – Academic Senior Executive	
727X – Administrative Senior Executive	
74XX – Unfunded Employee Entitlements	
75XX – Senior Management Salaries & On costs	
77XX – Trading Wages & On costs	

ANY OTHER QUESTIONS? Email Rebecca.Palmer@newcastle.edu.au

Research Services
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