Glossary of Research Grant Accounting Terms

Activation	This term is used when the grant has been awarded and is set up in the grants module of the University Finance System. An activation email will be sent to the department with details of the award.
Application	Some funding bodies require funding proposals to go through a formal, competitive application process and they have an application form.
Award	The Grants Module requires the use of an award to track funding received from sponsors. Each individual source of funding must be created as an award, which in turn can be linked to a research project. One award can fund many research projects and many awards can fund one research project. Information held against the award is critical to effective research grant management. The award code is in the format of either *RG* and five digits or *G* and six digits.
Award budget	The budget awarded by the sponsor is set up to give access to the potential funds available. Expenditure is always against budget rather than actual funds available. Generally the total funding is available without any phasing, with reporting being accumulative from the start of the award.
Award Letter	Having been through an application process, the funding body issues a standard, non-negotiable award letter containing terms and conditions. The Research Operations Office is responsible for formal acceptance of these on behalf of the University of Cambridge.
Billing	Collecting funding due from the sponsor is undertaken by the ROO. There are two types of billing, *Cost*, where billing is based on actual expenditure on a monthly or quarterly basis, and *Event* where bills are raised as per an agreed schedule with the sponsor.
Budget Calculator	The budget calculator is used to convert the awarded funds into the award budget set up on UFS.
Burden Schedule	Indicator used to determine the overheads attributable to an award. All awards must have a burden schedule, where there are no overheads attributable it will be DRR 0 @ 0%.
Burden Cost	Expenditure figure that would attract overheads if attributable. On grants reports and screen views, the burden cost represents the actual expenditure figure.
Cash Limited	If the sponsor awards funding as cash limited, no further funding for inflation or pay awards will be issued.
Capitalised Equipment	Item of Equipment purchased over the value of £30,000 that will attract a depreciation charge.
Close Date	Date after which no further postings can be made to the grant. There is usually two months (unless the award is from the EC) between the end date and close date. The expenditure item date must be prior to the *end* date.

Commitment	The UFS Grants Module includes information on planned **Accounting** purchases to provide an up-to-date balance of available funds. Budget is therefore reserved for these items and cancelling incorrect/unfulfilled POs/requisitions is important to free up budget.
Contract	Some funding bodies provide a contract (sometimes after an application procedure) the terms of which are negotiable. The Cambridge Research Office (ROO) is responsible for negotiating and accepting contracts on behalf of the University of Cambridge.
DRR	Deemed Recovery Rate, used for setting up burden schedules.
End Date	Date when research activity should cease as predefined by the sponsor. No fresh expenditure can be incurred after the end date.
Expenditure Category / Type	Expenditure *Types* correspond to particular expenditure items, which may be funded by the sponsor - examples are Conference Travel, Consumables, Stipends, Wages etc. The expenditure type must be specified when expenditure is posted to a grant. Expenditure *Categories* correspond to the sponsors' *Heads of Expenditure* - Equipment, Travel, Other Costs, Staff, Pooled Labour etc. An expenditure category groups related expenditure types together.
FES	Final Expenditure Statements
Full Economic Costing – fEC	Method of costing research grant applications. The fEC is defined as "A price, which if recovered across an institution's full programme, would recover the total cost (direct, indirect and overhead) of the institution, including an adequate recurring investment in the institution's infrastructure."
Final Scientific Report	Scientific report required by the sponsor from the Principal Investigator.
Financial Sanctions	Penalty imposed by the sponsor for non-compliance with their terms and conditions.
Funds Checking	System control which restricts expenditure to be within the available budget. Items which fail funds checking are placed on hold. Limits can be placed which are either absolute (in which case the amount cannot be exceeded) or advisory (which generates a warning when there are insufficient funds against that heading).
G or RG Number	Each award is allocated a unique internal reference number known as the Research Grant (*RG*)/Grant (*G*) number (from 1 Aug 18). This should be quoted in all correspondence with ROO.
Grant	A single Award, which may be linked to one or more Projects.
No Cost Extension	An extension to the period of research agreed by the sponsor without awarding extra funds.
Non Direct Costs (NDC)	Grants awarded with costs calculated using the Full Economic Costing methodology will not have overheads charged but will have an extra task (task 100) where the non-direct costs or "directly allocated costs" will be charged. Research Accounting will process the non-direct costs as applicable each month. Departments will continue to be responsible for charging direct costs to the award.

On Hold	Awards will normally show as having a status of 'On hold' once the ROO have completed the FES to prevent any post-FES activity. Other scenarios that it could indicate include: • A suspended grant • Where a contract is not yet signed and ROO do not want the system to generate invoices to the sponsor that could constitute *"acceptance of terms"*
Overheads	Prior to the introduction of fEC, some sponsors awarded overheads to provide funding for the indirect costs incurred by the University of undertaking research. Overheads were generally calculated as a percentage of staff costs. The University has elected to continue using overheads for EC awards rather than adopt the fEC methodology.
pFact	Costing tool used to determine the fEC of proposed research projects at application stage.
Pooled Labour	Some sponsors, mainly Research Councils, may provide a budget for *Pooled Labour* to fund staff not charged directly to an individual project, generally lab technicians. Pooled labour is charged as an expense to the sponsor and credited to a departmental GL account.
Price Adjustment	Process run by Central Research Accounting which posts a negative adjustment for EC FWP 7, from a predefined percentage. The EC require all expenditure to be reported in the grants module but for some awards will fund a proportion of that expenditure.
Principal Investigator	The Principal Investigator (PI) is the academic who is leading the research project or is responsible for it. On the award screen the PI is set up as the award manager.
Project	The Grants Module requires that each research project is individually identified and linked to the source(s) of funding. The project can be broken down into 'work packages' or tasks to facilitate project management. Budgets can also be created against tasks.
Revenue	Process run by Central Research Accounting which posts a value equivalent to the project expenditure to the departmental research cost centre. This represents income due *in the future* and is posted for accounting purposes.
RG or G Number	Each award is allocated a unique internal reference number known as the Research Grant (*RG*)/Grant (*G*) number. This should be quoted in all correspondence with ROO.
Sponsor	External body awarding funds for research.
Start Date	Date on which expenditure can start as predefined by the sponsor in the award letter or contract.
Starting Certificate	A certificate that provides confirmation that the organisation wishes to accept the grant, and that it has started via initial staff costs being posted to the award. There is usually a time frame in which to submit the certificate to the sponsor. Departments are responsible for starting certificates.
Supplementary funding	Additional funding received from a sponsor for an existing award.

Task	A task is an element of the project structure. A project can be broken down into 'work packages' or tasks to facilitate project management. There must always be one task associated with a project. Task 100 is reserved for central use.
Transaction Controls	Limits placed at task level, which only allow expenditure to be posted to expenditure types which have a budget.
Virement of Funds	The transfer of available funds from one expenditure category to another within pre-defined limits.