

Guangdong Technion Israel Institute of Technology (GTIIT)

Measures for the Management of Research Funds

Chapter 1 General Provisions

Article 1 To regulate and strengthen the management of research funds of GTIIT, improve the cost-efficiency in fund allocations, and further encourage the faculty to engage in research, GTIIT formulated these Measures for the Management of Research Funds (hereinafter referred to as "these Measures") in accordance with the Several Opinions of the General Office of the CPC Central Committee and the General Office of the State Council on Further Improving Policies on the Fund Management of Scientific Research Projects of the Central Government ([2016] No.50), and relevant state, provincial/ministerial and municipal policies, laws, regulations and measures on the management of scientific research funds.

Article 2 The research funds defined herein are divided into vertical funds, horizontal funds, and other special research funds based on the sources of funding. To be more specific:

1. Vertical funds refer to the project funds that GTIIT obtains from various research (grant) programs supported by the State, the provincial government, the municipal government, and public welfare institutions as well as funds for inter-governmental sci-tech cooperation projects.
2. Horizontal funds refer to non-governmental funds that GTIIT receives by undertaking research entrusted and sponsored by external entities such as relevant departments and public/private institutions. The funds, which are administered in accordance with the contracts, include the funds for R&D, sci-tech consultation, and technological services.
3. Other special research funds refer to GTIIT's research funds and research initiation funds, social donations, and other project funds not covered in the previous two paragraphs.

Article 3 Any research funds raised in the name of GTIIT, regardless of their sources, shall be subject to the unified management of GTIIT's Finance Office and allocated based on their respective research projects and purposes. No organization or individual may withhold, appropriate, or keep the funds, in part or in whole, for private use. It is prohibited to undertake research projects using GTIIT's instruments, facilities, personnel or other resources without the permission of GTIIT.

Chapter 2 Authority and Responsibility

Article 4 GTIIT implements a system of unified leadership and hierarchical accountability for research fund management.

Article 5 The Chancellor takes leadership responsibility in fund management, and the Vice Chancellor and Pro-vice Chancellors on special issues exercise authority over fund management within the ambit of accountability. The Finance Office, Research Office, Academic Administration Office, Lab and Equipment Management Department, and other departments should duly perform their respective functions and manage research funds within the scope of their authority.

1. The Research Office is responsible for reviewing research project contracts (proposals) and allocating research funds based on the project contract (proposal); guiding and assisting, in collaboration with the Finance Office, the project leader in drawing up and reviewing the project budget; cooperating with the Finance Office in financial accounting and management of research funds.
2. The Finance Office is responsible for financial accounting and management of research funds, and cooperating with the Research Office in budgeting and final accounting of research funds; guiding and assisting, in collaboration with the Research Office, the project leader in drawing up and reviewing the project budget; performing financial accounting for research expenditure reimbursements, supervising and assisting the project leader in using the fund in accordance with the budget, contract and related financial regulations; assisting the project leader in accepting financial audits; carrying out the mid-term inspection on research expenditure and reviewing the final accounts upon project closure; performing accounting of unused funds based on the closure reports provided by the Research Office; cooperating with the Research Office, Academic Administration Office and relevant departments in improving the research finance assistant system, including finance assistant file keeping and training.
3. Auditing, which will be coordinated by the Finance Office until GTIIT establishes an independent Audit Office, will be done with the goal of auditing and supervising research funds in line with the requirements of the government and GTIIT, performing regular inspections or special audits on fund utilization and management, and monitoring and evaluating the compliance with project budgets and contracts to ensure the project leaders use the funds appropriately within their authority.
4. The Academic Administration Office is responsible for the annual performance appraisal of researchers and formulating regulations on the management of research funds, researcher recruitment, and research finance assistants.
5. The Asset Management and Purchase Department is responsible for introducing procurement regulations on GTIIT's research equipment and instruments and verifying the equipment purchased with research funds.

6. The Academic and/or Research Programs of GTIIT are responsible for supervising the spending of research funds, allocating resources based on disciplines and the actual needs of projects, paving the way for research project implementation, and facilitating budget execution.
7. Project leaders shall spend research funds in strict accordance with the management system, fund management requirements, the budget, relevant laws and regulations, and the actual needs. They should be subject to the oversight and scrutiny of relevant departments, and take direct responsibility for the spending and management of their projects' funds.

Chapter 3 Expense Items

Article 6 Vertical funds are spent to cover direct costs and indirect costs. The horizontal funds and other special research funds must be spent in compliance with relevant contracts and national regulations/policies.

Article 7 The direct costs paid with vertical funds refer to the costs directly resulting from research during project implementation, in which:

1. Equipment fees are the costs for the purchase/trial production of dedicated equipment and instruments, upgrade of existing equipment and instruments, and repair/rental of equipment and instruments.
2. Materials and supplies fees are the costs for the purchase, transportation, loading and unloading, and sorting of low-value consumables such as raw and auxiliary materials.
3. Test/calculation/analysis fees refer to the costs paid to other departments/entities, including GTIIT's internal independent accounting entities, for examination, tests, design, laboratory testing, processing, etc.
4. Fuel power consumption are the costs for water, electricity, gas, and other fuels that can be billed independently and used to run large equipment and instruments and dedicated scientific apparatuses.
5. Costs for travel/conference/international collaboration refer to the expenses resulting from meetings, business trips, and international cooperation and exchanges. If the budget for this category is lower than 10% of the budget for direct costs, the project team is not required to provide detailed descriptions of the expense items when making the budget plan. Researchers should spend research funds in a practical, efficient, frugal, and planned manner, and strictly comply with relevant regulations of GTIIT and the country.

6. Fees related to publication/reference/information dissemination/intellectual property service refer to the costs paid for article publishing, documents and software purchase, document retrieval, and intellectual property-related services.
7. Manpower costs are the salaries paid to students, postdoctoral researchers, and visiting scholars who take part in the research project, and researchers and research assistants hired for the project. The remuneration standards for personnel hired for the project should be determined based on their roles in the project and the average wages of local researchers and technical service providers, and their social security benefits should be included in the "labor costs" category. The budget for labor costs should be prepared by the organization undertaking the project and the project leader truthfully.
8. Expert consulting fees are the service fees paid to experts. Expert consultation fees cannot be paid to project participants engaging in research and management. The salary standards should be executed in line with national regulations.
9. Miscellaneous cost refers to project expenditure that does not belong to any of the foregoing categories. Other expenses should be clarified in the budget for grant application.

Article 8 The indirect costs paid with vertical funds refer to those spent by GTIIT during the implementation of research projects but cannot be listed as direct costs. Indirect costs shall be withdrawn in line with the upper limit of the ratio prescribed in GTIIT's Regulations on the Management of Indirect Costs and be subject to the unified management of the Finance Office. They are mainly paid for compensating GTIIT's programs for the use of equipment and facilities, the consumption of water, electricity, gas, and heating, relevant management, as well as the improvement of research performance.

Article 9 The expenditures of horizontal funds shall be implemented in accordance with the university's horizontal projects and fund management methods.

Chapter 4 Budget Management

Article 10 Project leaders shall draw up a budget based on the characteristics of research tasks, the actual needs, the compliance with relevant policies, and project targets in a scientific, reasonable, truthful, and cost-effective manner, based on the specific requirements on budget formulation from project management departments. The Finance Office and the Research Office will provide guidance and suggestions for project budgeting in accordance with relevant policies, respectively.

Article 11 Project leaders shall submit the budget and required supporting documents to their respective programs, the Research Office, and the Finance Office for review, approval, and filing. For self-funded projects, project leaders shall raise funds by themselves, provide necessary proof, and promise that the full amount of funds could be put in place in time.

Article 12 The research projects that are subject to indirect cost management shall be implemented as per GTIIT's Regulations on the Management of Indirect Costs. Projects supported by horizontal funds should be managed in line with relevant regulations of GTIIT. Other projects supported by different sources should be managed in line with relevant regulations.

Article 13 Leaders of projects with independent financial accounts shall strictly adhere to the approved budgets for their projects. The Finance Office will work with the Research Office to guide and monitor the implementation of budgets for key scientific research projects.

Article 14 Project leaders can adjust the budget for vertical fund-sponsored projects based on the actual needs for research during project implementation, as per the following regulations:

1. Budgets for indirect costs cannot be adjusted in most cases. In general, the total budget for equipment fees (equipment purchase/trial production/upgrade and rental costs) cannot be adjusted, and that for equipment purchase cannot be increased.
2. If a project's budget needs to be adjusted under the following circumstances, the adjustments can only be carried out after being reviewed by the relevant program and the Research Office and approved by the project management department.
 - (1) Total budget adjustment: The total budget must be adjusted due to major changes in the research or research plan during project implementation.
 - (2) Adjustment in budget allocations: Budget allocations among project partners need to be adjusted or budget allocations need to be adjusted due to the addition or drop-out of project partners, with the total budget remaining unchanged.
3. With the total budget for direct costs remaining unchanged, a project leader may apply for the budget adjustments for equipment fees and implement them upon review by the relevant program and the Research Office, and approval by the university leadership after reporting to them.
4. With the total budget for direct costs remaining unchanged, except for budget adjustments for equipment fees, a project leader can perform budget adjustments based on actual needs without applying for approval of GTIIT or the relevant program. However, the project leader needs to submit a budget change request form to the Research Office for record.

Article 15 During the implementation of horizontal projects, budget adjustments are subject to contract terms or the agreement among the parties involved. With regard to general budget adjustments under the authority of GTIIT, project leaders shall work out an adjustment plan according to the actual needs for research and implement the plan upon approval from university leadership after receiving the report by the corresponding program and the Research Office based on relevant procedures of GTIIT.

Article 16 The budget management of other projects shall be implemented in accordance with the relevant regulations of the project management department.

Article 17 During the mid-term inspection of a research project or upon completion of the project, the project leader shall prepare a financial statement of research costs, submit it to the Finance Office for review, and hand in the document to the competent department for the project or a professional organization on time. The project leader should also provide a description of any budget adjustments made at his/her discretion during project implementation and relevant supporting documents. Project leaders shall be cooperative in financial audits and provide supporting documents as required. Relevant financial statements shall be reviewed by the Finance Office.

Chapter 5 Fund Receipt and Disbursement Management

Article 18 Research funds obtained in the name of GTIIT shall be transferred to the bank account designated by GTIIT. Upon the receipt of a grant, the Finance Office shall publish the source of it and work with the Research Office to inform the (project) fund manager of claiming the fund in time.

Article 19 Procedures for research fund disbursement: Project leaders apply to the Finance Office for disbursement according to the reimbursement procedures and the Finance Office reviews the application based on relevant rules.

Article 20 Indirect costs should be managed in accordance with GTIIT's Regulations on the Management of Indirect Costs. Horizontal funds should be managed in compliance with the relevant regulations of GTIIT. The fund management of other projects shall be implemented in accordance with the regulations of the project management department.

Article 21 Fund transfer (including transfer to external partners and outsourcers)

The transfer of scientific research funds refers to the cost of part of the scientific research tasks that must be paid to other institutions due to the constraints of the technology, technology, and equipment of the institution's own craft, technology, and equipment during the research process, including joint application transfers and transfer to outsourcers.

1. Joint application transfer refers to the joint application of scientific research projects by multiple units. Funds are first allocated by the funder to the responsible institution, and then the responsible institution transfers the funds to other joint applicant institutions according to the agreement. Joint application transfers strictly implement contract management. The project leader shall sign a cooperation contract with external partners based on the project proposal and budget. Upon approval from university leadership after receiving the report by the corresponding program and the Research Office based on relevant procedures of GTIIT, the contract will serve as the basis for fund transfer. Funds shall be transferred to the contractual partners in strict compliance with the project proposal, budget, and quotas listed in the contracts. GTIIT will not charge any fees for the management of the funds.
2. Transfer to outsourcers: If part of the examination, testing, and processing work in the research project is outsourced to other entities, funds will be transferred to the outsourcers. Before fund transfer, an outsourcing contract shall be signed in accordance with the project proposal and budget, which will be the basis for fund transfer. GTIIT will charge fees for the management of the funds. Splitting contracts to avoid review and approval is prohibited.

The project leader shall be responsible for the authenticity, rationality, and relevance of the outsourcing services involved in fund transfer, and shall never appropriate the research funds for other purposes on the pretext of cooperation for the research or transfer the funds to organizations or individuals who have direct economic relations with the project leader or team members but are not listed in the project contract (proposal). Funds shall not be transferred between GTIIT's projects unless there are specialized needs concerning the projects.

Article 22 Project leaders shall keep separate accounts for project funds and use them as earmarked. Project leaders shall not include any costs irrelevant to their research activities in the expenditures of research funds, adjust the expenditure items without permission, alter accounting vouchers, or replace account books with tables to cope with financial audits and inspections. If expenditure items need to be adjusted because of repayment of advances, sharing of expenditures, error correction, and so forth, project leaders shall file applications for account adjustments and may implement the adjustments with the approval of the Research Office, the Finance Office and the relevant university leadership after the review by their programs.

Article 23 Researchers shall use project funds in accordance with relevant laws and regulations. They shall not adjust to-be-transferred funds without permission, get reimbursements for fictitious expenses with fake receipts, fabricate contracts and name lists to make false claims for service and expert

consultation fees, fabricate examination, testing, and processing work, or raise disbursement standards to claim false expenses for testing, assaying, and processing.

Article 24 The physical and intangible assets that are purchased or produced on a trial basis using research funds are all state-owned assets, which shall be managed along with other state-owned assets by GTIIT (horizontal funds should be managed in compliance with contracts). The assets shall be used and disposed of in line with the regulations for state-owned assets and may not be hidden, transferred without permission, illegally encroached, or used for personal purposes by any means.

Article 25 Research funds shall not be used for fine payment, donation, sponsorship, or investment, or used for other expenditures that are prohibited in China.

Chapter 6 Management of Unused Funds

Article 26 The unused fund of a research project refers to the remaining amount of the total granted fund after the total expenses are deducted when the project is closed or halted for failing to pass the mid-term assessment or other reasons. The unused fund of halted projects shall also include the incomes brought by the disposal of purchased goods, materials, instruments, and equipment. After the project completes, the project leader shall perform the final acceptance in a timely manner as required. After project acceptance, the project leader shall complete the financial settlement procedures in time.

Article 27 Management of unused funds:

1. After a vertical fund-sponsored project is closed, the unused fund will be verified and confirmed and then handled by the competent department for the project in accordance with relevant regulations in China. Upon approval by the corresponding program and the Research Office, the unused fund of an accepted project will be used by the project team to pay for the direct costs incurred in research activities after the receipt of acceptance notification in two years. For the projects that have yet to be accepted (or accepted after rectifications) or the projects that still have unused funds in two years after the receipt of the acceptance notification, the unused funds shall be handled in compliance with the requirements of project management departments.
2. The unused funds of horizontal fund-sponsored projects shall be handled in accordance with GTIIT's regulations on the management of horizontal research funds.
3. The remaining funds of other scientific research projects shall be implemented in accordance with the relevant regulations of the corresponding competent authorities.

4. For the projects that are not closed in time or fail to complete the financial settlement procedures after acceptance within the specified time frame, the Research Office can directly ask the Finance Office to complete the financial settlement process and inform the project leaders.

Article 28 Project transfer requirements. If the leader of a project is to leave GTIIT for job transfer or other reasons, s/he may apply for the change of the supporting organization or the project leader. Upon approval from university leadership after receiving the report by the corresponding program and the Research Office based on relevant procedures of GTIIT, the project leader shall complete the procedures for the change of the supporting organization and the transfer of the unused funds in time in accordance with relevant regulations. If it is inappropriate to change the supporting organization of a project, the project leader shall complete the project handover procedures before separation and transfer of the funds of the ongoing project to another member of the project team who is still working at GTIIT. The transfer of horizontal scientific research projects is in accordance with the implementation of the university's horizontal projects and fund management measures.

Chapter 7 Supplementary Provisions

Article 29 The provisions shall come into force on the date of promulgation.

Article 30 The Research Office and the Finance Office reserve the right to interpret the provisions within the scope of their respective responsibilities.