**Managing Research Project Accounts and Research Group Accounts**

**held by Southern District Health Board**

**INTRODUCTION**

1. The financial administration of research accounts within the combined institutions of the Dunedin Medical School (DSM) and the Southern District Health Board (Southern DHB) follows two possible pathways. There are the research accounts administered within the Dunedin School of Medicine (DSM) under University of Otago practices and those administered within Southern DHB as research accounts. The particular pathway to use is described in the Code of Conduct for Clinical Research and is determined by the Health Research South (HRS) Board.
2. It is the responsibility of HRS to ensure transparent, appropriate, responsible management of the research accounts held by Southern DHB and to establish policy for this on behalf of Southern DHB with the DSM and the research community.
3. The HRS Office is available to assist research teams to establish these processes and to provide ongoing assistance on all aspects of managing Research Project and Research Group Accounts, including liaison with Southern DHB Finance.
4. These guidelines are designed to help research teams set up and manage Research Accounts held by Southern DHB. (There are other accounts held by Southern DHB. These are not the subject of these guidelines).
5. There are two types of research accounts described in this document:
   1. **A Research Project Account** is one held by Southern DHB for the management of a specific research project.
   2. **A Research Group Account** is one held for a general area of research, usually aligned with a clinical discipline, which receives monies arising from completed projects and other contributions for general research support for the group.

**RESEARCH PROJECT ACCOUNTS**

1. **Research Project Account Purpose**
   1. The purpose of a Research Project Account is to provide an account from which the income and expenditure of a single specific research trial or project can be managed. Payments from, and income into, this account should relate to only the research project for which the account was established.
2. **Research Project Accounts Responsibility**
   1. Each Research Project Account is the responsibility of the leader(s) of the research team running the project.
   2. The leader, and primary person of contact, is the Principal Investigator (PI) named on the research project contract and on the Request for Research Project Account form.
   3. The Service Manager participates in the research team to ensure the contractual obligations relating to the research project for Southern DHB service are met. This person is not necessarily a person skilled in research.
   4. The research leader (PI) must have an employment relationship with Southern DHB. Where this is not the case, one other Southern DHB employed person must be nominated to the leadership of the research team.
   5. The Principal Investigator, working with the Service Manager, has the authority to approve expenditure from the Research Project Account for the purposes of the research project.
   6. The Principal Investigator and Service Manager are also responsible for ensuring the Research Project Account is properly reconciled and managed according to these guidelines.
3. **Setting up a Research Project Account**
   1. A Research Project Account should be set up for each new research project where external revenue is to be paid for the research project and where the project is required to have Locality Authorisation.
   2. To set up the account, complete the Request for Research Project Account Code form (31402), including signatures of both the Principal Investigator and the Service Manager and, if required, the name and signature of any person who has been delegated authority by the Principal Investigator and Service Manager to authorise payments. Send the form to HRS, [hrs@otago.ac.nz](mailto:hrs@otago.ac.nz), (or bring in to the HRS office). HRS will liaise with Southern DHB Finance to arrange an account to be set up.
   3. In all cases, as part of the account set-up, Southern DHB Finance should be provided with a budget which includes a list of expected payments and/or payment dates along with a description of what conditions will trigger the payments (e.g an invoice sent, a monitor visit) and the expected amount where this is known in advance. This will provide a useful reference for Southern DHB Finance team. HRS can help you prepare this.
4. **Budgets** 
   1. Budgets/cashflow income and expenditure should be completed on set-up of an account, and thereafter annually to forecast research project financial activity.
   2. This budget should reflect the payments funding schedule of the contract, and the income and expenditure detailed in the Southern DH approved NZACRes Clinical Trials Costing Tool (see NZACRes Costing Tool <http://www.nzacres.org.nz/costing-template>)
   3. Budgets are the responsibility of the Principal Investigator who may use the assistance of delegated persons associated with the project to produce the budget. This information enables a comparison between Southern DHB Finance Department’s monthly activity report and forecasting predicted in the budget.
   4. The financial year for a research project is 1 January to 31 December
   5. At the end of the project or at the end of each financial year, the profit (the balance of funds not required in the continuing project) should be transferred to the Research Group Account(s) nominated by the Principal Investigator in consultation with the Service Manager associated with the project (see below).
5. **Research Account Activity** 
   1. ***Payments coming IN to the Research Account***
      1. Most incoming payments will be from a single organisation with which there is a contract. (The contract is negotiated by the HRS on behalf of the Research Project leaders)
      2. The contract details incoming payment amounts and how these are to be triggered. For example, sometimes these are made on a particular date, sometimes on the signing or receipt of certain documents, and sometimes on receipt of an invoice.
      3. All invoices are prepared in Southern DHB electronic financial system
      4. There are **two** options for preparing (raising) an invoice.
         * Where a Research team has access to the Southern DHB electronic financial system, the research team (or a person already skilled in research account management in the associated clinical service or academic department) may raise the invoice in Southern DHB electronic financial system.
         * Where this facility is not available (e.g. University of Otago employed Research Nurses), Southern DHB Finance may prepare the invoice. For this to happen please contact Southern DHB Finance to arrange. All requests for invoices to be prepared should be detailed on the Request for Southern DHB Invoice form
      5. In some cases payment will come as a result of a monitor visit, or a report etc being sent to the company/funder. In these cases the research team should advise Southern DHB Finance that a payment is due to be received, and provide the following details: research team contact person, company/funder name, the amount (if known), the name and number of the Research Account it is to be paid into. While a clear list of payments in and out as per 8.3 may avoid the need for this, some trials are very long term and this step is security against misplaced budget lists etc over a period of time.
      6. The Research team should also note that Southern DHB accounting system requires all incoming payments to have a matching invoice. This means that sometimes and invoice may need to be prepared even though a payment has been received without one.
   2. ***Payments going OUT of the Research Account***

*NOTE: It is most important that money going out of the Research Project Accounts has been properly checked and authorised for payment. This is a safeguard against incorrect payments being made and protects staff from fraudulent activity. Authorisations for payment* ***may*** *be delegated to an appropriate staff member rather than carried out by the Principal Investigator with the Service Manager as in 4.2.4 below, but any delegation of this authorisation should be set up formally e.g. by naming the delegated authority on the Request for Research Project Account form.*

* + 1. For payments to organisations external to the Southern DHB, payment should be made on invoice from the organisation providing the goods or service.
    2. For payments to services internal to the Southern DHB, use the Research Project Account Transfer form (39703).
    3. All outgoing payments should be:
       - checked, **coded to the correct Research Account** and approved for payment by a designated member of the research team or other designated person or agency
       - authorised for payment by the Principal Investigator or person with delegated authority as shown by the appropriate (authoriser) signature on the invoice/document
    4. The approved and authorized invoice should then be sent (in hard copy or by email) to Southern DHB Finance Department, which will arrange for payment to be made from the appropriate Research Project Account.

1. **Staff Payments e.g. Research Nurse / Study Co-ordinator/ Research Fellows etc and other staff payments.**
   1. In most cases, Research Nurses, Study Co-ordinators and other support staff within the research team are employed by either Southern DHB or the University of Otago. They may be employed whole or part-time on one particular project or, at times, on several concurrent projects. The staff member’s time commitment to the specific project should be identified and costed accordingly. Clear arrangements for payment to the respective employing body are required.
   2. It is good research project practice for a record to be maintained of the actual level of staff involvement. Sometimes this will be simply defined as a proportion of a full time position e.g. 0.5FTE or a set number of hours per week. For others actual hours per project need to be recorded. Regardless of how time is accounted for, the employing body will request payment for the total employed hours, and those hours should be apportioned as accurately as possible to the relevant research projects. Leave also needs to be recorded.
   3. The Principal Investigator should designate a staff member within the research project team, or other person in the supporting department, or other provider of a research support service, to maintain this record and where relevant to inform the appropriate bodies of payments due (and payments reimbursed). It is not intended that this record is a precise accounting of time. The intention is that it provides a reasonable and sufficient guide to enable the real costs of each study and the actual payment for staff to be determined.
   4. The record of staff involvement in research projects should have
      1. details of staff member names,
      2. Research Project Account name and number,
      3. the dates the record is reporting on, and
      4. either the number of hours per study or a percentage of time spent on each research study.
   5. Reporting requirements for staff salary payment will vary with the role of the staff member and the practices of the employing institution. These should be familiar to the delegated project administrator e.g
      1. for Research Nurses in the employ of the Southern DHB, a record of time spent on each project should be sent to Southern DHB Business Analysts on a monthly basis. (Alternative arrangements may be made with Business Analysts but these must be clear and agreed).
      2. For Research Nurses in the employ of the DSM, a similar record should be kept of activity to be invoiced to the research project account.
   6. For all staff employed using funding from a Research Project Account Southern DHB Business Analysts need to be informed of the scheduled arrangement for payments and of any changes from these, in order to check the total amount against their records and arrange for reimbursement from the appropriate Research Project Accounts to the employing institution.
2. **Monthly Reports and reconciling the Research Project Accounts**
   1. The Southern DHB Finance Department will send a monthly report of the transactions for each Research Project Account to the Principal Investigator and the Service Manager with a copy to the HRS Office.
   2. The Principal Investigator is responsible for ensuring the reconciliation of these accounts.
   3. Persons within the research group, or some other monitor, may be designated to facilitate this reconciliation. Teams may arrange their own processes for checking but the elements that must be included are:
      1. Checking the monthly report against the research team’s own record of incoming and outgoing expenditure,
      2. Reconciliation with the contract or research budget,
      3. Notification of the Principal Investigator if there is any discrepancy or if any activity is missing from the report,
      4. Informing and resolving with Southern DHB Business Analyst any such discrepancy.
   4. Confirmation of payment received. In line with common accounting practices, invoices for incoming amounts will appear as though they have been paid when in practice the money might not actually have been received yet. It is assumed that as soon as an invoice has been raised it is “money in the bank”. To ensure this does not cause problems with sponsors/companies/funders defaulting on payments, Southern DHB Finance team will check regularly that all invoices have actually been paid and will contact the research team if there are any issues with payments. The research team should assume (cautiously) that the account has been paid unless contacted by Southern DHB Finance department.
   5. If there is an issue with payments, it is the responsibility of the Principal Investigator to liaise, or arrange liaison, with the funder to resolve the matter. HRS as the contract facilitator can assist in this
   6. Any negative balance in a Research Project Account is the responsibility of the Principal investigator. This should be resolved promptly and a Southern DHB Business Analyst notified. The assistance of the clinical or academic head who signed off the research agreement should be sought.
3. **Completion of Project and Closure of Research Project Account**
   1. On completion of the research project the Research Project Account will be closed and the remaining funds will be transferred to a designated Research Group Fund.
   2. When the research project is completed the Principal Investigator or a designated research team member or other designated financial manager to the project should:
      1. check the Research Project Account against expected income and outgoings. Any deviations from the expected should be rectified or explained.
      2. confirm with other relevant research team members that financial activity is complete.
      3. notify the Service Manager (and Principal Investigator if this is not who is carrying out this activity), in writing, that the study has finished (for their information)
      4. notify Southern DHB Finance Department which will make a final check to ensure there are no outstanding invoices and liaise with the research team to make arrangements to close the Research Project Account. The account must close with a zero balance.
   3. Any remaining funds are the research project profits and should be transferred to a Research Group Account nominated by the Principal Investigator with the agreement of the project investigators and Service Manager.
   4. Any shortfall at the final reconciling of the Research Project Account is the responsibility of the Principal Investigator. The assistance of the Clinical or Academic Leader who signed off the research agreement should be sought. The shortfall may be repaid from Research Group Account funds if agreed to by the relevant Research Group Committee.
   5. This activity should all occur within 3 months of the contracted time or final planned activity.
   6. Southern DHB Finance Department will finalise and close the Research Project Account and make the required transfer to a nominated Research Group Account the details of which should be provided by the research team.

**RESEARCH GROUP ACCOUNTS**

1. **Research Group Account Purpose**
   1. Research Group funds are held by Southern DHB in research accounts for groups of researchers working together, and are most often aligned with the clinical activities of a particular clinical discipline.
   2. The aim is to bring funds together from different projects, along with other research targeted incomes, and use these to resource strategic research development, support new projects and to maintain the research capacity of the research group and the associated clinical service.
   3. The sources of funds for these research accounts are mainly profits from individual research projects managed via Southern DHB research processes, and research donations made to the specific research groups within the Southern DHB.
2. **Research Group Account Responsibility**
   1. Each Research Group Account is the responsibility of the designated grouping of researchers suitably brought together by their shared general area of research interest or clinical service activity.
   2. The administration of each specific Research Group Account will be carried out by a Research Group Committee. This Committee should be formally constituted with the agreement of the group and consist of at least two contributing Principal Researchers and the Service Manager of the most appropriately associated clinical discipline. The meeting should be chaired by one of the Principal Researchers.
   3. The purpose of the Service Manager’s participation is to;
      1. ensure shared decision making,
      2. facilitate management of administrative requirements,
      3. enhance a broad clinical research capacity building in the clinical services.
3. **Opening a Research Group Account** 
   1. Once the Research Group Committee has been constituted, given an appropriate name and linked with a specific clinical service, complete the Request for Research Group Account form, including signatures of both the Research Leader and the Service Manager, and send it to Southern DHB Finance Department with a copy to the HRS.
   2. Please note that in many cases there is already a Research Group Account in place. These have been referred to in the past as Service Accounts. Where there is already a Research Group Account/Service Account in place you should still provide Southern DHB Finance Department with a Request for Research Group Account form so that Southern DHB Finance has the relevant details of the Committee.
4. **Managing a Research Group Account**
   1. The Research Group Committee is responsible for:
      1. determining and overseeing the process for the use of funds from the account and for keeping a record of decisions made. The funds are to be **distributed only for research**, e.g. initiating new research, sponsoring research related conferences or study leave, purchasing research equipment etc (not for the provision of clinical service or structures).
      2. ensuring appropriate approval, authorisation and payment processes to release funding, record income and expenditure, reconcile the account etc. The process for this should be modelled on the processes for Research Project Accounts above. The HRS Office can assist in setting this up,
      3. clearly communicating the process to the contributing researchers and support staff.
   2. Southern DHB Finance Department will provide the same service regarding making and receiving payments, monthly reports etc as it does for the Research Project Accounts. Again, HRS is available to work with the Committee to assist in the processes for setting these arrangements up.

**Associated Policies and forms (to be accessed from DSM website)**

* Code of Conduct for Clinical Research
* Request for Research Project Account
* Request for Research Group Account
* Research Project Account Transfer
* Request for Southern DHB Invoice
* NZACRes Clinical Trial Costing Tool

**In a nutshell:-**

Research Project approved

Open Research **Project** Account

Research Project begins

**Research team**

* Advises Southern DHB Finance of income and outgoings for research project
* Authorises Southern DHB Finance to make payments and create invoices
* Monitors monthly statements from Southern DHB Finance
* Keeps a record of Research Nurse time to allocate to research projects
* Carries out annual reconciliation to transfer surplus funds to Research Group Account

Study ends

Research Team finalises income and outgoings

Close Research **Project** Account

Move surplus funds to Research **Group** Account

**Committee (Chaired by Research Leader)**

* Determines and authorises expenditure independently
* Authorises Southern DHB Finance to make payments and create invoices
* Monitors monthly statements from Southern DHB finance
* Carries out annual reconciliation
* Manages committee processes appropriately including keeping records of meetings and decisions.