

# Procedure: S, Q and D general ledger codes management

## Purpose

This procedure outlines the requirements and process for requesting the creation of, changes to or closure of general ledger codes (GLC) for S, Q and D funds including:

- \* GLC creation
- \* GLC creation: subprojects
- \* GLC creation: prior to contract finalisation
- \* GLC creation: discretionary Q process
- \* GLC closure
- \* Temporary inactivation of GLC
- \* GLC changes
- \* Submission of the GLC Request eForm
- \* Review and approval of GLC request
- \* GLC Structure

## Definitions

**ANU Advancement** leads the development, management and coordination of advancement activities at the University.

**ARC** is the Australian Research Council.

**ARIES** is the ANU Research Information Enterprise System used to manage the research and non-research activities and outputs across the University.

**ERMS** is the University's Electronic Records Management System. It is a central repository for the management of electronic records.

**Exempt non-research grants and contracts** are:

- \* Non-research grants and contracts where all revenue will be received and services delivered in the same year, by end of 31 December.

- \* Internally funded grants and contracts.
- \* Non-Research grants and contracts with a total contract value below \$150,000.00 (GST Exclusive).
- \* Commercial Rental Arrangements.
- \* Non-Research grants and contracts where associated invoices are generated through an ANU system other than ES Financials Accounts Receivable (Financial Shared Services).

### **Accounts Receivable (Financial Shared Services).**

**Fully executed** is the date funding contract is executed i.e. all parties have signed the grant or contract.

**Fund** is the fund code used to identify the funding source for a particular activity.

**Fund manager**, for research projects, is the lead chief investigator, employed by the University. For non-research projects, the fund manager is either the business or project manager.

**General ledger** records financial transactions taking place within the University.

**General ledger code (GLC)** a unique ledger code being a combination of fund code, department code and project code.

**HERDC** is the Higher Education Research Data Collection.

**Local area** is the relevant College or Research School, including but not limited to finance, research management and school administration staff.

**NHMRC** is the National Health and Medical Research Council.

**Performance Obligations** are contractual obligations that the University must fulfil before revenue can be recognised in accordance with accounting standard AASB15.

**Requester** is the staff member from the local area or service division initiating the GLC Request eForm.

**Senior delegate** is an ANU delegate that holds the banded delegation profile of D1, D2 or D3, to exercise delegations prescribed in the University's [Delegations Framework](#).

## **Procedure**

1. This procedure applies to all new GLCs from this document's effective date onwards.

2. A GLC is required for all grants and contracts (excluding exempt non-research grants and contracts) and philanthropic funds to accurately identify income and expenditure in the University's general ledger.
3. The requester is responsible for the creation of, changes to or closure of GLCs via the submission of the GLC Request eForm.
4. Research Accounting in Finance and Business Services is responsible for reviewing and approving the creation of all S, Q and discretionary Q funds.
5. Advancement Services, ANU Advancement are responsible for reviewing and approving the creation of D funds.

### **GLC creation**

6. Local areas are required to create a record in ARIES when an application for research funding is submitted. The ARIES record needs to be finalised prior to GLC creation (except in circumstances where the senior delegate endorses creation of GLC prior to contract finalisation.)
7. Approval via the University's Research Costing, Pricing and Approval Tool (CP&A Tool) must be granted for research funding prior to GLC creation. The requester must declare the project has received approval in the CP&A Tool.
8. Local areas are required to create a record in ARIES for non-research grants and contracts (excluding exempt non-research grants and contracts) when a contract has been fully executed. The ARIES record needs to be finalised prior to GLC creation (except in circumstances where the senior delegate endorses creation of GLC prior to contract finalisation).
9. If the project is an exempt non-research grant or contract and does not have an ARIES record, the contract or relevant documentation needs to be uploaded to the GLC Request eForm. These documents will then be recorded in ERMS on submission of the eForm.
10. Once funding has been approved and the contract, or agreement in the case of gifts, are finalised, the requester will complete and submit the GLC Request eForm to initiate the generation of a GLC.
11. If a contract is yet to be finalised refer to GLC creation: prior to contract finalisation, later in this procedure.
12. The requester must declare the following actions are complete:
  - \* all related contract dates are in ARIES;
  - \* all project milestone dates and related requirements are in ARIES;

- \* all financial milestone dates and related requirements are in ARIES;
- \* HERDC eligibility has been indicated in ARIES; and
- \* all other ARIES record items have been added according to the Mandatory ARIES Grant Checklist.

13. When Research Accounting approves the GLC Request eForm, Human Resources Division (HRD) are notified if the project incurs salary costs and if long service leave (LSL) is charged to an alternate GLC.

14. If there is a contractual obligation to return unspent funds, the project is assigned to an S fund.

15. If funding is not deemed to be a gift and there is a formal contract or agreement in place, with no contractual obligation to return unspent funds, the project is assigned to a Q fund.

16. If funding is not deemed to be a gift and no formal contract or agreement is required the project is assigned to a discretionary Q fund.

17. The GLC Request eForm will progress to Research Accounting for review and approval. Comments relevant to the request can be entered at this time.

18. If funding is deemed to be a gift and the relevant criteria defines it as philanthropic, the project is assigned to a D fund and the GLC Request eForm progresses to Advancement Services, ANU Advancement for approval.

19. In a scenario in which a gift and other external funding combine to form a larger combined project, please contact ANU Advancement.

20. For all detailed guidance and management of D funds, please reference the [Gift Acceptance](#) procedure.

### **GLC creation: Subprojects**

21. Creation of subprojects can be requested at the time of initially requesting the project GLC, or can be requested subsequently to the project GLC being created.

22. The requester specifies the number of subprojects required.

23. A short description defining the purpose of each subproject GLC is required.

24. Subprojects are generated in sequential order or a specific subproject code can be entered.

25. Refer to the GLC Structure Procedure for more information on standardised GLC structures subject to the type of funding awarded.

## **GLC creation: Prior to contract finalisation**

26. If the funding contract has not been finalised, the GLC Request eForm will be sent to the senior delegate to accept the risk of GLC creation without a contract on behalf of the local area.
27. The requester provides a statement as to why the GLC needs to be created before the contract is finalised, the level of risk relating to the funding agreement and how this risk will be mitigated.
28. The pending contract/agreement and/or other supporting documentation relevant to the senior delegate decision are uploaded.

### *Senior delegate risk acceptance*

29. The senior delegate is assigned the Request GLC eForm to decide whether to accept the risk of a GLC creation without a finalised contract.
30. An introduction, summary and statement from the requester and relevant documentation are provided to the senior delegate to assist in their decision.
31. The requester is not to be the assigned senior delegate.
32. The senior delegate reviews the requesters' statement and submits an approval decision.
33. If the senior delegate accepts the risk and endorses the request, an alternate existing GLC for the transfer of costs in the event of the contract not being finalised must be entered.
34. If the senior delegate does not endorse the request, a reason is provided and the requester is notified of the outcome.
35. The Research Services Division (RSD) and Research Accounting will review and follow up pending contracts on a weekly basis and gain information from local areas if required.
36. If the contract is not finalised and the GLC remains open for more than one month, it is reviewed by RSD and Research Accounting. A decision is made as to whether the GLC will remain open.

## **GLC creation: Discretionary Q account**

37. The requester is required to enter the project type, life of the project and expected income.
38. The requester enters a comment justifying the purpose of the fund, including why the fund is required and what the funds will be used for.

39. Budget or other relevant documentation is uploaded with the request.
40. The GLC Request eForm including the justification and uploads are sent to the senior delegate for endorsement, prior to being reviewed and approved by Research Accounting.

### **GLC closure**

41. Closure of a GLC fund is permanent and is requested if there is no intention of the fund being active in the future.
42. All research and reporting milestones are finalised prior to closure of a GLC.
43. The ledger life to date balance is zero for a fund to be closed.
44. If funds remain, it is the responsibility of the requester to clear unspent funds in collaboration with their local area financial administrators, prior to the request to close the GLC.
45. A final statement prepared by the local area with completed coversheet is uploaded prior to submission of closure request.
46. The request is sent to Research Accounting for approval. Comments relevant to the request are entered at this time.
47. Research Accounting certifies the final financial statements and returns them to the local area for distribution.

### **Temporary inactivation of GLC**

48. A GLC is temporarily inactivated until the required milestones and ledger balance are finalised.
49. Temporary inactivation requests are prioritised on the submission of the GLC Request eForm.

### **GLC changes**

50. Available changes through the GLC Request eForm are:
  - \* update the project title;
  - \* long-service leave override;
  - \* GLC added to HRMS to allow for salary costs to be incurred;
  - \* update Chief Investigator; and
  - \* reactivate.

## **Submission of GLC request eForm**

51. The GLC Request eForm should be used for S, Q, discretionary Q and D fund GLC requests.
52. Submission of the GLC Request eForm enables the requester to initiate a project and/or subproject GLC, make changes to a GLC (including temporary inactivation and reactivation) and close a GLC.
53. The requester confirms that to the best of their knowledge the information provided in the GLC Request eForm is correct prior to submission.
54. On completion of the GLC Request eForm, a copy of the eForm is emailed to the requester and the fund manager.

## **Review and approval of a GLC request**

55. Research Accounting is responsible for the review and final approval of all S, Q and discretionary Q GLC requests.
56. Advancement Services, ANU Advancement is responsible for the review and approval of D GLC requests.
57. If Research Accounting or ANU Advancement determine changes are required, the eForm is sent back to the requester for edits to be actioned.
58. Research Accounting will enter the approved GLC into the ES Financials Project Table.
59. Research Accounting enters and activates the approved GLC and enters the relevant income natural account code in the ARIES record.
60. Research Accounting enters the GLC and natural account code into the GLC Request eForm for record keeping and notification purposes.

## **General ledger code structure**

61. A GLC is requested at the project level, unless there is a requirement that a portion of the funding received is monitored independently.
62. Subprojects are created if one or more of the following applies:
  - \* Named salary funding is specified in offer of award.
  - \* A cash contribution is received from the University, including gift matching for philanthropic purposes.
  - \* A portion of external funding is received for a specific purpose/activity that is required to be monitored independently.

- \* A project with multiple contracts must use subprojects to identify distinct revenue streams.
- \* A grant or contract has performance obligations which requires the use of subprojects to identify distinct revenue and/or expenditure streams in order to calculate revenue in accordance with AASB 15.

63. If a subproject is created to hold named salary, non-salary project funds are held at project level.

64. Centres of Excellence are to segregate funding received from ARC, ANU and additional other funders at project level.

65. Partnership projects (i.e. ARC Linkage, NHMRC Partnership) are to hold the funding body income and expenses at project level and subprojects are created for partner funds.

66. Subprojects must not be created without a project.



## Document information

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