Finance queries for active projects

1. **Can we vire funds between budget headings?**
   Funds can usually be vired between budgets as long as this does not cause any shortfall to the existing budget or detrimental effect to the project. Please contact us to discuss.

2. **Do you fund redundancy, maternity and sick pay?**
   We expect costs associated with maternity, paternity and sick leave incurred on NIHR research awards to universities to be met from within the full economic cost envelope, 80% of which is provided to the host university by NIHR.

   NHS organisations receive Research Capability Funding (RCF) which contributes towards costs associated with parental and sick leave of staff supported by NIHR funding.

   If necessary, the project may find a replacement to backfill the research team member who is on leave. The salary of any substitute appointment must not exceed that of the individual on leave. The research grant amount will not be reimbursed immediately for the amount of backfill, but instead the funding should be sought at the end of the project if a shortfall has arisen as a result of additional cost of substitute appointment. Where possible this should be covered from existing budget.

   If the grant is extended as a result of maternity, paternity or sick leave indirect funds will not be increased.

3. **We have appointed a staff member on a higher salary than costed in the proposal. Can we claim for the difference in costs?**
   An extension application form would need to be submitted to your Programme manager explaining why it is value for money and what the actual costs are.

4. **How are payments made?**
   The DH makes the payments directly to your institution’s finance office in accordance with the payment schedule at Section 4 of the contract. You do not need to submit invoices.

5. **When will our final payment be made?**
   If your report is being published, either as a monograph or on the programme website, the final payment is made on publication. If there is no publication (older projects) the final payment is made when a final report is received. The payment schedule in your contract should indicate which applies.

6. **Do we have to submit a financial reconciliation at the end of the project?**
   Yes, we expect a financial reconciliation to be supplied when the final report is submitted. This should include information on how the project budget has been spent. Please note that your final grant payment will usually be released after the
report is published, but that this payment should be included in the income figure on your reconciliation.

7. **We have identified an underspend do we need to pay the money back?**
   Yes, we would expect the money to be paid back. To do this the DH would send an invoice direct to a contact in your finance office. Please specify who this should be when you submit your financial reconciliation.

8. **We have identified an overspend can we reclaim the money?**
   You will need to submit an extension application detailing the reasons for the overspend and we will consider this in the light of the circumstances and available funds.

9. **Can we claim for inflation and salary increases?**
   For projects costed under FEC incremental salary increases should have been included in the costings in the proposal, therefore we will not cover this cost. Prior to April 2012 inflation was included in the original application costing and therefore no further adjustments will be made. Applications from April 2012 will not include inflation at the outset and therefore an adjustment for inflation will be made annually after the project has started at rates set by the Department of Health.

10. **We are submitting an extension application, how should we present the costs?**
    As much detail as possible should be provided. We would expect all costs to be transparent and justified. New costs should be broken down year by year. In addition a breakdown of spend against budget to date should be included.

11. **What financial reports do we have to provide?**
    We will require each project to submit a financial reconciliation statement on an annual basis and at the end of the project. The final reconciliation statement should be submitted at the same time as the final report.

    We may request further financial reports if, for example, an extension is requested or there are changes to the costs, and we reserve the right to ask for any other financial information as we require it.

12. **If there is unspent funding can it be carried forward between project years without the need to obtain prior written permission?**
    Yes, funds can be carried forward between project years. All project funds must be used directly for the project.

13. **Is indemnity provided for DMEC and TSC Members?**
    The following confirms that a ‘safety net’ is provided for TSC and DMEC members and is the formal Treasury wording:

    “The government has indicated that an individual committee member who has acted honestly and in good faith will not have to meet out of his or her personal resources any personal civil liability which is incurred in the execution of the purported execution of his or her committee functions, save where the committee member has acted recklessly.”
14. When will we start to get our payments? Can we get anything before that?
We do not generally start to release any payments until the project has confirmed it has started and has shown us all the necessary regulatory approvals, e.g. ethical approval, MHRA approval. For the purposes of facilitating a timely project start, once the contract has been signed, we are able to agree to release up to £50k of the grant before ethical approval has been received. Projects who would like this facility should explain how the money will be used e.g. to pay a trial manager to undertake the work associated with achieving regulatory approval. If agreed then this will be built into the payment schedule, so if the contract has already been signed a contract variation will need to be issued.

Please speak with the NETSCC finance team for further advice and explanation