Purpose:
Internal Orders are used at RMIT to account for actual, budgeted and forecast income and expenditure by activity/project. The Research Support Group (RSU) manage the authorisation of Research External (R030) type orders.

Accurate reporting of external research income to the Department of Education, Employment and Workplace Relations (DEEWR) directly contributes to funding received by the University for research and research training. R030 type accounts are used to capture and report DEEWR countable research income.

Applying for a Research Internal Order:
For funded projects, please complete Parts 1 & 2 of the Research Application Coversheet/Internal Order Request and send to: Melinda Price on fax 9925 6599 or mail to bldg 215.2.9, BW Campus or email melinda.price@rmit.edu.au
Please note, that if you have previously submitted Part 1 of this form with your grant application to the RSU, you only need to complete Part 2 of the form to request the opening of an Internal Order.

The form can be downloaded from: http://www.rmit.edu.au/research/funding

In setting up R030 internal orders, there are a number of requirements and considerations that must be satisfied.

General Requirements:
Each Research Grant Application and Research Contract/Agreement must be accompanied by a Research Project Coversheet and Research Internal Order Request Form which is to be completed by both the Researcher and Finance Manager and certified by the Head of School. This form is used to capture critical information for reporting purposes and for establishing a research account. It also ensures that the appropriate approvals have been obtained.

1. Type of Activity – is it research?
R030 type internal orders can only be created for income related to activity that meets the HERDC definition of research.

2. Funding Agreement
It is mandatory that there is some kind of formal undertaking by way of agreement, contract, MOU, letter of award, etc with the sponsor organisation that formally specifies the research to be undertaken and the amount of funding that will be provided. This Agreement must be approved by the Pro Vice-Chancellor (R&I).

Note: in circumstances where funds have been offered through non formal (soft) agreements, such as a letter, or email, the RSU have a developed a draft template the can be used to formalise the agreement- refer to the draft Research Finance Guide.

3. RMIT Overheads
If there are additional costs to be covered by the University, the Head of School must first confirm that the School agrees to cover any additional overhead expenses by signing the certification statement on the Research Project Coversheet and Research Internal Order Request Form.

4. Ethics Clearance
It is critical that any ethics clearances are obtained before the experimental work commences. Ethics approval must be completed prior to releasing the funds for the project. If however the project needs to commence prior to ethics approval being obtained, then a statement from the lead Investigator must be attached to the internal order request or emailed to melinda.price@rmit.edu.au outlining the reasons and the proposed timeline for submitting the ethics application.

5. One Project per IO
Bundling multiple projects within the same account is a practice prohibited by R&I and FSG, unless a generic research account is approved – refer to Section 6 below.

Bundling multiple projects into the same account can pose serious implications to both our reporting and financial acquittal requirements and accurate management of funding.
Bundling projects can result in the following:

- Inaccurate reporting to Government: the HERDC research income report submitted to DEEWR each year could assign income to the incorrect funding category. This in turn impacts our block funding.
Difficulties with auditing and preparing financial acquittals: preparing for audits and producing financial acquittals for projects can be extremely difficult if you have income/expenditure in the one account relating to multiple projects.

Funding and legal implications: parking funds for new projects into an existing internal order without going through the formal university contracts process can pose serious legal ramifications. In addition to this, there have been instances where funding bodies have refused to pay for work undertaken as there is no formal documentation established for the project.

General reporting difficulties: financial reporting in general and keeping track of income and expenditure by project and individual researcher can be difficult when there are multiple projects within the same account.

Note: Contract extensions, variations and/or subsequent phase/s of the same project may be placed within the same internal order linked to the original agreement. This does not however exempt the extension/variation from the standard university process for research grants and agreements: it still must be reviewed and approved by R&I.

6. Generic Research Accounts
Whilst bundling multiple projects within the same account is normally prohibited by R&I and FSG, in some special cases, R&I will approve the establishment of a generic research account to manage small projects.

This applies to areas which manage a number of small projects for which the arrangements with the funding body are less formal. A generic internal order can only be used when:

- The projects do not require any formal reporting and/or financial acquittals.
- A funding agreement by way of email or letter has been established with the funding body for each project
- The value of each project does not exceed $15,000 and 12 months in duration.
- The category of funding is the same for each project being placed within the generic account. This is important as the same category of funding must be allocated to a research account for reporting purposes. It may therefore be necessary to establish more than one generic account.
- The same researcher/s are allocated to each project within the account.
- The projects do not require ethics approval.

A School/Group can request the establishment of a generic account by completing the Research Project Coversheet and Research Internal Order Request Form. The Head of School and Pro Vice-Chancellor (R&I) must approve the establishment of a generic account by signing the internal order request form.

Then, each time a new project is agreed, it must be reviewed by the Portfolio/School Business Contracts Manager in the first instance.

A Research Project Coversheet (minus the IO creation request) must be attached to each agreement placed within the account to ensure that information for reporting purposes is provided.

If the paperwork is deemed satisfactory, they will forward to the RSU for review and processing.

7. Closing Research Accounts
When a project is completed, the internal order is to be closed and not re-used for a different project. Recycling old internal orders can distort historical data and in turn make it difficult to financially manage a project. School Finance Managers should monitor projects to determine when an internal order is to be closed.

Before an account can be closed, the following checks should be performed:

- Refer to the contract and contact the Research Project Manager to ensure there are no outstanding payments and milestones due.
- Review the internal order to determine if there has been any recent activity.
- Liaise with P&C to change the internal order distribution of any staff salaries.
- For non-salary expenditure, liaise with the originator of any standing journal(s) to redirect future charges for computer leases, telephone charges, etc to the correct internal order.
- Check for any open commitments. If the commitment is still required, then amend the requisition to another internal order and notify Purchasing. If the commitment is no longer required, then delete it and notify Purchasing.
- The balance of the account must be $0 – any surplus funding that does not have to be returned to the funding body should be transferred out of the account.
- Internal orders that have been requested to be closed will be forwarded to P&C for checking. If any internal orders still have salaries coded to them, then they will not be closed.

A request to close a research internal order should be emailed to FSG and RSU:

Sam Bakas (FSG) sam.bakas@rmit.edu.au and Melinda Price (RSU) melinda.price@rmit.edu.au
Flowchart for Creating Research Internal Orders

**School/Group**

1. R030 Research Internal Order required
   - Complete Research Application & Research Internal Order Request Form for successful projects that meet the DEEWR HERDC criteria for research
   - Attaches a copy of the Funding Agreement (if not already provided)
   - If ethics approval is required has it been received?
     - If No, forwards the form and paperwork to Research & Innovation – Melinda Price, bldg 215.2.9 Bundoora West or Fax 9925 6599
     - If Yes, An IO cannot be opened without ethics approvals in place unless the project needs to commence prior to approval being obtained. If this is the case, then a statement from the Chief Investigator must be attached to the request or email to melinda.price@rmit.edu.au outlining the reasons and the proposed timeline for submitting the ethics application. A copy of the approval once received must be forwarded to RSU

**Research & Innovation**

- Research Internal Order request received
- RSU to review the form and supporting paperwork
- Does it meet DEEWR criteria?
  - If Yes, forwards the form and paperwork to Research & Innovation – Melinda Price, bldg 215.2.9 Bundoora West or Fax 9925 6599
  - If No, R030 IO cannot be created
- Is funding agreement executed?
  - If Yes, Assign HERDC category to the project and authorise the form
  - If No, Clarify details with the CI or Finance Officer and amend details on the form where necessary
- Are all details completed and do they match the agreement?
  - If Yes, RSU to create the IO in SAP
  - If No, RSU records all project details in ResearchMaster and file a copy of the paperwork in R&I.

**Financial Services Group**

- Request to release Research Internal Order received
- Release the internal order within SAP and advise if the project is reciprocal/non-reciprocal
- Confirmation of release is sent by return email to the relevant recipients
- RSU records all project details in ResearchMaster and file a copy of the paperwork in R&I.

Email request to release the IO in SAP to FSG – cc to first named Chief Investigator and School Finance Manager