GUIDELINES

FOR THE CARRY FORWARD OF UNSPENT / UNCLAIMED GRANT ALLOCATIONS

Version 2.8

September 2022

CONTENTS

ACRONYMS

BF = Brought Forward

CF = Carry Forward

DA = Designated Authority

ED = Executive Director

FO = Finance Officer

FY = Financial Year

GMSA = Grants Management & Systems Administration

NRF = National Research Foundation

PFMA = Public Finance Management Act

SCOPE

The Carry Forward (CF) process described below is used to roll over unclaimed/unspent NRF awards from one financial year (FY) to the next. As a Schedule 3A entity, the NRF is governed by the Public Finance Management Act (PFMA) and must ensure generally recognised accounting practices on the management of funds at its disposal. CF that are not approved during the process cannot be revised after the end of the financial year for auditing purposes.

Not all unspent funds can be rolled over to the following funding year. The NRF uses clear and transparent criteria to decide which funds can or cannot be carried forward. Furthermore, the NRF seeks inputs from the beneficiary institutions[1] before making the final decision.

The CF process is performed annually from December to February. This timing is crucial as it should occur after the FY-end of most of the NRF's beneficiary institutions (December) and prior to the FY-end of the NRF (March of the following year).

PURPOSE

The purpose of the CF process is to ensure that funding, which has been awarded, but has not been spent or claimed within a prescribed period, is either utilised in the following FY, or returned to the NRF and made available for re-allocation.

Grantholders are expected to expend 100% of their grant within the funding year. In cases where there are valid reasons for non-expenditure of a portion of the grant within the funding year, they should, in good time, **inform** the NRF **and thoroughly motivate** for the respective grants to be adjusted. This can be done during the course of the year of funding.

Designated Authorities (DAs) and Finance Officers (FOs) have access to grant expenditure trends via the NRF Systems as well as monthly 'Beneficiary Alerts' that are sent to them (May to December) with expenditure trends per grant, for their information and action.

This will ensure that only a minimum amount of funds will need to be carried forward from one financial year to another. Funds will therefore

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[1] A beneficiary institution, ie. where a grant is administered, includes the following: Higher Education Institutions, Science Councils, Museums, approved NGOs; approved State-funded research institutions and other NRF Recognised Research Institutions as gazetted by the Department of Science and Innovation.

be better utilised to achieve the objectives of the research for which it was intended.

NB: The NRF reserves the right to reject such motivations if it deems the motivation to be insufficient or not appropriately documented/ substantiated.

The CF process is intended to -

1. allow grantholders to use grant funds appropriately during the duration of their approved projects;

2. avoid withdrawing funds from institutions at which commitments have been made by the grantholder, but not yet expensed; and

3. make best possible use of the limited grant funds and therefore minimise money that is tied up but not being used.

GENERAL RULES

1. A grantholder, whose grant shows unspent or unclaimed operating costs by grant year-end (including running, sabbatical and equipment costs) **must** a) justify the non-expenditure of the grant; and b) strongly motivate the CF amounts within the progress report (PR) completion process.

2. The NRF may not allow funds to be carried forward **unless** it is supported with documentation for committed but unpaid funds; a) by stating the reasons why the funds were not utilised, b) how the funds will be utilised in the next grant year (e.g. name of equipment/list of materials and supplies/conference to be attended) and c) timeframe for the funds to be expensed (e.g. proof of purchase, invoice or quote). This should be provided within the CF process and be recommended by the beneficiary institution's Finance Officer (FO) during the process.

   No motivations for carry forward amounts less than R1 000 per line item will be considered.

   NRF staff will consider the motivations, together with the objectives of the grant, and the progress made, before approving/rejecting the request for CF.

3. At the end of a multi-year grant, or final year of funding of a grant, **only committed and unpaid expenses** will be considered for CF.

4. Unspent funds, already brought forward (BF) from the previous grant year, **will not** be carried forward for a second time with the exception of:

4.1. National Equipment Programme (NEP);

4.2. Strategic Research Equipment Programme (SREP);

4.3. High Resolution Transmission Electron Microscope (HRTEM)

4.4. LEAP-Agri;

4.5. Foundational Biodiversity Information Programme; and

4.6. Competitive Grants for Y-rated Researchers.

5. Institutions must provide the 1:1 commitment on CF funding that has been approved by NRF, where an institutional contribution is a requirement (i.e. Thuthuka).

6. No motivations for CF of activities that have not occurred in the grant year (including equipment not purchased), will be accepted for grants.

7. Approved CF funds must be utilised first, **before** the 2023 funding is utilised. CF funds not claimed by end June of the grant year, will be taken back without notification to the grantholder or the Research Office, after processing the June claims.

   NB: No CF requests by the grantholder will be considered if not approved and submitted to the NRF by the institution's Finance Officer.

Exceptions:

No CF of unspent funds will be considered for:

1. Scholarships or grantholder-linked student funding;
2. Postdoctoral Fellowships (this includes the running costs);
3. Collaborative Postgraduate Training Programme;
4. Professional Development Programme;
5. Incentive Funding for Rated Researchers Programme.

   New Generation of Academics Programme (nGAP), except in extenuating circumstances e.g., illness, where proof is submitted.

CARRY FORWARD PROCESS AND TIMELINES

The CF process has been incorporated in the Progress Report which will be open from mid-November 2022 to mid-February 2023 for grantholders and until end-February for Designated Authorities (DAs) and Finance Officers (FOs)

The CF process, with its associated timelines, is described below:

1. The FO of the beneficiary institution must draw an expenditure report (Detailed Statement) by logging on to the NRF Online Submission System. This report must be drawn in December directly after the institution has entered its expenditure reporting. The report contains a list of 2022 grants for the institution, with details of each grant's financial status to date. Institutions must use this report as a guide to identify possible requests for CFs to be submitted, taking into consideration final expenditure reports still to be entered by the institution.

By whom: Institution's Finance Officer

By when: Early December 2022

2. Final expenditure (claims) must be entered directly onto the NRF Online Submission System.

By whom: Institution's Finance Officer

By when: 02 February 2023

3. Where appropriate, grantholders must submit requests for amounts to be carried forward with detailed motivations per **grant line item**; and motivate why committed and/or uncommitted amounts should be carried forward. Grantholder requests are submitted to the institution's FO via the NRF Online Submission System within the PR process.

By whom: Grantholders

By when: Mid-February 2023

4. The FO of the beneficiary institution may:

4.1 change the indicated amount for CF, if the amount available in the grant account is less according to their records;

4.2 indicate the committed amount per grant line item with respect to official purchase orders where tax invoices are still outstanding (if applicable). Failure to complete this exercise will imply that the institution could become liable for a commitment made by the grantholder after the withdrawal of the award.

4.3 request the DA of the beneficiary institution to open the PR for amendment by the grantholder if they feel that the motivation needs to be amended.

By whom: Institution's FOs and DAs

By when: end February 2023

5. Requests for Carry Forward are imported into the CF process on Phoenix. These requests are reviewed by the relevant Funding Domain and recommendations are jointly approved/rejected by the Funding Domain and GMSA Directors.

By whom: GMSA

By when: Mid-March 2023

6. All CFs are processed by GMSA as per the approved lists. Grantholders can view their 2023 grant statements as notification of the approved CF. These CFs will be indicated with the acronym BF. Grant Statements can be viewed by following the steps below:

Login on the NRF Online Submission System (https://nrfsubmission.nrf.ac.za)
Go to "Grantholder Tools"
Click on "Statements"
Select the grant
The system will default to the current funding year
Click on "View" to open the statement

By whom: Grantholders

By when: From April 2023

7. The institution's FO can draw an expenditure report (Detailed Statement) for 2023 by logging on to the NRF Online Submission System. The report will contain a list of all grants for 2023 including the approved CFs.

By whom: Institution's Finance Officer

By when: April 2023

8. If a requested CF does not appear on the expenditure report or grant statement, it is an indication that the CF was not approved.

By whom: Institution's Finance Officer

By when: April 2023

NB. The NRF will not contemplate any oversight by the beneficiary institution in the event where carry forward requests and motivations were not approved/submitted by the institution's FO. The sole responsibility of such oversights must be borne by the relevant institution.