

## MOST Principles for Handling Research Project Grants

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- I. The Ministry of Science and Technology (hereinafter referred to as “MOST”) has established these grant funding management principles as a guideline pertaining to the processing and handling of funding for MOST-granted research projects (hereinafter referred to as “research projects”) as prescribed in the Operation Directions for MOST-Granted Research Projects for grants approved by the Executive Yuan National Science and Technology Development Fund (hereinafter referred to as “National Science and Technology Development Fund”).
- II. Once a research project’s budget has been approved, in addition to processing the budget in accordance with pertinent regulations, expenses (i.e., business expenses, research equipment fees, overseas travel expenses and administration fees) shall be compliant with the subsidized items as prescribed in the relevant contract and the approved budget. In addition, subsidized expenses will only be reimbursed with the signature of the principal investigator.
  1. Business expenses: Comprised of research assistant fees, consumables, articles, books and miscellaneous expenses and fees for visiting foreign scholars.
    - (1) Research labor fee:
      - a. The appointment and approval of various fees for full-time and part-time assistants and temporary workers shall be subject to the terms for hiring contract assistants in MOST-granted research projects.
      - b. Allowance for the principal investigator: To be disbursed on a monthly basis in accordance with the approved budget.
      - c. Payment for post-doctoral research fellows: To be processed in accordance with MOST Operation Directions for Recruiting Science and Technology Talents and other pertinent regulations.
    - (2) Consumables, articles, books, and miscellaneous expenses: To be reimbursed in accordance with the actual needs of the research project and the standards stipulated by pertinent government regulations.
    - (3) Fees for visiting foreign scholars: To be reimbursed in accordance with the Table of Fees for Visiting Foreign Scholars Involved in Science and Technological Collaboration Research (at the highest standard).
  2. Research equipment fee: Equipment approved for the research project shall be reimbursed within the budget limit.
  3. Overseas travel expenses: Overseas travel that meets with the approved list of research purposes such as further education, research, subsidized internship projects shall be reimbursed (within the budget limit) after review in accordance with pertinent regulations promulgated by the

Executive Yuan for personnel of central agencies (including institutions) traveling overseas. When filing a request for reimbursement, include a quota chart and the main overseas travel expenses as required by regulations for the verification of the expense report.

4. Administration fee: The fee required by the research institution for executing the research project. The administration fee shall be planned and spent by the institution carrying out the research without violating relevant government regulations.

The expenditures on various subsidized items shall be made during the period of project execution. For approved budgets that span multiple years (with the same project number), the research conducting institution shall refer to its internal administrative procedures to make split-year adjustments for the subsidized items depending on the needs of the project for items that have been approved for subsidy in the annual budget.

- III. For subsidized items not originally approved in the budget (i.e., business expenses, research equipment fees, overseas travel expenses) but later reviewed and found to be necessary during the execution of the project, the research conducting institution shall report to MOST for their consent on the addition of said items, and the required funding shall come from other subsidized items. However, for an additional research equipment fee that falls within a NT\$50,000 budget limit, the research conducting institution may process the additional fee in accordance with its internal administrative procedures without having to report to MOST.

Should any expenditure for a like subsidized item be found to be necessary during the project after review, the research conducting institution may make relevant changes in accordance with its internal administrative procedures by adjusting the funding under the category of the subsidized item in question. However, if the approved budget includes payment for post-doctoral research fellows, any surplus amount may not be adjusted to cover other purposes.

Per previous item, the research conducting institution that wishes to change the amount allotted to research equipment expenses with a single unit price on said equipment exceeding NT\$500,000, shall log the amount of the equipment into MOST's online system.

At the end of a project, when the research conducting institution is processing the expenditure report, any changes made to the purpose/amount of subsidized items for the project, as mentioned in the previous two items, shall be duly compiled and reported to MOST for reference purposes.

If it becomes necessary for the funds of any subsidized item to be transferred to another subsidized item, so long as the accumulated inflow and outflow does not exceed 50% of the original approved amount for the item, the research

conducting institution may handle the accounting in accordance with its internal administrative procedures. Should the inflow or outflow of any item exceed 50% of the original approved amount for the item in question, the research conducting institution shall report to MOST and state the reason before the transfer can be made. The research conducting institution shall report to MOST regarding such transfer in advance, except under special circumstances. However, if the total amount of inflow for research equipment expenses is below NT\$50,000, the research conducting institution may process the transfer in accordance with its internal administrative procedures without having to report to MOST.

In the event that a research project runs out of funding, the institution conducting the research shall report to MOST, state the reason for exhausting the allotted budget, and obtain consent from MOST before receiving additional funding. Exceptions shall be made only in special circumstances.

Administrative fees must not be transferred from other subsidized items.

The transfer of funds from one subsidized item to another is limited to remain within one research project; no transfer of funds may be made between different research projects.

IV. Grants (including administrative fees) disbursed from the National Science and Technology Development Fund by MOST may not be used to cover the following expenses:

1. Spending unrelated to the research project or spending outside of the specified project execution duration.
2. Any advance payments that are not related to the MOST grant.
3. Purchase of land or existing material resources/equipment in the inventory of the research conducting institution.
4. Expenses for gratuities or gifts.
5. Expenses for business entertainment (excluding meals provided for participants in meetings called for by the project that go beyond normal meal expenses), fines, grants, donations, and other personal expenses.
6. Expenses for the construction/purchase/rental of premises or vehicles or the repair/maintenance of premises and furniture.

V. Any procurement made by the research conducting institution using subsidies from MOST grants with the purpose of facilitating scientific/technological research development, shall be classified under scientific and technological purchasing, the source of funding being derived from the allotted budget for scientific/technological research. Therefore, such procurement shall be implemented in accordance with the research conducting institution's internal procedure for scientific and technological purchasing and Regulations Governing Procurements for Scientific and Technological Research and

Development. Any research conducting institution that has not established the aforementioned procedure may refer to the procurement regulations promulgated by the government.

The research conducting institution is obligated to remit any income it has received from procurements (i.e., penalties for breach of contract by suppliers or penalties for late delivery) and the research project itself to MOST.

VI. The collection of funding from the grant shall be collected in accordance with the following regulations:

1. Upon receiving the approval notification letter from MOST, each research conducting institution shall request the principal investigator go to the MOST website to sign the research project execution agreement within a month (or within the prescribed time limit) and attach the following documents:

(1) The receipt for the disbursement of the 1<sup>st</sup> installment or full installment stamped by the principal investigator showing the funds have been received, the research project subsidy contract, and a detailed list of requisitions.

(2) The receipt for the disbursement of the 2<sup>nd</sup> installment stamped by the principal investigator showing the funds have been received and a detailed list of requisitions.

2. For approved budgets that span multiple years (with the same project number), annual funds will be disbursed in the following way:

(1) The annual funds will be disbursed over two periods. The amount of funds to be disbursed for each period in the subsequent year shall be reported by the principal investigator before the specified deadline by going to MOST's website to submit the mid-term report, which shall be reviewed and verified by MOST. Should the principal investigator fail to submit a mid-term report as required, or if he/she is unable to achieve the anticipated outcome for the project or keep the research going, MOST may terminate the project in question at any time and notify the research conducting institution to handle the project in accordance with pertinent regulations.

(2) For each project, the percentage of expenditure of disbursed funds (i.e., actual expenditure/amount disbursed) must exceed 70% (should the percentage fall below 70%, the principal investigator must report to MOST regarding the reason and obtain MOST's consent) in order for the principal investigator to apply for the budget for the subsequent year. When the research conducting institution applies for the disbursement of the 1<sup>st</sup> installment for the subsequent year, it must submit an invoice for each disbursement that has been made (same format as the budget

statement) to MOST.

3. Should the research conducting institution fail to complete the signing process for disbursement due to delay or other reasons, in order to prevent the research project from being delayed, the research conducting institution shall cover a portion of the disbursement by remitting the amount to the designated account under the premise that no impact will be made to the payment of other ongoing research projects.

VII. Should a research conducting institution intend to transfer a portion of project funds to a co-host institution, said institution must first obtain the consent of MOST before the transfer can be made. Research equipment purchased by the co-host institution must be listed as an asset belonging to the institution. Upon the conclusion of the project, the receiving institution shall create a binder consisting of original copies of receipts for various expenditures under different subsidy categories and submit the binder along with a receipt and disbursement statement to the research conducting institution for further compilation. In the event of a surplus or unused funds, the surplus/unused funds shall be remitted to the research conducting institution, which shall compile all original receipts and documents of all expenses for the research project in order to generate a final receipt and disbursement statement to be signed by the principal investigator as a detailed account of all expenses relating to the project.

VIII. Upon receiving the grant from MOST, the research conducting institution shall deposit the grant in the designated account and may not transfer the money to any individual for private custody. All expenses relating to the research project shall be reimbursed to the recipient directly from the designated account.

The research conducting institution shall create a dedicated account to handle and manage subsidies from the National Science and Technology Development Fund, with at least three separate account books including a cash book (with chronological entries), a general ledger and a detailed ledger. In addition, administrative fees shall be handled separately from the administrative fee of other units for reference and review purposes.

IX. Should a project end up with a remaining balance, the balance shall be remitted to MOST in full.

Schools that have implemented a campus fund system, institutions operating under the national social education operating fund and Academia Sinica are exempted from having to remit the balance of their research projects to MOST and may use the balance for various expenses in accordance with pertinent regulations. However, funds previously allocated for equipment purchase/overseas travel and so forth that have not followed regulations and been transferred as reimbursements shall be remitted in full to MOST.

- X. For research projects that have concluded, the research conducting institution is required to report on the grant funds within three (3) months of the project's conclusion. However, for approved budgets that span multiple years (with the same project number), if the original copies of substantiating documentation have yet to be verified locally, the research conducting institution may submit the original copies of substantiating documents of expenses for the current year to MOST to be finalized.

Administrative fees may only be finalized with corresponding original copies of substantiating documents. If the documentation cannot be split into multiple copies or if it involves multiple subsidized projects making the compilation of an expenditure allocation table difficult, as per Guidelines on Processing Original Documents of Payment, the research conducting institution may issue a uniform invoice based on the actual amount spent or submit an invoice that is compliant with the Guidelines on Processing Original Documents of Payment in order to report on the grant.

XI. Other terms:

1. The research conducting institution shall establish relevant internal control systems and duly implement said system.
2. Any equipment purchase for the purpose of research projects shall be made in accordance with MOST's contract and be incorporated into the research conducting institution's property ledger in accordance with the Property Standard Classification Regulation promulgated by the Executive Yuan.
3. Payment of the research conducting institution's funds for the grant research project shall be made in accordance with Guidelines on Processing Original Documents of Payment, making original copies of substantiating documentation (i.e., GUI, receipts) available. All original copies of documents related to expenditures shall be subject to review by MOST and any instance of expenditure for purposes not related to the project, inflated figures or false claims shall be handled by MOST in accordance with regulations.
4. Should a research conducting institution commit any of the following acts, MOST may recover subsidies from the institution in question, according to the severity of the offense, by deducting from the subsidy for the subsequent installment for the institution or by reducing the ratio appropriated to administrative fees:
  - (1) Failure to sort and compile documentation of expenditures in accordance with the required classifications into a binder as specified by MOST;
  - (2) Failure to comply with an internal audit on various expenses;
  - (3) Failure to establish a designated unit to process relevant affairs

- regarding the subsidy (grant) or failure of the personnel in charge to perform proper handover of affairs in personnel transfer, resulting in redundant complications for MOST;
- (4) Failure to perform local verification of original copies of expenditure documentation as required by MOST;
  - (5) Failure to follow relevant internal administrative procedure in changing the purpose of expenditures;
  - (6) Impetuous reviews of budget spending and their relevance to the project;
  - (7) Violation of Point 4 regulations; or
  - (8) Other instances of failure to comply with MOST in affairs of subsidy (grant) application, execution, and administration.
5. All relevant items covered in this principle of fund-handling by research conducting institutions in accordance with their internal procedures and relevant documentation submitted to MOST for approval shall be appended to corresponding original copies of documents of expenditure in order to be written off.
  6. The research project grant agreement, research project execution agreement and pertinent government regulations shall apply *mutatis mutandis* to matters not covered in this principle.