

Project and Operations Ledger Account Procedure

Section 1 - Purpose

(1) To support the implementation of the [Project and Operations Ledger Account Policy](#). This document provides guidance on the process of creation and maintenance of an account in the Project and Operations Ledgers.

Scope

(2) This Procedure applies to all officers, directors, members, employees, consultants and contractors of Macquarie University and its Controlled Entities. (Specific application of these principles within the financial ledger systems of the Controlled Entities may vary, due to the array of financial systems used across the Group).

Section 2 - Policy

(3) Refer to the [Project and Operations Ledger Account Policy](#).

Section 3 - Procedures

Responsibilities and Required Actions

Account Structure in the Finance Chart

Project Ledger - Account Structure

(4) Accounts are created with a parent-child structure, with income and expenses recorded in the 'child' layer, known as the sub-group. Separate 'child' codes are established to separate out different sources of funding to ensure appropriate revenue recognition and reporting of the funding. See the example below:

Account:

12345 – parent layer (reporting layer only), comprising several 'children' or sub-groups:

12345/01 – sub-group, e.g. external income from the ARC Discovery Program

12345/19 – sub-group, e.g. external income from the ARC Fellowships

12345/20 – sub-group, e.g. internal income from the DVC-Research

(5) Each funding source should be recorded against one sub-group except for Research fellowship grants as these are for specific salary costs, as per the example above. The creation of multiple sub-groups for a single funding source is not permitted as there are various accounting processes and external reporting requirements that are dependent on the current design of the chart. Instances of these will be assessed on a case by case basis in conjunction with the Finance Manager, Research Reporting.

(6) The University will not recycle or reuse existing Project Ledger Accounts, in order to maintain the integrity of life-to-date reporting of financial information. The Finance One chart is live and all changes including remapping of Accounts are applied retrospectively.

(7) The table below defines the use of sub-groups according to their funding source. Changes to this defined usage, introduction of additional or retirement of existing sub-groups, requires approval by Director, Financial Control and Treasury or their nominated delegate.

Sub-group Range	Type of fund / Fund source
00-17	External Research Funding
18	External Research Fellowship reserve
19	External Research Fellowship
20,23-29	Internal Funding
21	Internal Fellowship
22	Internal Scholarship
30-39,41-47	Non-Research
40	Individual Academic Account
49	Script Costs
50-59	Project Activity
99	Not used

Project Ledger - Types of Accounts

(8) There are several types of Accounts, differentiated by their funding source, their purpose, the procedures required for account set-up, the permitted use of Residual Funds at the Account End Date, and the determination of the Carry Forward End Date.

(9) The Account types apply to the Account sub-group or 'child' level, rather than the Account 'parent' level.

(10) Note that where funding is received for a mixture of research and non-research purposes, the funds assigned for each purpose will be recorded in different sub-groups within the Account, to enable different HERDC codes to be assigned to each sub-group and apply appropriate revenue recognition.

(11) Each Account type is summarised in the table below, with additional detail included in the Appendix.

Account Type	Purpose of Account
Externally Funded Research Accounts	Externally funded research activities with a Written Document that specifies the income source, required use and available duration for use of the funds. Account set-up approval: Research Services or Office of Advancement Common sources of income are listed in the Appendix - Project and Operations Ledger Account.
Externally Funded Non-Research Accounts	Externally funded non-research activities with a Written Document that specifies the income source, required use and available duration for use of the funds. Account set-up approval: Member of Executive or their nominated delegate; and Director, Financial Control and Treasury or their nominated delegate. Common sources of income are listed in the Appendix - Project and Operations Ledger Account.

Account Type	Purpose of Account
Internally Funded Research / Non-Research Accounts	<p>Internally funded activities with a Written Document that specifies the income source, required use and available duration for use of the funds.</p> <p>Account set-up approval: Member of Executive or their nominated delegate; and Director, Financial Control and Treasury or their nominated delegate.</p> <p>Common sources of income are listed in the Appendix - Project and Operations Ledger Account.</p>

Account Type	Purpose of Account
Individual Academic Accounts (IAA)	<p>An account opened for use by an individual academic to record income earned that does not have specific usage restrictions attached to the income source.</p> <p>The purpose, current and likely future income sources, expenditure plan, and anticipated account duration must be agreed and documented in a Finance Project Ledger Account Set-up Form.</p> <p>Originating funds must not be allocated to this Account type if such funds meet the definition of another Account type, e.g. an Externally Funded Research Account. For this reason, it will be assumed that all funds allocated to this Account type will not be considered for HERDC (and therefore will not be considered for HERDC reporting), as all funds for Research Activities must be assigned to either an Externally Funded Research Accounts or an Internally Funded Research Account.</p> <p>The name of an IAA when it is set-up in the finance system will typically include the name of the account custodian, e.g. 'IAA - John Smith'. The assignment of custodian to an IAA gives the custodian budgetary control over the funds in the account, subject to adherence to University policies. Funds in IAA remain the legal property of the University.</p> <p>Account set-up and review:</p> <p>Creation of an account will be via approval by a member of Executive, or their nominated delegate and Director, Financial Control and Treasury or their nominated delegate, using the Finance Project Ledger Account Set-up Form. Any academic with a genuine need for this Account type may apply for an Account. Account requests will not normally be accepted where the anticipated future income to be allocated to the Account is less than \$1000.</p> <p>Funds in this Account type are subject to periodic review by Department, Faculty or Office of Financial Services staff.</p> <p>Permitted income: Detailed examples of the types of income allowed within this Account type are listed in the Appendix - Project and Operations Ledger Account.</p> <p>Permitted and prohibited expenditure: Detailed examples of the types of expenditure allowed from this Account type are listed in the Appendix. All expenditure must adhere to University policies covering Procurement, Purchasing, Travel etc. Purchase of equipment for personal use is prohibited. Payment to the account custodian as personal income is prohibited.</p> <p>Account End Dates: Accounts will typically be assigned an Account End Date ten (10) years from the Account Start Date, unless a shorter End Date is stated in the Finance Project Ledger Account Set-up Form. A member of Executive or their delegate may periodically request a review of plans for expenditure of funds in the Account.</p> <p>For the purposes of this Account type, the Account End Date acts as a review date, rather than an unmovable account closure deadline. Extensions to the Account End Date will be subject to approval by a member of Executive or their nominated delegate. An Executive member will only refuse an extension of an Account End Date if there have been clear breaches of the use of these funds contrary to:</p> <ol style="list-style-type: none"> 1. the purpose for which the Individual Academic Account was established and documented at inception of the Account; or 2. purchasing and travel policies; or 3. other key terms of the Account type as detailed in this Procedure. <p>If the Executive member refuses to extend the Account End Date, then Residual Funds will transfer to the Faculty Residual Non-Research Funds Account for use, as noted in this Procedure.</p> <p>Sunset Clause:</p> <p>Funds in this Account type are also subject to the Sunset Clause, which is a period of five (5) years in which funds received into an Individual Academic Account can be used, or they will be transferred to the Faculty Residual Non-Research Funds Account. At the end of each Financial Year, the carry-forward amount on an Individual Academic Account will be equal to or lower than the sum of the last five (5) years of income into that Account.</p> <p>The inclusion of this Sunset Clause is to set a balance between giving individual researchers considerable flexibility in how funds within this Account type can be used, whilst also ensuring that such funds do not 'stockpile' over long periods of time, when they could be spent on strategically important University activities. Exceptions to the Sunset Clause must be approved by the Vice-President, Finance and Resources or their nominated delegate.</p> <p>Cessation of employment of account 'custodian': IAA funds remain the property of the University at all times, and the account custodian has no claim to these funds when they cease employment with the University. Similarly, any equipment purchased from IAA funds remains the legal property of the University.</p> <p>By default, any unspent funds in this Account type when the Account owner leaves the employment of Macquarie University will be transferred to the Faculty Residual Non-Research Funds Account for use, as noted in this Procedure.</p> <p>In cases where the Account holder leaves the employment of Macquarie University and is conferred with an Honorary academic title (as defined and granted in accordance with the Honorary Academic Titles Policy and Honorary Academic Titles Procedure) then, at the discretion of the University and upon approval from the relevant Executive Dean (or other Executive Group member), the Honorary member may retain access to their IAA during the term of their Honorary title, for use in accordance with University policies. Since Honorary title holders are not employees (and therefore do not have delegated authority to incur expenditure on behalf of the University), a relevant authorised member of staff will be identified to act as budgetary administrator of the IAA, in accordance with the Delegations of Authority Policy.</p>

Account Type	Purpose of Account
Capital	An account, typically used by Property and IT, to capture capital expenses in delivery of an approved capital project. Account set-up approval: Project Manager
Other	Occasionally an account may be required in the Project Ledger that does not fit into any of the above Account types. Request for such accounts must be made via a Finance Project Ledger Account Set-up Form . Account set-up approval: Member of Executive, or their nominated delegate; and Director, Financial Control and Treasury or their nominated delegate.

Project Ledger - Project Life

Account Start Date

(12) The date when the Account commences. For externally funded Accounts, this date will typically be stated in the Written Document. For internally funded Accounts, or other Accounts without a start date specified in the Written Document, the Account Start Date is deemed to be the earlier of either the date on which a Written Document is signed, or the date on which an Account is opened in Finance One.

Account End Date

(13) The last date by which funds are available for spending to deliver against the objectives of the requirements of a Written Document. This date is commonly stated in the Written Document (for external Funding Providers) or will be stated in the [Finance Project Ledger Account Set-up Form](#). Funds will typically all be spent by this date. Accounts where donations are the revenue source will have a default end date of ten (10) years from Account Start Date unless otherwise stipulated in the Written Document. For externally funded projects, the final Chief Investigator Report and the final Financial Acquittal report are typically completed after this date. Procedure on extensions to the Account End Date varies by Account type. Refer to the Appendix - Project and Operations Ledger Account for details.

Account Active Period

(14) The time between the Account Start Date and Account End Date is the Account Active Period. It is the period during which all key activities stipulated in the Written Document are delivered.

Carry Forward End Date

(15) This is the last date on which funds in the Account can be accessed for any purpose.

(16) For Externally Funded (Research or Non-Research) Accounts, the Carry Forward End Date will be 31 December of the year following the Account End Date, unless residual funds are required to be returned to the Funding Provider, in which case the Carry Forward End Date will be the same as at Account End Date.

(17) For Internally Funded (Research or Non-Research) Accounts, Individual Academic Accounts and Capital Accounts, the Carry Forward End Date will be same as the Account End Date.

Account Residual Period

(18) The period between the Account End Date and the Carry Forward End Date is known as the Account Residual Period.

(19) This concept only applies for Externally Funded (Research and Non-Research) Accounts. During this time, final Chief Investigator Reports are commonly written, and residual funds are returned to the Funding Provider, if stipulated in the Written Document (e.g. ARC, NHMRC) or are used by the Account owner.

Project Ledger - Residual Funds

(20) This concept only applies for Externally Funded (Research and Non-Research) Accounts.

	Externally Funded Research Accounts	Externally Funded Non-Research Accounts
Account Active Period	Funds are available for use by the Account owner for spending on Research / Non-Research Activities as specified in the Written Document.	
Residual Period	Funds are available for use by the Account owner for spending on Research / Non-Research Activities. Usage of funds may be subject to periodic review by Department, Faculty or Finance staff.	
Access to funds after Carry Forward End Date	The Account owner will not be able to access funds after this date.	
Surplus Balance at Carry Forward End Date	Surplus Balance is transferred to Faculty Residual Account - Research / Non-Research in the Project Ledger. A new Account is created for each financial year.	
Approval to Re-Purpose Funds from Faculty Residual Pool Account	At the direction of the relevant Faculty Executive Dean, in consultation with the Deputy Vice-Chancellor (Research), to meet the strategic research aims of their Faculty, for twelve (12) months from the Carry Forward End Date of the transferred funds.	At the direction of the relevant Faculty Executive Dean, in consultation with the Deputy Vice-Chancellor (Academic), to meet the strategic non-research aims of their Faculty, for twelve (12) months from the Carry Forward End Date of the transferred funds.
Use of Funds from Faculty Residual Pool Account	<p>* Allocation of funds to a new Internally Funded Research Activities Account (e.g. where the Faculty runs an internal competitive process to award research funds). New Accounts of this type would be subject to the set-up requirements specified in this Procedure.</p> <p>* Use of funds directly from the Residual Research Funds Account (e.g. to fund a Faculty-wide research conference).</p> <p>*Note that funds from this Account type must not be allocated to an Individual Academic Account.</p>	<p>* Allocation of funds to a new Internally Funded Non-Research Activities Account (e.g. where the Faculty runs an internal competitive process to award non-research funds). New Accounts of this type would be subject to the set-up requirements specified in this Procedure.</p> <p>* Use of funds directly from the Unused Residual Non-Research Funds Account (e.g. development of Faculty-wide learning and teaching initiatives).</p> <p>* Note that funds from this Account type must not be allocated to an Individual Academic Account.</p>
Notification of Funds Available in Faculty Residual Pool Account	Relevant Faculty Executive Dean will be notified by end of January each year.	
Carry Forward Ability of Faculty Residual Pool Account	Any unspent balance will no longer be carried over to the next financial year.	

Operations Ledger

Operations Ledger - Account Structure

(21) Accounts in the Operations Ledger are a string of eight (8) digit characters. Unlike the Project Ledger, the structure of the Account is non-hierarchical. The first four (4) digits represent the Discipline. The next four (4) digits represent an activity which is unique to each Discipline, see below example.

Account 2011/0002, where 2011 is a Discipline for Ancient History within the Faculty of Arts and 0002 is the Activity for General Operating costs.

(22) Similar to the Project Ledger, external revenue streams with multiple revenue recognition requirements should be

disaggregated into separate accounts to facilitate appropriate revenue recognition.

(23) The University will not recycle or reuse existing Operations Ledger Accounts, in order to maintain the integrity of life-to-date reporting of financial information. The Finance One chart is a live system and all changes including remapping of Accounts are applied retrospectively.

Selection Types and Codes

(24) There are various Selection Types in Finance One that are unique to each of the ledgers. Any changes to the Selection Types or Selection Codes must be approved by the Director, Financial Control and Treasury or their nominated delegate. These Selection Types and Codes are listed in the [Finance Project Ledger Account Set-up Form](#).

Section 4 - Guidelines

(25) Nil.

Section 5 - Definitions

(26) Commonly defined terms are in the University Glossary. Definitions specific to this Procedure are contained in the [Project and Operations Ledger Account Policy](#).

Status and Details

Status	Historic
Effective Date	22nd February 2021
Review Date	22nd February 2023
Approval Authority	Vice-President, Finance and Resources
Approval Date	31st July 2019
Expiry Date	29th November 2021
Responsible Executive	Robin Payne Vice-President, Finance and Resources
Responsible Officer	Ben Gray Deputy Group Chief Financial Officer
Enquiries Contact	Ben Gray Deputy Group Chief Financial Officer