

Interim Expenditure Report – Guidance Notes

As a non-UK Research Organisation who has directly been awarded funding by UKRI, your organisation is subject to additional post award reporting. This includes the completion of Interim Expenditure Reports.

Interim Expenditure Reports are requested to enable UKRI to meet their responsibilities in accounting for the use of public funds. These reports are used to reconcile the actual expenditure with the payments made on a grant.

Please note that these checks do not replace the Final Expenditure Statement (FES), the FES attachment for international funding, or any other reporting required through Je-S (Joint Electronic System) but are in addition to standard reporting requirements.

General guidelines

Please use the following guidelines when completing the Interim Expenditure Report:

- The report must show actual costs incurred for the research grant specified.
- Only expenditure incurred within the dates specified at the beginning of the report under 'Period of statement' should be accounted for.
- Grants are cash limited and therefore expenditure should not exceed the amount awarded in the Offer Letter.
- All amounts should be given in Great British Pounds (£GBP). If expenditure occurs in another currency best practice is that it should be converted using an exchange rate from a reputable source at the time of the transaction. This is to ensure the amount is a true representation of the cost to the grant.
- For the purposes of the form you should use the Total cost (i.e. net plus indexation) amounts stated in your Offer Letter.

For the full terms and conditions (T&Cs) on how grant funds can be spent please see the Research Council T&Cs on the following website: <https://www.ukri.org/funding/information-for-award-holders/grant-terms-and-conditions/>

Completing the report form

The initial part of the report with all the basic grant details will need to be completed by you.

Depending on the rate of Full Economic Costs (fEC) awarded to you for each fund heading (this can be checked in your Offer Letter), you will need to complete either Part One, or, Part One AND Part Two.

It is possible for you as the Research Organisation to transfer funds between fund headings (see Section E and F of the T&Cs linked above). However, this is only permitted within and between Directly Incurred costs and Exceptions, excluding equipment. Funds can only be transferred and used to meet the cost of activity or activities that meet the agreed aims and objectives of the project. While approval does not need to be sought from the Research Council for the transfer of funds, the Research Councils reserve the right to query any expenditure outlined in grant reporting, which has not been incurred in line with the grant T&Cs.

Please note that where expenditure is shown to be significantly more or less than expected (for example because of delayed starting dates or change in staff resourcing) the grant may be suspended, and a revised payments schedule may need to be agreed.

An example Interim Expenditure Report can be seen in Appendix 1, alongside an example Offer Letter, to show where you can find some of the information needed to complete this report. A Glossary of terms can be found in Appendix 2.

Basic grant details

On the first page you are asked to fill in some basic details about the grant awarded.

The 'Grant reference' (format AA/A000000/1); 'Organisation'; 'Principal Investigator' (otherwise known as 'Grant Holder'); 'Grant Start Date'; and 'Grant End Date' can all be found on your Offer Letter.

The 'Organisation Reference' is the unique reference code or number used to refer to the award within your organisation.

The 'Period of Statement' dates can be found in the email request for the Interim Expenditure Report.

Part One

For all funding headings which have a fEC rate of 100% please add this information to Part One. All funding which is given at a fEC rate of 100% is labelled an 'Exceptions' cost, but you will need to break down spend by the following fund headings: Equipment, Other Costs, Staff, and Travel and Subsistence.

Please note that in most cases all funding going to non-UK organisations will be an Exceptions cost paid at 100% fEC.

Full Economic Cost (£):

This column will be the same as the 'Authorised FEC (£) – Total' figures in your Offer Letter for Exceptions fund headings.

Research Council Contribution (£):

This column will prepopulate.

Paid to Date (£):

This column will be completed with the amount of funding you have received for the dates of the 'Period of Statement' from the Research Councils for each fund heading. The amount paid to your organisation for each grant by financial quarter can be found on Je-S within 'Documents' > 'Functions' > 'Customer Accounts'¹. The amounts are not provided by fund heading so this will need to be manually calculated.

For example, if the amount of income received for the dates requested is £100,000, and your overall grant amount is £400,000, then you have received 25% of your grant funding. Given this, if the total amount to spend on Staff was £200,000, the amount you been 'paid to date' for this fund heading would be 25% of that, or £50,000.

Full Economic Cost Expenditure (£):

This column will contain how much you have spent on each fund heading for the dates of the 'Period of Statement'. Expenditure shown under the Exceptions headings must show the actual expenditure incurred by the project.

Research Council Expenditure (£):

This column will prepopulate.

Balance (£):

This column will prepopulate.

% FEC:

You do not need to change the figures in the % FEC column as these should all stay as 100%.

¹ Please note if you are unable to see these headings on Je-S it may be that you do not have the authority to view them and you should contact the Je-S administrator for your Organisation.

Part Two

All funding which has a rate other than 100% (e.g. is not an Exceptions cost) should be added to Part Two of the report.

For Part Two there are three different summary fund headings of Directly Incurred (DI), Directly Allocated (DA) and Indirect Costs. Each of these summary fund headings then has separate fund headings within it. Looking at your Offer Letter you should be able to see what fund headings you were originally awarded funds to.

Full Economic Cost (£):

This column will be the same as the 'Authorised FEC (£) – Total' figures in your Offer Letter for all fund headings not at 100% FEC.

Research Council Contribution (£):

This column will prepopulate.

Paid to Date (£):

This column will be completed with the amount of funding you have received for the dates of the 'Period of Statement' from the Research Councils for each fund heading listed in Part Two. The amount paid to your organisation for each grant by financial quarter can be found on Je-S within 'Documents' > 'Functions' > 'Customer Accounts'². The amounts are not provided by fund heading so this will need to be manually calculated.

For example, if the amount of income received for the dates requested is £100,000, and your overall grant amount is £400,000, then you have received 25% of your grant funding. Given this, if the total amount to spend on Staff was £200,000, the amount you been 'paid to date' for this fund heading would be 25% of that, or £50,000.

Full Economic Cost Expenditure (£):

This column will contain how much you have spent on each fund heading not at 100% FEC for the dates of the 'Period of Statement'. These figures should be the full cost of the expenditure.

Expenditure shown under the Directly Incurred heading must show the actual expenditure incurred by the project.

For expenditure shown under the Directly Allocated and Indirect Costs headings, UKRI will pay the full amount shown as spent, if it is within the cash limit and provided the grant runs its full course. Given that these reports will be requested mid-way through the grant, it is recommended that you pro rata your expenditure based on the amount of time that has passed.

Research Council Expenditure (£):

This column will prepopulate.

Balance (£):

This column will prepopulate.

% FEC:

The figures in this column will correspond with the '% FEC' column in your Offer Letter for each fund heading. No fund heading listed in Part Two should have a % FEC of 100.

² Please note if you are unable to see these headings on Je-S it may be that you do not have the authority to view them and you should contact the Je-S administrator for your Organisation.

Comments

This section is to write any comments which will help us understand how the Interim Expenditure Report has been completed or to explain the figures given.

For example, you might want to give an explanation where there is a large underspend for a fund heading, or where costs have been vired between fund headings.

Appendix 1 – Example Interim Expenditure Report

Below is an example of a completed Interim Expenditure Report for which both Part One and Two needed completing. An example of the corresponding Offer Letter has also been given to show where some of the figures for the Interim Expenditure Report come from. The different colours show where the different pieces of information can be found.

Please note that the Offer Letter will only list the fund headings where you have been awarded funding, whereas the Interim Expenditure Report will list all available fund headings. This is why the example Offer Letter does not list the 'Exception – Equipment' or 'DI – Equipment' fund headings

Example Offer Letter

Organisation: University of the UK

Grant Holder: Professor Joe Smith

Grant Title: How to reconcile grant funding in an international landscape

Starts: 1 January 2017 **Ends:** 31 December 2019 **Duration:** 36

GRANT VALUE

Funds Awarded

	Authorised FEC (£)			RC Contribution (£)			% FEC
	net	Indexation	Total	net	Indexation	Total	
DI - Staff	100,000	1,200	101,200	80,000	960	80,960	80
DI - T&S	50,000	600	50,600	40,000	480	40,480	80
DI - Other Costs	5,000	60	5,060	4,000	48	4,048	80
DA - Investigators	33,000	396	33,396	30,883	317	31,200	80
DA - Estate Costs	15,000	180	15,180	12,000	144	12,144	80
Indirect - Indirect Costs	80,000	960	80,960	64,000	768	64,768	80
Exception – Staff	50,000	600	50,600	50,000	600	50,600	100
Exception – T&S	10,000	120	10,120	10,000	120	10,120	100
Exception - Other Costs	15,000	180	15,180	15,000	180	15,180	100
Total Value of Award	358,000	4,296	362,296	305,883	3,617	309,500	

Example of completed Part One [Period of Statement: 1 January 2017 – 31 December 2018]

Appendix 2 - Glossary

Directly Allocated (DA) Costs: the costs of resources used by a project that are shared by other activities. They are charged to projects based on estimates rather than actual costs and do not represent actual costs on a project-by-project basis.

Please note for DA Estates costs that for some funding calls this will be calculated as a percentage of the direct costs charged to the grant for certain research organisations.

Directly Incurred (DI) Costs: costs that are explicitly identifiable as arising from the conduct of a project, are charged as the cash value actually spent and are supported by an audit record.

Directly Incurred – Absence Costs: costs arising from parental or sick leave. This will be paid at the standard Research Councils percentage fEC rate.

Full Economic Costs (fEC): a cost which, if recovered across an organisation's full programme, would recover the total cost (direct, indirect and total overhead) including an adequate recurring investment in the organisation's infrastructure.

Indirect Costs: non-specific costs charged across all projects based on estimates that are not otherwise included as Directly Allocated Costs. They include the costs of the Research Organisation's administration such as personnel, finance, library and some departmental services.

Please note that for some funding calls Indirect Costs will be calculated as a percentage of the direct costs charged to the grant for certain research organisations.

Non-UK Research Organisation: an organisation to which a grant is awarded, which takes responsibility for the management of the research project and the accountability of funds provided, that is located outside of the UK for legal and financial purposes and is not an affiliation or a component part of a UK Research Organisation.

Research Organisation: the organisation to which the grant is awarded, and which takes responsibility for the management of the research project and the accountability of funds provided.

Version and Date	Author and comments
0.1 - 01/10/2019	K Fuggle – initial draft
1.0 - 30/10/2019	K Fuggle - final
1.1 – 06/03/2020	K Fuggle – draft updates due to new Excel format of Interim Expenditure Report
2.0 – 12/03/2020	K Fuggle – final version of update – updated to accommodate Excel format of Interim Expenditure Report and provide further guidance on 'Paid to Date' section.