

SYCF [2023] No. 28 Attachment 1:

Management System of Shenzhen Institute of Advanced Technology, Chinese Academy of Sciences on Leading Technology Special Fund

Chapter 1 General

Article 1 To standardize the management of the Strategic Leading Technology Special Fund (Leading Special Fund) of Shenzhen Institute of Advanced Technology, Chinese Academy of Sciences, improve the efficiency of fund utilization, and based on the *Management Measures of the Chinese Academy of Sciences on the Strategic Leading Technology Special Fund*, the *Implementation Rules of the Chinese Academy of Sciences on Management of Forward-looking Strategic Technology Leading Special Funds (Trial)* and relevant regulations on scientific research project fund management, combined with the actual work of the Institute's leading special fund management, this System is formulated.

Chapter 2 Budget Execution

Article 2 After the approval of the Leading Special Fund project, the budget and the budget statement for the first three years are signed simultaneously with the assignment, and the budget statement for subsequent years is signed after the stage assessment. The annual budget statement is the basis for the budget execution of the Leading Special Fund undertaking unit and shall be completed before the "Second-up Budget" of the department; based on the determined annual budget and work tasks, a monthly budget execution plan shall be prepared, and the budget allocated for the year shall be executed by the end of the year in principle.

Article 3 The budget execution plan follows a "hierarchical compilation, unified management" approach, and the undertaking unit shall compile it according to the principle of "who uses funds, who compiles," and it shall be submitted step by step from sub-project, project, to special fund to the Chinese Academy of Sciences management department.

The overall budget plan shall include a five-year capital estimate and a budget for the first three years. For funds with matching fund requirements, the plan for matching funds shall be clarified; for special projects involving affiliated enterprises, the business relationship between the enterprise and the project task shall be explained; if leaders at all levels also serve as legal representatives or shareholders of participating enterprises, the relationship between the leader and the enterprise's equity shall be explained; at the same time, the ownership and distribution principles of intellectual property rights of participating enterprises shall be clarified. The relevant content shall comply with the *Interim Regulations of the Chinese Academy of Sciences on Strengthening the Management of Scientific Research Project-related Business*, prohibit conducting business with enterprises (except public companies) in which employees of this unit have personal investments, and restrict business with enterprises in which employees' close relatives, mentors, or students have specific relationships.

Article 4 The budget execution plan is included in the scope of the budget statement signing and serves as an important basis for assessing the execution of the Leading Special Fund budget.

Article 5 When preparing the budget execution plan, the estimated carryover funds to the end of the year and the budget for the next year shall be coordinated.

Article 6 The budget execution plan shall be submitted to the scientific research management department and financial management department of SIAT while reporting to the higher-level project undertaking unit and included in the overall budget execution plan of the unit.

Article 7 Units shall strictly implement the formulated budget execution plan. In cases where execution is not possible due to objective factors, adjustments at the research topic level, without affecting adjustments at the project level, shall be approved by the overall special project group according to the actual situation and reported to the competent business bureau for the record.

Chapter 3 Funds Expenditure Management

Article 8 Type A and Type C Leading Special Fund projects implement a responsible unit system, establishing a "administrative command line" and a "technical command line" dual-line management model, with the dual-line leaders jointly serving as the special project leader; Type B Leading Special Fund projects implement a chief scientist responsibility system.

The Leading Special Fund expenditure management system implements the unit legal person responsibility system. SIAT ensures that Leading Special Fund expenditures are used reasonably and legally by improving internal control systems and clarifying the responsibilities of relevant departments.

Article 9 Leading Special Fund expenditures shall be included in the unit's unified financial management, with separate accounting, and shall not be mixed with other project funds to ensure that Leading Special Fund expenditures are used exclusively for their designated purposes.

Special project teams shall fully implement the scientific research financial assistant system, and each project shall have a relatively fixed scientific research financial assistant to provide specialized services for scientific research personnel in project budget preparation and adjustment, fund reimbursement, and comprehensive project performance evaluation.

Article 10 The undertaking unit shall establish scientific research project accounting accounts with clear identification according to the signed assignment and ensure that they are always associated with the special project number designated by the Institute in the ARP accounting system.

Article 11 Leading Special Fund includes direct costs and indirect costs. Direct costs refer to expenses directly related to the implementation of the Leading Special Fund. It mainly includes:

(I) Equipment expenses: refer to the expenses incurred in the purchase or trial production of specialized instruments and equipment, the upgrading and transformation of existing instruments and equipment, and the expenses for leasing equipment from external units during the implementation of the Leading Special Fund. Calculation-type instruments and equipment and software tools can be included in the equipment expenses category. Equipment purchases shall be strictly controlled, and efforts shall be made to encourage open sharing, independent development, leasing of specialized instruments and equipment, and upgrading of existing instruments and equipment to avoid duplicate purchases.

(II) Business expenses: refer to the expenses incurred during the implementation of the Leading Special Fund, including the procurement, transportation, loading and unloading, and organization of various materials, auxiliary materials, low-value consumables, and health and safety protection supplies directly related to scientific experiments. It also includes expenses for testing, processing, fuel and power, publishing/literature/information dissemination/intellectual property affairs, travel/conferences/international cooperation and exchange, as well as compensation for young crop and clinical trial expenses, related facility and site minor renovations, and land and site leases.

(III) Labor expenses: refer to the labor costs paid to participants in special project tasks during implementation process of Leading Special Fund, such as graduate students, guest personnel, postdoctoral fellows, visiting scholars, project-employed researchers, scientific research financial assistants, and research assistants, as well as fees paid to temporarily hired consulting experts. The standard for labor expenses for project-employed personnel is based on the average salary level of local scientific research and technical service industry practitioners, determined according to their work tasks in research, and includes subsidies for social insurance and housing provident funds paid by the unit in the labor expenses category. Fees paid to temporarily hired consulting experts shall not be paid to personnel involved in the project and affiliated project research and management, and their management shall be carried out in accordance with relevant national regulations.

(IV) Incentive funds: refer to the funds extracted from the direct costs of the special project, not exceeding 20%, to reward personnel performance, ensuring the completion of scientific research tasks by central-level scientific research institutes undertaking special tasks. The scope and standards for the use of incentive funds are in accordance with the performance wage management regulations of SIAT, and are distributed based on the performance assessment of special project tasks by the scientific research management department and salary management department, tilting towards teams and young scientific and technological personnel with outstanding innovative performance. If it involves budgets from external units, it shall be separately summarized in the special budget.

Article 12 Indirect costs refer to related expenses incurred by the unit implementing the task during the organization and implementation of the special project that cannot be included in direct costs. It mainly includes the use of existing instruments and equipment and occupation of premises provided by the implementing unit for special tasks, daily consumption of water, electricity, gas, and heating, subsidies for related management expenses, and performance expenses for motivating scientific research personnel, etc. Indirect costs are approved at a rate not exceeding 13% of the direct costs after deducting equipment purchase expenses and budgets from external units. Budgets from external units do not include indirect costs. Management expenses can be extracted from direct costs at a rate not exceeding 13% after deducting equipment purchase expenses.

Article 13 The overall special project group will adjust the initial budget of the special project according to the stage assessment results. For tasks that shall be exported but have not been exported for national scientific and technological tasks, the initial budget of the special project will be reduced, and the reduction amount shall not be less than 20% of the subsequent budget. For special projects with matching fund plans, the subsequent year's fiscal budget will be determined based on the actual situation of matching fund arrival.

Article 14 When it is necessary to adjust the special budget, the following procedures shall be followed.

(I) The total special project budget shall be within the initial budget. For reductions in the total special project budget, the special project leader shall submit an application and explain the reasons for the reduction. After review by SIAT, it shall be approved by the competent business bureau; for increases in the total special project budget, the special project leader shall submit an application, and after review by SIAT, it shall be reported to the competent business bureau. The competent business bureau shall seek the opinions of the Bureau of Development and Planning, the Bureau of Support and Finance, and submit it to the Director Office Meeting of the Chinese Academy of Sciences for approval, increases exceeding 100 million yuan (inclusive) require approval from the Party Group Meeting of the Institute.

(II) If the total special project budget remains unchanged, adjustments between project budgets, or changes in project undertaking units, shall be proposed by the special project leader, reviewed by SIAT, and approved by the competent business bureau. For special fund adjustments exceeding 10 million yuan (inclusive), approval is required from Director Office Meeting of the Chinese Academy of Sciences. For adjustments exceeding 100 million yuan (inclusive), approval is required from the Party Group Meeting of the Institute.

(III) If the total project budget remains unchanged, adjustments between projects at SIAT shall be approved by SIAT and filed with the competent business bureau.

(IV) If the total project budget remains unchanged, adjustments to equipment expenses shall be proposed by the Principle Investigator, taking into account the actual situation of existing equipment configuration and scientific research project needs, and the approval procedures shall be handled in a timely manner in accordance with the *Management Measures of Shenzhen Institute of Advanced Technology, Chinese Academy of Sciences on Scientific Research Project Budget Adjustment*.

(V) Adjustments to other expenses excluding equipment expenses shall be autonomously arranged by the Principle Investigator according to the actual needs of scientific research activities and approval procedures shall be handled in a timely manner in accordance with the *Management Measures of Shenzhen Institute of Advanced Technology, Chinese Academy of Sciences on Scientific Research Project Budget Adjustment*.

(VI) Incentive funds and indirect expense budgets shall not be increased. After consultation and agreement between the scientific research management department, the salary management department, and the Principle Investigator, they can be reduced and used for operating expenses and labor expenses. For project funds from other channels that remain unchanged and are adjusted between different units, the leading unit of the project shall approve and implement it independently, and report it to the competent business bureau for record.

Article 15 The scientific research management department of SIAT shall strengthen the review of the necessity of external contracting for projects, the capabilities of external contracting units, and the relevance of contracted tasks to the Leading Special Fund.

Article 16 The scientific research management department of SIAT shall strengthen the management of equipment procurement and bulk material procurement for the Leading Special Fund, and procurement contents shall be consistent with the budget. Implement a system of separation of incompatible duties for equipment selection, contract signing, approval, etc., improve on-site and physical acceptance of equipment and bulk material procurement. For government procurement, relevant regulations on government procurement shall be followed.

Article 17 For expenses such as conference expenses, expert consultation expenses, and travel expenses with clearly defined standards by the State and the Chinese Academy of Sciences, they shall be strictly executed according to relevant regulations and standards. For expenses such as labor costs and testing, assay, and processing fees without clear standards, they shall be executed according to the regulations of SIAT, referring to market prices.

Article 18 SIAT shall clarify specialized financial personnel and scientific research management personnel to participate in the preparation of project budgets, track the execution of project budgets, and be responsible for project-related accounting and fund management.

Chapter 4 Final Accounts and Financial Acceptance Management

Article 19 The Leading Special Fund implements an annual final accounts reporting system. Annual financial final accounts reports shall be prepared in accordance with regulations, and comparative analyses shall be conducted on budget estimates and final accounts. The final accounts shall be led by the financial management department, with the project undertaking unit organized for preparation. Annual final accounts shall be included in the annual summary of the Leading Special Fund together with the annual work plan.

Article 20 If a project (sub-project) is suspended due to unforeseen circumstances, the financial management department shall promptly clear the accounts and assets, prepare financial reports and asset lists, and submit them to the relevant business bureau and the Bureau of Support and Finance. The relevant business bureau and the Bureau of Support and Finance shall promptly organize inspections and handling, and the surplus funds confirmed by the audit shall be handed over to the Institute's finance. Proceeds from the disposal of purchased supplies, materials, and instruments and equipment shall be handled in accordance with relevant national regulations.

Article 21 Completed research topics and projects (sub-projects) shall timely prepare final accounts reports and submit financial acceptance applications.

Article 22 At the end of the project, the scientific research management department is responsible for organizing financial and project acceptance for projects (sub-projects). Financial acceptance may include audits by intermediary institutions and acceptance by expert panel.

Article 23 After passing the acceptance of the Leading Special Fund, financial settlement procedures and preparation of final accounts shall be completed within three months from the date of acceptance, and they shall be reported level by level to the special project's supporting unit, reviewed and summarized, and submitted to the Bureau of Planning and Finance and the Bureau of Discipline. If there is a surplus in the special fund, it shall be managed in accordance with relevant regulations of the Ministry of Finance on the management of surplus funds.

Article 24 The special project shall not be accepted in the following cases:

- (I) Falsifying budgets and embezzling national financial funds;
- (II) Failure to separately account for special funds;
- (III) Diverting, withholding, or misappropriating project funds;
- (IV) Violating regulations on transferring project funds;
- (V) Providing false financial accounting information;
- (VI) Failure to execute and adjust budgets as required;
- (VII) Other violations of national financial discipline.

Chapter 5 Supervision and Management

Article 25 For behaviors such as failing financial acceptance, falsifying information, diverting, withholding, misappropriating project funds, or other violations of financial discipline, relevant departments of the Institute may cancel the qualification of relevant units or individuals to apply for institute-level scientific research projects for the next three years and impose disciplinary actions. If it constitutes a crime, it shall be transferred to judicial authorities for criminal responsibility according to law.

Chapter 6 Bylaw

Article 26 This Management System shall be interpreted by the finance department and shall be implemented as of the date of promulgation. The original *Management System of Shenzhen Institute of Advanced Technology, Chinese Academy of Sciences on Leading Technology Special Fund* (SYC ZI [2015] No. 2) shall be repealed simultaneously.