HIGHER EDUCATION COMMISSION

H-9, ISLAMABAD (PAKISTAN),Website: http://www.hec.gov.pk

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(Advisor R&I D)

NRPU/R&ID/HEC/2026/105
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Subject: Updated Standard Operating Procedures and Implementation Mechanisms – 2026 for Timely Submission, Financial Settlement, and Accountability in NRPU Projects

Respected Vice-Chancellor/Rector/President, السلام علیکم ورحمة الله وبرکا

In supersession of this office letter No. NRPU/R&ID/HEC/2025 dated October 06, 2025, on the subject matter, the following revised SOPs/Guidelines are hereby issued for strict compliance by all concerned.

02. To prevent the recurrence of such issues in future, the following updated SOPs/Guidelines, in

continuation of the SOPs/Guidelines already in force and duly approved by the Competent Authority, are hereby communicated for strict compliance by all Public and Private Sector HEIs/DAIs.

Ensuring Timely Submission of Annual Progress Report

- The unspent balance shown in the Annual Utilization Reports submitted by the PI/University will be adjusted in the final instalment (if applicable) following a satisfactory review and successful completion of the project.
- **i)** If the Principal Investigator (PI) or Higher Education Institution (HEI) fails to submit the Annual Progress Report within the designated timeframe, including the allowable extension of three (3) months, no additional instalment shall be disbursed. Furthermore, the Higher Education Commission (HEC) may issue a notice requiring the PI/HEI to:

  a) Refund the amount already disbursed, along with any applicable profit, in accordance with the approved Grant Agreement and HEC regulations.

  b) If the pending Annual Progress Report is submitted and deemed acceptable following a satisfactory review, the PI/HEI must also provide an affidavit affirming that the second/final report will be submitted on time within the approved duration or extension period to ensure the successful completion of the project. However, overhead charges for ORIC and the PI's honorarium will not be payable for the delayed year.

  (ii) If the PI/HEI subsequently fails to submit the Final Progress Report within the prescribed timeline or the approved extension period of three (3) months, HEC may issue a notice requiring the PI/HEI to:

  a) Refund the amount already disbursed, along with any applicable profit, in accordance with the Grant Agreement and HEC rules.

  b) Submit the pending Second/Final Progress Report, which, if accepted after review, will result in the withholding of the PI/Co-PI honorarium and the University/ORIC overhead costs related to the delay period.

  (iii) In the event that the PI/HEI fails to submit both the Annual Progress Report and the Second/Final Progress Report, and the approved project duration—including the permissible extension of three (3) months—has expired, the project shall be considered **abnormally delayed**. A Final Refund Notice will be issued to recover the entire amount disbursed, along with any applicable profit. The project will then be processed for closure and recovery in accordance with the applicable Standard Operating Procedures (SOPs), the Grant Agreement, and relevant Government/HEC financial regulations.

(iv) This is further supported by Clause 86(iii)(c) and (d), whereby the PI who receives a letter of displeasure under these provisions shall be ineligible to submit any research proposals to HEC for a period of five (5) years. Additionally, such a PI will not be considered for participation in any HEC research proposal review or evaluation processes during this period.

- If the PI/HEI fails to submit the respective Annual Progress Report within the designated timeframe, including the three (03)-month no-cost extension as per SOPs, further disbursement of funds will be withheld until the overdue report is submitted and approved by HEC. Such failure does not exempt the PI/HEI from their reporting responsibilities, and they must continue to submit the next scheduled progress report or final report, as applicable, in accordance with the approved project schedule and SOPs.

<u>Consequences of Delayed/Non-Submission of Progress and Final Reports</u>

- **i)** Completion of Project After Delay of Annual Progress Reports, but Within Approved Extension
  If a project is completed within the approved timeline or within the duly approved extension period, any previously withheld instalment(s) due to delayed submission of progress reports may be released following a satisfactory review of the relevant report(s) and the settlement of eligible expenses. However, the honorarium for the PI/Co-PI and the University/ORIC overhead costs related to the period of delay shall not be released.

  (ii) Submission of Final Report Without Timely Submission of Mid-Term/Annual Progress Reports
  In cases where the PI submits the final report within the approved timeline or extendable period, but one or more annual progress reports were not submitted within the approved timeline or extension period, the eligible project expenditure, as verified through the Fund Utilization Report and contingent upon a satisfactory review of the final report, may be released or settled. However, the honorarium for the PI/Co-PI and the University/ORIC overhead costs associated with the delayed report period shall not be disbursed.

  (iii) Failure to Submit Required Reports Even After Expiry of Approved Timeline and Extension
  If the PI/University fails to submit the required annual progress reports and final report, and the approved project duration, including any authorized extension, has expired, the project will be deemed as **defaulted**. In this case:
  - **a)** The full amount disbursed for the project, along with any accumulated bank profit as reflected in the bank statement, shall be recovered from the PI/University.
  - **b)** A letter of displeasure shall be issued to the PI and the respective University/HEI.
  - **c)** The PI who receives a letter of displeasure under this clause shall be ineligible to submit any research proposals to HEC for a period of five (05) years.
  - **d)** Additionally, such a PI shall not be considered for participation in any HEC research proposal review or evaluation processes during this period.

- If the report is deemed unsatisfactory by the expert, the timeline until the submission of the revised report will be counted within the project's approved schedule.

<u>General SOPs/Policy for All Projects</u>

- PI and Co-PI honoraria will be released only after project completion rather than on an annual basis.
- ORIC and University overhead costs will be disbursed upon the successful review and completion of the project.

Penalties and Restrictions for Delayed or Unsettled Projects

- Higher Education Institutions (HEIs) with five or more abnormally delayed or unresolved projects will be ineligible to receive future HEC research grants until all their delayed or unsettled projects have been resolved.
- If the PI/University fails to refund the required amount within three (03) months of HEC's refund notice, the University's ORIC/University overhead share from ongoing projects will be withheld or adjusted against the refundable amount of the unsettled/refund-required project.
- For Public Sector Universities/HEIs, if a project is declared delayed, unsettled, or recoverable during DAC/PAC proceedings, the recoverable amount (**Y**), as determined based on DAC/PAC recommendations, will be deducted from the institution's/HEI's recurring grant in accordance with applicable Government/AGPR rules and HEC financial procedures. The HEC Finance Division will facilitate and implement this recovery or adjustment through the approved financial mechanisms to settle or close the defaulted project(s). For example, if HEC plans to release an amount **X**, it will actually release **X minus Y**, ensuring that the unsettled or recoverable amount is recovered and the project can be officially declared cleared.
- For Private Sector Universities/HEIs, if a project reported in DAC/PAC remains significantly delayed or unsettled for more than two (02) years, the concerned institution will become ineligible to receive any future HEC research grants until the outstanding project(s) are properly settled or regularized.
- A list of Universities/DAIs/HEIs and Principal Investigators with projects that are abnormally delayed or remain unsettled shall be dealt with in accordance with the approved HEC SOPs and applicable implementation mechanism.

03. The aforementioned SOPs and implementation mechanism shall be enforced with effect from August 01, 2026 for all ongoing and future projects. Further, The projects, wherein completion letter and/or refund notices have already been issued, will be treated as per previous old policy. It is once again emphasized that these SOPs/Guidelines must be adhered to in letter and spirit by all HEIs/DAIs.

04. The complete SOPs/Guidelines, along with the relevant documents and prescribed formats, are available on the NRPU webpage at: https://www.hec.gov.pk/english/services/universities/nrpu/Pages/Related-Downloads.aspx

With profound regards,

(Prof. Dr. Engr. Muhammad Ali Nasir)

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