



THE HIGHER EDUCATION COMMISSION

**RESEARCH GRANTS ADMINISTRATION &
MONITORING GUIDELINES 2021**

With

**Supplementary SOPs and Implementation
Mechanisms-2026 for Timely Submission,
Financial Settlement, and Accountability in
Research Projects**

Table of Contents

I. Definitions	2
II. Award of Research Grant.....	3
III. Monitoring Project Performance	5
IV. Requests, Reports, Notices & Notifications	5
V. Disbursement & Expenditure	6
VI. Progress Reporting Requirements	7
VII. Changes Related to Project	9
VIII. Termination and Suspension of Grant	12
IX. Retention of Record, Audit & Inspection	13
X. Supplementary SOPs and Implementation Mechanisms for Timely Submission, Financial Settlement, and Accountability in NRPU Projects	14

Research Grants Administration & Monitoring Guidelines 2021

These guidelines set out responsibilities, rules, procedures and necessary details in relation to the grant administration and monitoring of research projects funded by the Higher Education Commission (HEC) under various competitive research grant programs (i.e., NRPU, GCF, LCF, TTSTF, ICRG, RRII, CPEC-CRG, etc.).

I. Definitions

Grantee

1. The eligible Higher Education Institution (HEI), receiving the Grant duly approved by HEC to support research project as per Award notice.

Sub Grantee

2. The eligible institution, collaborating with Grantee, receiving a portion of Grant, duly approved as Sub Grant, to be disbursed to the Sub Grantee through the Grantee as per Award notice.

Grant

3. The amount of funding approved by the HEC to support the research project proposal as per Award notice

Project Duration

4. The project duration is the duration in months for implementation of the project as per award notice.

Effective Date

5. The Effective Date of the Award shall be the date of release of 1st installment of the Grant to the Grantee.

Funding Period or Grant Period

6. The funding period starts with the Effective Date and ends on expiry of the Project Duration.
7. If No cost extension in the project duration is granted by the HEC, the Funding Period will end on the date as extended and communicated to the Grantee.
8. All expenses to be financed with the Grant shall be incurred during the Funding Period.

No Cost Extension

9. A formal request for No Cost Extension in the Project Duration must be submitted by the Grantee to the HEC at least Thirty (30) Calendar days before the expiry of the Project Duration. The request must provide justification and need for the extension and include an estimate of the unspent funds and a plan for their use. The plan must adhere to the

previously approved objectives and scope of the project. The no cost extension may not be allowed merely for the purpose of using the unspent funds.

10. The HEC, at its reasonable discretion, may entertain the request allowing No Cost Extension in the Project Duration up to a maximum of Ninety (90) Calendar days subject to the condition that no additional funds will be allowed under the Grant and timeline for any reporting requirements will be adjusted accordingly. Under exceptional circumstances, to be justified by the Grantee in writing, the Competent Authority may consider any further No Cost Extension in Project Duration.
11. Grantee must ensure that project activities are completed within the extended period if granted by the HEC. Grantees are required not to make commitments or incur expenditures after the expiration of the project duration in anticipation to the HEC approval of no-cost extension.

II. Award of Research Grant

Proposal Acceptance Letter

12. After completion of the evaluation process and final selection of project proposals received in response to a call for proposals for research grants, acceptance letter will be issued to the Grantee and the PI along with details of the project recommended budget in order to complete the following codal formalities prior to award notice and entering into a grant agreement:
 - i. Recommended budget may be adjusted/ negotiated by the PI with HEC. However, the negotiated budget will be subject to the approval of the HEC Competent Authority and must be in accordance with the Financial Rules for HEC Competitive Research Grants.
 - ii. The following revisions/ information must be submitted by the PI:
 - a) Revised proposal as per reviewers' comments and feedback provided in the evaluation results
 - b) Detailed Implementation Plan (Gantt chart, activities, deliverables, timelines);
 - c) A fiduciary and procurement plan
 - d) Appointment letter from the PI & Co-PI to confirm their affiliation with the Grantee and Sub Grantee
 - e) Last pay slip of PI and Co-PIs for finalizing the personnel cost in Budget
 - f) Any other requirement that needs to be fulfilled
13. The proposal acceptance letter does not constitute an offer or agreement for funding support but conveys formal approval of the proposal for funding support.

Award Notice

14. After budget negotiation and necessary revisions in project proposal and completion of

all codal formalities by the PI/ Grantee as indicated in the proposal acceptance letter, award notice will be issued by the HEC communicating the Grant Amount for the accepted project proposal along with the following documents/ information:

- i. Approved project proposal and the Project Implementation Plan
- ii. Approved Budget/ Eligible Expenditure indicating head wise categories of expense supported by HEC for Grantee and all Sub Grantees
- iii. Fiduciary & Procurement Plan of the project
- iv. Terms & Conditions of the Grant as per Specimen Agreement
- v. Any other documents or special requirements as per research grant programs (e.g. Environmental and Social Management/ Mitigation Plan of project)

Acceptance of the Award

15. The Award notice constitute an offer for funding support. The Grantee and the PI shall execute grant agreement with HEC on stamp paper as per specimen attached with the Award notice that will constitute acceptance of the Award. However, formal letter accepting the award from the PI endorsed by the Grantee prior to submission of the Agreement will also constitute acceptance of the Award.
16. The grant agreement must be furnished to the HEC within 15 days of issuance of award notice. The award shall stand cancelled upon failure on part of either party to execute and submit the agreement unless extension allowed by HEC upon request.
17. The Grantee and/or the PI are free to accept or reject the award. If the grantee and/ or the PI chooses not to accept an award, a written request should be sent to the HEC to withdraw the award. HEC will initiate appropriate action for project closure.
18. Subject to the execution of the Agreement between the parties, the Award will be valid for the funding period, effective from the date of release of 1st installment.
19. Request for Change of PI prior to signing of agreement or release of 1st installment will not be entertained by HEC and appropriate action for project closure will be initiated by HEC.
20. Request for transfer of project to another institution prior to signing of the agreement or release of 1st installment may be considered subject to the endorsement from the expert panel. However, HEC will not consider transfer of project to another institution during the first year from the effective date.

HEC Award Terms & Conditions

21. The general and standard terms and conditions of the Grant are outlined in the Specimen Grant Agreement duly approved by the Competent Authority of HEC.
22. As appropriate, the standard Terms and Conditions of Grant may vary in various funding programs of HEC, incorporating additions or modifications as per requirements specific to the funding program.
23. The approved specimen agreement will be provided with the Award Notice.

III. Monitoring Project Performance

PI Role and Responsibilities

24. The Principal Investigator leads the project team, supervising and managing overall project activities for timely progress and is responsible for timely submission of project progress reports to the HEC through the Grantee. The PI is also responsible to report to the responsible office at Grantee Institution on project related matters as per these guidelines.

Grantee Role and Responsibilities

25. The Grantee is responsible to provide an oversight of the Project implementation in accordance with the HEC policies and practices as well as the applicable government rules and regulations and ensure timely preparation of the required Reports.
26. The Grantee is responsible to monitor project performance in order to ensure timely accomplishments of project goals in accordance with objectives and scope of the project, adherence to the terms and conditions of the grant, effective utilization of resources and compliance of rules, regulations and policies applicable by the Government and/or HEC. In order to carry out these responsibilities, the grantee organization must ensure appropriate organizational systems to carry out the Project with due diligence, efficiency and in accordance with sound technical, financial, environmental and managerial standards for the grant.

HEC Role and Responsibilities

27. HEC will monitor project progress through the periodic/ annual project progress reports submitted by the Grantee and defense presentations made to HEC during the project life cycle. Moreover, HEC, through its authorized representatives, Panel members/ subject experts, has the right, at all reasonable times, to make site visits to review project accomplishments, administration and management of the grant at the grantee and sub grantee institution.

IV. Requests, Reports, Notices & Notifications

28. The ORIC/ Research Office or any other designated office authorized for processing research projects at Grantee institution, will be responsible to coordinate and process appropriate actions with HEC via HEC online portal and/or in the form and manner as prescribed/ communicated by the HEC for Award notices, submission of project progress reports, personnel changes, No Cost Extensions and other requests and notifications in relation to the project.

29. The PI must submit all kinds of requests/ reports to the HEC through the authorized office at the Grantee organization via online portal and email. All the notifications/ notices/ evaluation results on project monitoring shall be sent to the responsible research office and the PI via email and can also be accessible via HEC online portal to view, print and download.

V. Disbursement & Expenditure

Disbursement of Grant

30. Disbursement plan will be issued with the Award notice indicating %age of grant to be released to the Grantee in each installment. Unless otherwise stated in the Award notice, the grant will be released as per following installment plan:
- Project duration ranging from 13 to 17 months would be treated as an 18-month project.
 - Project duration ranging from 19 to 23 months would be treated as a 24-month project.
 - Project duration ranging from 25 to 29 months would be treated as a 30-month project.
31. For the project duration up to 3 year (30-36 months) the installment plan will be as follow:
- i. 1st Installment: 50% of the Grant
 - ii. 2nd Installment: 20% of the Grant
 - iii. 3rd installment: 20% of the Grant
 - iv. Final Installment: 10% of the Grant (only Honorarium of PI/CoPI and Overheads)
32. For the project duration up to 2 year (18-24 months) the installment plan will be as follow:
- i. 1st Installment: 60% of the Grant
 - ii. 2nd Installment: 30% of the Grant
 - iii. Final Installment: 10% of the Grant (only Honorarium of PI/CoPI and Overheads)
33. For the project duration up to 1 year the installment plan will be as follow:
- i. 1st Installment: 80% of the Grant
 - ii. Final Installment: 20% of the Grant (only Honorarium of PI/CoPI and Overheads)
34. 1st Installment will be released to the Grantee as early as practicable upon execution of the Grant Agreement
35. As indicated in the Award notice, HEC will not authorize payment under the 1st Installment unless the Grantee has provided appropriate details of separate bank account to be jointly operated by the Grantee (Head of the Institution and/or Treasurer) and the Principal Investigator.
36. Release of remaining installments will be subject to the following conditions:
- i. Timely submission of annual/ periodic reports (1st, 2nd or 3rd) and final progress reports
 - ii. Satisfactory evaluation of submitted reports/ presentation by the respective HEC Scientific Review Panels/ subject experts
 - iii. Timely completion of all reporting requirements/ documentation
 - iv. Fulfillment of terms and conditions of the grant
 - v. Availability of funds with the HEC

37. HEC may adjust and/ or deduct any amount due on part of the Grantee to the HEC or vice versa while disbursing the Grant to the Grantee.

Expenditure under the Grant

38. All expenses to be financed with the Grant shall be incurred during the Funding Period and shall be used only for the expenses incurred in connection with the Project as per approved budget Heads.
39. The Grantee shall make procurements and payments after fulfillment of codal formalities in accordance with rules and regulations of the Federal/ Provincial Government (such as PPRA rules), as well as established by the Grantee.
40. Expenses made or committed prior to the Award (signing of the Agreement) and after the funding period are not allowed.
41. Expenses made after execution of the Agreement prior to release of 1st installment or committed expenditure before expiry of the funding period are allowed for payments.
42. Expenditure made by the Grantee in carrying the project activities in excess to the released amount but within the allowable expenditure will be adjusted in the subsequent installments as per disbursement plan.
43. Prior approval of the HEC shall be obtained for any re-appropriation from one budget line item to another of the Eligible Expenditure.

VI. Progress Reporting Requirements

Periodic or Mid Term and Final Project Progress Reports

44. PI is required to submit Periodic or Mid Term project progress reports to the HEC through the Grantee for each reporting period to provide information on project performance and the manner funds are utilized.
45. Unless otherwise communicated, the reporting period for a one year project will be after every six months with bi-annual reporting requirements of 1st and final report.
46. For a two, three or multiyear project, the reporting period will be after every 12 months with annual reporting requirements of 1st, 2nd, 3rd and final report. For projects having duration of 18 months or so, the first reporting period for 1st Annual report will be after 12 months and final report will be submitted after 8 months.
47. The Periodic Project Progress reports (1st, 2nd, 3rd or Final Reports) are comprised of two parts:
- i. Technical Progress Report that should include the following information:
 - a) Project accomplishments
 - b) Products/ outcomes produced
 - c) Project participants, collaborating individuals/ organizations and their contributions
 - d) Project impact on human resources, institutional development, technology transfer and society
 - e) Challenges faced and approach to resolve the issues
 - f) Description of work already completed and yet to be accomplished as per implementation plan

- ii. Financial Report comprising of:
 - a. Statement of Expenditure duly signed by the PI, Resident Auditor and Treasurer of the Grantee, reflecting on total releases to date, paid expenses and committed expenses, profit or interest earned on project funds, balance amount in hand out of released amount or overpayments against the released amount, Budget estimates for the next reporting period
 - b. Statement of Receipts including in kind or in cash contributions received against the mandatory contributions or committed by the collaborating partner at the time of project submission, royalty shares or earnings/ profit resulting from project commercialization
- 48. The project progress reports must be submitted on prescribed format at least 15 days prior to the end of each reporting period and no later than 15 days after expiry of the reporting period.
- 49. Report not submitted within 15 days of expiry of reporting period will be treated as delayed report and a notice will be issued for compliance within 30 days of issuance of notice. Failure to submit the report within the specified timeline mentioned in the notice will be regarded as violation of the grant Agreement and appropriate action as per these guidelines will be initiated for grant termination.
- 50. Additional documents to be attached with progress reports are as follow:
 - a. Award Letter
 - b. Approved project proposal along with approved implementation plan
 - c. Stock entry of equipment purchased under the grant
 - d. Bank statement
 - e. Expenditure Statement duly signed by the PI, the Resident Auditor and the Treasurer

Defense Presentations/ Other Reports

- 51. Where appropriate, HEC may require presentations from the Grantee and/or the PI on quarterly, biannual or annual basis, to be delivered before expert panel comprising of HEC Scientific Review Panel Chair, Panel Members, Program Chair, subject experts and HEC representatives. The purpose of these presentation is to monitor timely progress of the project and take remedial actions well in time to address any bottleneck hindering the project progress.
- 52. Defense presentations will be mandatory at the time of Final Progress report submission.
- 53. HEC may reasonably require Grantee and/ or PI to provide any other information/ report from time to time.
- 54. Limited information in these reports may also be made available to the general public and may be disclosed to the relevant stakeholders as and when required.

Compliance of Reporting Requirements

55. Failure to submit timely or incomplete reports may result in delays in disbursement of the grant and may lead to termination of the grant in accordance with these guidelines. In case of non-submission of progress reports, HEC reserves the right not to consider any pending proposals for HEC funding support.

Evaluation & Approval of Progress Reports and Presentations

56. Upon receipt of the project progress reports from the Grantee, the same will be forwarded to the respective HEC Scientific Review Panel for evaluation. The Lead Panel member and or external reviewer involved in proposal review will be preferably engaged in detail review of the progress report who will submit his / her recommendations to the HEC through the Chair of the Review Panel. The Panel recommendations will be forwarded to the Program Chair (if any) for additional comments/ recommendations.
57. Based on the Panel recommendations the following actions may be initiated:
- i. If the project progress is recommended as satisfactory by the Review Panel and all the required documents are complete in all respect, next installment will be processed.
 - ii. Next installment will be released as per disbursement plan and after necessary adjustments of balances/ overpayments etc.
 - iii. Final installment will be released upon satisfactory evaluation and actual expenditure made during the funding period.
 - iv. If the report/ presentation is not satisfactory and the panel has recommended revisions in the report, the PI will be asked to furnish revised report within 30 days of issuance of the notice that will be reevaluated by the Panel. If the deficiencies are still unaddressed, the project team will be asked to deliver presentation on project progress for final verdict of the panel. If the progress is found unsatisfactory the panel may recommend termination of the Grant or may suggest any other appropriate action that can ensure successful implementation of the project. HEC will take further appropriate action.

VII. Changes Related to Project

Changes in Objectives, Scope or Methodology of Project

58. Changes in objectives, scope stated in the project proposal duly approved by the HEC at the time of Award are not allowed to be changed by the PI/ Grantee.

Significant Changes, Delays or Unusual Circumstances

59. The Grantee shall immediately notify the HEC in writing in the event the Principal Investigator's affiliation with Grantee terminates (including contract expiration, compulsory retirement/ termination of services as a result of disciplinary action, death,

or an inability to carry out the project for any reason) or if the Principal Investigator ceases to be the Principal Investigator of the Project.

60. The PI through the Grantee shall immediately notify the HEC if changing conditions beyond PI/ Grantee's reasonable control make it impractical to utilize the Grant or the project implementation and progress is hindered due to such circumstances for appropriate action.

Change of PI

61. The evaluation and selection of project for HEC research funding support is considerably based on the PIs expertise and knowledge of the field of study of the project and his /her capabilities to carry and manage the project in a productive manner. This aspect will be ensured if change of PI is desired at any time during the project life.
62. If the PI plans to proceed on leave or becomes aware that he/she will: (a) devote substantially less effort to the project than anticipated in the approved proposal; (b) ceases his/her connection with the grantee organization; or (c) otherwise relinquish active supervision of the project, he/she shall inform the grantee organization in order to initiate action appropriate to the situation under the guidelines that follow.
63. *Short Term Absence of PI:* In the event the PI will be on leave or away from the project for a period less than six months but intends to return, arrangements for oversight of the project shall be sent to HEC for approval. This information must be provided at least 30 days before departure or as soon as practicable after the prospective absence of PI is known. The HEC will provide written approval to the grantee if the arrangements are satisfactory, but no formal amendment to the grant agreement will be made. If the arrangements are not satisfactory to HEC, the grant may be terminated by the HEC or a request for substitute PI may be initiated by the Grantee.
64. *Long Term Absence of PI:* In the event the PI is absent for a period of more than six months or severs his/her connection with the grantee organization or otherwise relinquishes active direction of the project, the PI and/or the Grantee may initiate either of the following request to HEC depending on the circumstances:
- i. Nominate a substitute PI
 - ii. Initiate transfer of grant when PI is transferred from Grantee organization to another organization
 - iii. Initiate grant termination request
65. The grantee organization shall not relieve the PI or allow NOC for leave or joining another organization prior to HEC permission for substitute arrangement during PI absence, or transfer of grant to the new PI or new organization and non-compliance will be termed as breach of the Terms and Conditions of the Grant.

Procedure for Transfer of Grant to the Substitute PI

66. In the event the PI and/or the grantee desires to continue the grant with a substitute PI, the grantee will submit the request to HEC via HEC online portal for transfer of grant to the nominated substitute PI. The following documents must be accompanied with the request:
- i. CV of the proposed PI indicating name, qualifications, research experience and pending support for research from all sources
 - ii. Consent of the old PI to transfer the project to the proposed PI. However, if he/she has left the Grantee organization without informing the grantee or for any reason that makes it impracticable to seek his consent during his absence, the responsible research office at the Grantee institute will provide certificate to this effect and request to withhold the requirement of consent from the PI.
 - iii. Consent of the proposed PI to carry out project activities in accordance with the Terms and Conditions of the Grant.
 - iv. Project progress to date including technical and financial report and a description of work yet to be accomplished.
 - v. Award Letter
 - vi. Approved project proposal along with approved implementation plan.
67. HEC will forward the CV of the proposed PI details along with relevant documents to the HEC Scientific Review Panel to evaluate the proposed PI for his/her suitability to carry the remaining project activities and make recommendations to the HEC.
68. If the substitute PI is approved by the HEC, amendment to the Grant Agreement will be made between HEC, Grantee, new PI and old PI (if consent provided). If not approved, HEC may initiate action to terminate the grant.

Transfer of Grant When PI Transfers from Grantee Organization to another Organization

69. If the project is to be continued at the PI's new organization and both the new and previous organizations agree for transfer, HEC will facilitate transfer of the remaining unspent funds under the grant to the PI's new organization subject to the condition that the new organization is eligible institute to apply and receive HEC research funding as per call for proposal under which the project was originally submitted. However, HEC will not consider transfer of project to another institution during the first year from the effective date.
70. If new organization is ineligible, the HEC may notify the Grantee for substitute PI arrangements or may initiate termination of the grant in accordance with these guidelines if substitute PI arrangement at grantee institute is not possible.

71. If new organization is eligible, the original/ Grantee organization will submit request to HEC along with following required documents for transfer of grant:
- i. Consent of the original/ grantee organization to transfer the remaining grant to the new organization along with equipment purchased under the grant and necessary details of purchased equipment.
 - ii. Consent of the proposed PI to carry out project activities in accordance with the Terms and Conditions of the Grant at the new organization
 - iii. Consent by the new organization to undertake the project activities on transfer of grant and a certificate to the effect that adequate facilities, procedures and systems are available with the new organization for timely and successful completion of the project.
 - iv. Project progress to date including technical and financial report. A description of work yet to be accomplished. Detailed line item budget as approved, total released funds to date and expenditure made to date along with any anticipated expenditure yet to be incurred against the original grant
 - v. Award Letter
 - vi. Approved project proposal along with approved implementation plan
72. The original organization concurs with the transfer of the award forwarding the request to the new organization via HEC online portal and email. The new organization accepts and signs the request via HEC online portal and email that will constitute agreement by the new organization to assume responsibility for completion of the project activities and to administer the grant (as originally awarded) from the transfer date to completion in accordance with terms and conditions of the grant.
73. Upon completion of transfer request mutually agreed between the PI the original and new organizations, HEC will review the request and may involve HEC Scientific Review Panel/ subject experts to evaluate the facilities at the new organization.
74. If approved, Award notification for grant transfer will be issued by HEC and a formal agreement will be executed between HEC, PI, original grantee organization and new Grantee organization.
75. Upon transfer of the grant to the new organization, any monetary discrepancies must be resolved between the original and the new grantee.
76. Equipment purchased with the grant should remain available to the new organization for use to conduct the project activities. Request for equipment transfer may be initiated by the PI with the original grantee via HEC online portal, email and will make necessary arrangements for transfer of equipment to the new organization.

VIII. Closure and Suspension of Grant

77. Upon satisfactory evaluation of the final progress report both technical and financial at the end of the funding period, the project will be considered as successfully completed. Accordingly, Project completion letter will be issued to the Grantee and the grant will be closed after determination that all the administrative requirements in the grant have been met, i.e. any unspent balance amount has been refunded by the Grantee and all pending releases and payments have been made to the Grantee.
78. During the project life, in the event the Grant cannot be continued due to permanent inability of the PI to continue the Grant, rejection decision from HEC for substitute arrangements of PI or transfer of grant to new organization and after ensuring that the circumstances are beyond the control of PI and/or grantee to continue the grant, HEC may decide to terminate the grant after determination that all the administrative requirements in the grant have been met i.e. any balance amount has been refunded by the Grantee and all pending releases and payments have been made to the Grantee based on the final audited expenditure statement. Project close out letter will be issued to the Grantee and PI without issuance of completion letter in this case.
79. Without prejudice to the HEC other rights and remedies under the law, the HEC has the right at its discretion to terminate or suspend the Grant and require a total or partial refund of any Grant funds or withhold and discontinue the grant if such action is necessary as a result of the following circumstances:
- i. the HEC is not reasonably satisfied with the progress on the Project or the Statement of Expenditures or the manner in which expenditure has been incurred; or
 - ii. there are significant changes- e.g. the Principal Investigator ceases to be employed by the Grantee or in the event the Principal Investigator ceases to be the Project's primary researcher - or other factors that the Commission reasonably believes may threaten the Project's success; or
 - iii. the Grantee or the Principal Investigator fail to comply with any Term and Condition of the grant or any other agreement between the HEC and the Grantee and/or the Principal Investigator and such failure is not cured within a reasonable time provided in the written notice by the HEC; or
 - iv. The Grantee's or the Principal Investigator's failure to comply with the requirements of any applicable law or regulations.
80. Grant cannot be closed if refund is due to the Grantee. The Grantee must repay any amount due to the HEC within thirty (30) Calendar days from the date on which the request for refund is made by HEC. Failure to comply with this clause may lead initiation of adversarial action against the Grantee by the HEC.

IX. Retention of Record, Audit & Inspection

81. The Grantee shall maintain adequate records and supporting documents (including stock registers, cash registers, accounting and logbooks, receipts, vouchers, salary slips, progress reports and other related record e.g. audit reports, appeals and litigation arising out of performance of project) relating to the Grant in the form and manner prescribed by the HEC or Federal/ Provincial Government or as required under the law.
82. The project records must be made available for inspection and/or Audit to verify the expenditures, royalties and other income received by the grantee out of project activities and to monitor and conduct an evaluation of operations under the Grant by any designated Inspection Team appointed by the HEC or the Federal or Provincial Government at reasonable times and upon reasonable notice.

X. Supplementary SOPs and Implementation Mechanisms for Timely Submission, Financial Settlement, and Accountability in Research Projects

SOPs for Ensuring Timely Submission of Annual Progress Reports

83. 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.
84. (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 installment 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 clauses 86.iii.c.d., i.e. 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.

85. If the PI/HEI fails to submit the respective Annual Progress Report within the designated timeframe, including the 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 SOP.

86. **Consequences of delayed / non-submission of progress and final reports**

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 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.

87. Processing timeline of project reports at HEC.

- a. The annual progress report shall be reviewed within one (1) month of its receipt.
- b. If the assigned expert fails to submit the review within one (1) month of assignment, another expert may be appointed, who shall complete the review within fifteen (15) to twenty (20) days.
- c. During the review period, the Desk Officer shall send three (3) follow-up reminders, each spaced five (5) days apart, to the assigned expert.
- d. The period from the submission of the project report to the completion of review and release of next trench of funds shall not be included in the project's approved timeline.
- e. 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.

General SOPs/Policy for All Projects

- 88. PI and Co-PI honoraria will be released only after project completion rather than on an annual basis.
- 89. 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

90. 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.
91. If the PI/University fails to refund the required amount within 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 unsettled/refund required project.
92. 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.
93. For public and 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.
94. A list of universities/DAIs/HEIs and Principal Investigators (PIs) whose projects are **abnormally delayed, i.e., where the approved project life along with the permissible three (03) months' extension period has expired and the projects remain unsettled for a further period of up to five (05) months thereafter, will be published on the HEC website.**