



Lahore University of Management Sciences

Bridge Financing

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Name (Position):** University Research Council

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| OR | 00 | | Dr. Shafay Shamail | |
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Approvals

| Name | Designations | Signature | Date |
|------------|---------------|------------------|--------------------|
| URC | Convener, URC | Dr. Amir Faisal | September 24, 2018 |
| URC | Convener, URC | Mr. Uzair Kayani | June 20, 2020 |
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1. Purpose of Policy

The purpose of this policy is to set forth guidelines regarding provision of financial support to Principal Investigators (PIs) when external funding is temporarily disrupted or delayed to stabilize ongoing sponsored research programs and enable ongoing productivity.

2. Scope of Policy

This policy is applicable to all externally funded programmes under the purview of the Office of Research (OR).

3. Definitions

Bridge Financing

It refers to temporary financing of a project from institutional resources for smooth running of operations.

4. Policy Statement

4.1 Eligibility for Bridge Finance

In case of temporary delays in receiving funds from sponsor, a PI may apply for bridge finance in order to ensure continuity of an ongoing sponsored program. Bridge finance can only be arranged for ongoing sponsored research programmes for which release of funds from the sponsor is expected in near future as per signed contract and the PI must justify the need for bridge finance in the application.

4.2 Sources of Bridge Finance

Funds for bridge finance may be made available through PI's own overhead account, school overhead account or Vice Chancellor (VC) pool in the same order of preference. In case, bridge finance is requested from a source other than PI's own overhead account, justification for doing so must be given by the PI. In case, bridge finance is requested from VC pool rather than school overhead account, justification for doing so must be given by the relevant Dean.

4.3 Application for Bridge Finance

PI may apply for bridge finance through the relevant cover page. Cover page may be submitted directly to the OR by the PI in case bridge finance has been requested from PI's own overhead account. Final approval on such requests is given by the Director of OR. However, cover page must be routed through the relevant Department Chair and Dean in case bridge finance has been requested from a source other than PI's overhead account. OR may seek confirmation about release of funds in the future from the sponsor and may also consider the PI's past record in respect of adjustment of availed bridge finance. Such requests are forwarded to VC for final decision. VC reserves the right to reject or approve bridge financing request wholly or partially, in which case the remaining deficit of funds shall be provided from other resources.

4.4 Use of Funds

Bridge finance funds are earmarked separately in grant accounts. These funds can be used for all classes of expenditure to be incurred as per project's original budget. However, they cannot be used to provide for the following:

1. Salaries of PI and Co-PI;
2. Unnecessary equipment i.e. non-availability of which does not cause delay in submission of any deliverable of the project; and
3. Overhead.

For procedural guidelines relating to approval of expenses, release of payments and other procedures, LUMS policies on procurement and payments shall be referred.

4.5 Return of Bridge Finance

Upon receipt of scheduled funds from sponsor, bridge finance funds are adjusted in the grant account and returned to the source by the OR.

5. Procedures

5.1 Granting of Bridge Finance

5.1.1 Through PI's Overhead Account

| Sr. No. | Responsibility | Procedure / Activity | Output |
|---------|--------------------------|--|--|
| 1 | PI (Relevant Department) | PI (Relevant Department) along with Co-PI prepares and submits the application for bridge finance to the OR. | Bridge finance cover page |
| 2 | Relevant Personnel (OR) | Relevant Personnel (OR) checks whether the required amount is available in the PI's overhead account and then forwards it to Director of OR for approval. | Bridge finance cover page |
| 3 | Director of OR | Director of OR reviews and approves the bridge finance request and sends it back to Relevant Personnel (OR). | Approved bridge finance cover page |
| 4 | Relevant Personnel (OR) | Relevant Personnel (OR) amends the budget of concerned research project in the GM module of SAP by incorporating the amount of bridge finance and transferring it from the PI's overhead account to the grant account. | Transfer of amount from PI's overhead account to grant account |

5.1.2 Through School Overhead Account or VC Pool

| Sr. No. | Responsibility | Procedure / Activity | Output |
|---------|---|--|---|
| 1 | PI (Relevant Department) | PI (Relevant Department) along with Co-PI prepares and submits the application for bridge finance to the Department Chair. He/she also provides justification for not using his/her overhead account funds. | Bridge finance cover page |
| 2 | Department Chair (Relevant Department) | Department Chair (Relevant Department) reviews and endorses the application and forwards it to the Dean (Relevant School). | Bridge finance cover page (endorsed by Department Chair) |
| 3 | Dean (Relevant School) | Dean (Relevant School) approves the application for use of funds from the school overhead account. In case, funds are to be requested from VC pool, the Dean (Relevant School) provides justification for not using school overhead funds. Dean (Relevant School) then forwards the application to OR. | Bridge finance cover page (approved by Dean) |
| 4 | Relevant Personnel (OR) | Relevant Personnel (OR) evaluates the application and contacts the sponsor is necessary to ensure that the funds would be delivered in future. Application is then forwarded to the Director of OR for approval. | Application for bridge finance along with its evaluation by OR |
| 5 | Director of OR | Director of OR approves the application and sends it back to the Relevant Personnel (OR). | Application for bridge finance along with its evaluation by OR (approved by Director of OR) |
| 6 | Relevant Personnel (OR) | Relevant Personnel (OR) forwards the application to the VC for final approval. | Application for bridge finance along with its evaluation by OR (approved by Director of OR) |
| 7 | VC | VC reviews and approves the application and sends it back to the Relevant Personnel (OR). | Application for bridge finance (approved by VC) |
| 8 | Relevant Personnel (OR) | Relevant Personnel (OR) amends the budget of concerned research project in the GM module of SAP by incorporating the amount of bridge finance and transferring it from the school overhead account or VC pool. | Transfer of amount from school overhead account or VC pool to grant account |

6. Waiver of Policy

In exceptional cases, and on a showing of good cause, the Vice Chancellor or his designated authority may waive a policy or procedural requirement. A waiver must be granted in writing and be specific to each

case. The written request for a waiver should be timely communicated to the Office of Research (OR). Repeated waivers of any requirement shall prompt a policy review of that requirement under the LUMS governance structure. To show good cause, the written waiver shall provide reasonable justifications that:

1. The requirement being waived is impossible or impracticable;
2. The waiver does not violate any applicable law; and
3. The waiver is fair, in the best interest of the University, and narrowly tailored to address an exceptional case.

7. Special Circumstances/Exceptions

No special circumstances are identified in this policy. Each identified case of misconduct will be reviewed on its own merit.

8. Roles and Responsibilities of Policy Implementation

The major responsibilities that each party has in connection with this policy are as follows:

PI is responsible for:

1. Preparation and submission of bridge finance application to OR or Department Chair, as applicable;
2. Providing justification for not using own overhead funds if bridge finance has been requested from school overhead funds or VC pool; and
3. Compliance with University policies and sponsor guidelines while using bridge finance funds.

Department Chair is responsible for:

1. Initial review and endorsement of bridge finance application; and
2. Submission of bridge finance application to relevant Dean.

Dean is responsible for:

1. Review and approval of bridge finance application;
2. Providing justification for not using school overhead funds if bridge finance has been requested from VC pool; and
3. Submission of bridge finance application to the OR.

OR is responsible for:

1. Coordination of the overall process for approval of bridge financing;
2. Evaluating bridge finance application as per University policies; and
3. Submission of bridge finance application to Director of OR or VC, as applicable;

Director of OR is responsible for final approval of bridge finance application to be funded through PI's own overhead account.

VC is responsible for final approval of bridge finance application to be funded through school overhead account or VC pool.

9. Title of Position with Maintenance Responsibility

OR will be responsible for maintenance of the policy including its periodic review and approval of any subsequent modifications to the said policy.

10. Consequence(s) of Non-Compliance with Policy

Each instance of non-compliance will be referred to University Research Council (URC) for review, which will finalize its recommendations for the action to be taken by VC. In all cases, the decision of VC will be final.

11. Related Documents / Policies

1. OSP-325-02 – Cover Page – Bridge Financing Request.

12. Related Laws

It is mandatory to abide by all laws and regulations as applicable in Pakistan. In certain circumstances, sponsors may require compliance with certain laws and their own statutory regulations as well.

13. Distribution & Physical Security

Access to these Policies & Procedures on the intranet portal shall be restricted and access shall be provided by Director of OR through following LUMS Access Management Process. For further information, refer Access Management Policies & Procedures. However, in case a hard copy is required, printing rights shall be granted to the respective stakeholder as part of standard Access Management Process. System shall track the number of hard copies printed against each Login ID and shall maintain log as well.

Where there is a change in responsibility of an employee, the copy / access that the employee has of policy document should be handed over to the new employee and this action shall be documented in the previous employee's handing over notes. When an employee leaves the employment of LUMS, then the copy of/access to policy document should be returned to/ revoked by the Head of Department / IT Department prior to his departure.

14. Contacts

| Contact | Designation | Phone |
|-------------------------|-------------|------------------|
| Office of Research (OR) | Director | 8336, 8207, 8042 |