

Handbook on Use of Public Research Funds

- For correct understanding and proper use of funds -

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1. Introduction



- ◆ This Handbook provides basic rules on the procedures for handling public research funds to prevent misuse and other inappropriate uses of these funds due to lack of understanding of such rules and procedures.

Osaka University staff who are involved in the administration and management of public research funds are required to read this Handbook thoroughly and join efforts to create an environment where no one can misuse or be made to misuse public research funds.

2. Definition of Public Research Funds



- ◆ At Osaka University, public research funds are defined as “all the funds handled by the University, taken from the management expenses grants, donations, subsidies, and commissions” in Paragraph 1 of Article 2 of the National University Corporation Osaka University Regulations Pertaining to Public Research Funds. All these funds are subject to measures to prevent misuse.

Expenses treated as public research funds at Osaka University (Public Research Funds)	
(1) Competitive funds subject to the guidelines of MEXT and other governmental ministries	Subsidies, grants and commissions provided by public institutions including Grants-in-Aid for Scientific Research (KAKENHI) and public competitive funds
	Competitive funds provided by private companies
(2) Funds provided by private foundations and companies	Contracted research funds, joint research funds
	Donations for research
(3) Management Expense Grants	

- (1) Competitive funds subject to the guidelines of MEXT and other governmental ministries
Research projects conducted with competitive funds are, even if conceived and proposed by individual researchers, funded by taxpayers' money. Research institutions are therefore required to manage the funds and follow the procedures for administering the funds instead of individual researchers. Also, principal investigators who are responsible for implementing research projects with competitive funds should endeavor to ensure proper administration and management of the competitive funds in compliance with the rules of the funding organization.
- (2) Funds provided by private foundations and companies
- Contracted research funds and joint research funds include subsidies and commissions from the national government and other public entities. Therefore, compliance with the prescribed rules is required in administering these funds.
 - When any Osaka University staff member has directly received a donation from a private company or foundation and such a donation should be treated for accounting purposes as that of Osaka University, he or she should follow the procedures to donate the money to Osaka University.
- (3) Management Expenses Grants
These grants refer to all expenses other than the above.

3. Appropriate Use of Public Research Funds



◆ To ensure appropriate use of public research funds in each of the following cases, refer to the section shown on the right.



When granted competitive funds (e.g. KAKENHI and contracted research funds)

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When concluding a contract for purchase of items or equipment or a service contract

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When going on a business trip (to participate in an academic meeting or for other purposes)

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When asking a researcher or any other person, whether internal or external, to deliver a lecture

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When hiring a part-time employee

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3-1

Rules on the Use of Competitive Funds

◆ Research projects conducted with competitive funds are, even if conceived and proposed by individual researchers, funded by taxpayers' money. Research institutions are therefore required to manage the funds and their administration departments should follow the procedures for administering the funds instead of individual researchers. Also, principal investigators who are responsible for implementing research projects with competitive funds should endeavor to ensure proper administration and management of the competitive funds in compliance with the rules of the funding organization. Any researcher who has used competitive funds arbitrarily in violation of the rules is regarded as having misused the funds and may be ordered to return the funds, restricted from subsequent application for funding, or subjected to other penalties.



Rules on non-permitted use are established for each competitive fund (direct expenses). Check the rules applied to your fund and use it appropriately.

● Common rules applied to competitive funds

(1) Prohibition of use of competitive funds for purposes other than originally intended

Competitive funds may be used only for the procurement of items or services necessary for performing the relevant research projects and compiling research results, and cannot be used for any other purpose even if research-related.

(2) Restrictions on the use of competitive funds

Competitive funds cannot be used to purchase non-essential items such as alcohol and tobacco, and **items that should more properly be charged to indirect expenses.**



(3) Restrictions on the period of use of competitive funds

Competitive funds may be used only after the date specified in the rules of respective funds, such as the subsidy approval date and the contracted research contract date, and applied only to research to be carried out in the current academic year. Accordingly, the funds cannot be used to pay for items ordered before the subsidy approval date. To be specific, the funds cannot be applied to the payment of items ordered by the end of the current academic year in March, but delivered in April, or items delivered in March but used in April.



However, these restrictions shall not apply to funds available for a period of more than one year, and funds for which carrying over the balance is approved.



● Costs that cannot be covered by competitive funds

Grants-in-Aid for Scientific Research (KAKENHI)

KAKENHI should not be applied to the following:

- (1) Cost of maintenance and improvement of buildings and facilities, except the cost of installation of devices, etc. purchased by a researcher with the KAKENHI
- (2) Cost of recovery after an accident or disaster that has occurred during the research
- (3) Personnel expenses of principal investigators or collaborators and honorariums paid to them
- (4) KAKENHI applied to cover direct expenses cannot be used in combination with other funds that can be used only for limited purposes.

However, two or more KAKENHI grants may be combined to purchase a common facility if certain conditions are met.

- (5) Other costs that should more properly be charged to indirect expenses



If a funding organization determines that you have used the funds in violation of its rules, you may be held liable for misuse. When using competitive funds, therefore, you should check relevant guidelines and other instructions to ensure proper administration and management of the funds.

● Carry-over of KAKENHI

Carry-over of KAKENHI

In carrying out a project funded by the KAKENHI, the funds covered by the Single-year Fund of the KAKENHI and the relevant portion of the Multi-year Fund of the KAKENHI may be carried over to the next academic year in whole or in part after completing the prescribed procedures, if the funded project cannot be completed within the current academic year due to reasons that could not be foreseen at the time when the granting of the funds was decided.

Conditions for approval of carry-over

Carry-over of the KAKENHI is permitted only in the following cases:

- (1) There is a valid reason for altering the funded project without changing the research objective specified in the KAKENHI application form.
- (2) The reason for carry-over could not be foreseen at the beginning. (Failure to arrange the allocation of the funds cannot be regarded as an unforeseeable reason. Similarly, payment of the KAKENHI in installments cannot constitute a valid reason for carry-over.)



- (3) Some external factors necessitate carry-over of the funds. (Personal reasons such as pressure of work are unacceptable.)
- (4) Carry-over of the funds is indispensable to achieve the research objective.
- (5) The funded research project will be completed within the next academic year.



The above reasons should be convincing enough for the funding organization to approve a carry-over of the funds.

Specific Cases

- While a research project is underway, it becomes apparent that the originally intended research objective cannot be achieved without changing the procedures and methodology of the project.
 - It has become necessary to examine new findings published by other research groups, whether in Japan or abroad, with a view to achieving the research objective.
 - A foreign research collaborator has become unable to visit Japan due to a disaster in his or her country, thus making it necessary to rearrange the research schedule.
 - A cooperative research institution has become unable to offer cooperation as originally planned due to a sudden deterioration of social conditions (in terms of the economy, public safety, etc.), thus making it necessary to rearrange the research schedule.
- * To apply for carry-over of the funds in the last year of the funded project, you must be eligible to apply for the KAKENHI for the next academic year. For Grants-in-Aid for JSPS Fellows, you can apply for carry-over of the funds only if the funded project is expected to be completed within the period in the following academic year during which you retain the status of Research Fellowship for Young Scientists/Postdoctoral Fellowship for Foreign Researchers.
- * Before submitting a carry-over application form, you should first send the form to the Japan Society for the Promotion of Science (JSPS) for their approval of the reason for applying.



Besides the KAKENHI, some other competitive funds can be carried over into the following academic year. Please check relevant guidelines and other instructions to use research funds effectively.



● **Adjustment Fund system for research projects funded by KAKENHI**

- ◆ Under the Adjustment Fund system launched in academic year 2013, researchers engaged in research projects funded only by the Single-year Fund of the KAKENHI are allowed to use the fund ahead of schedule or carry over the fund to the next academic year.

● **Return of unused competitive funds**

- ◆ If some of the research funds remain unused upon completion of the research project, please return the unused amount to the national government, instead of using it just for the sake of consuming the funds entirely.



Returning an unused amount will not cause any disadvantage in the subsequent screening of applications for the KAKENHI.



3-2

Authorizing Academic Staff to Place Orders

- ◆ At Osaka University, Academic Staff are authorized to place orders directly with suppliers under certain contracts for the purposes given below.

Purposes of authorizing Academic Staff to place orders

- If only administrative staff are authorized to conclude purchase contracts, they can place orders for specialized items for use by faculty and researchers (hereinafter referred to as “Academic Staff”) only after contacting Academic Staff for information and explanations, which can delay the procurement process.
- When purchasing some reagents and laboratory animals, depending on the type, complicated standards must be cleared. Accordingly, it is difficult for anyone other than Academic Staff to correctly place orders for such items.



To maintain the educational and research standards of Osaka University by expediting and streamlining the procurement process, Osaka University **gives accounting authority and responsibility to Academic Staff** in some procurement procedures, and allows them to place orders directly with suppliers.



Academic Staff **should be delegated the authority by the following persons** prior to **placing orders**.

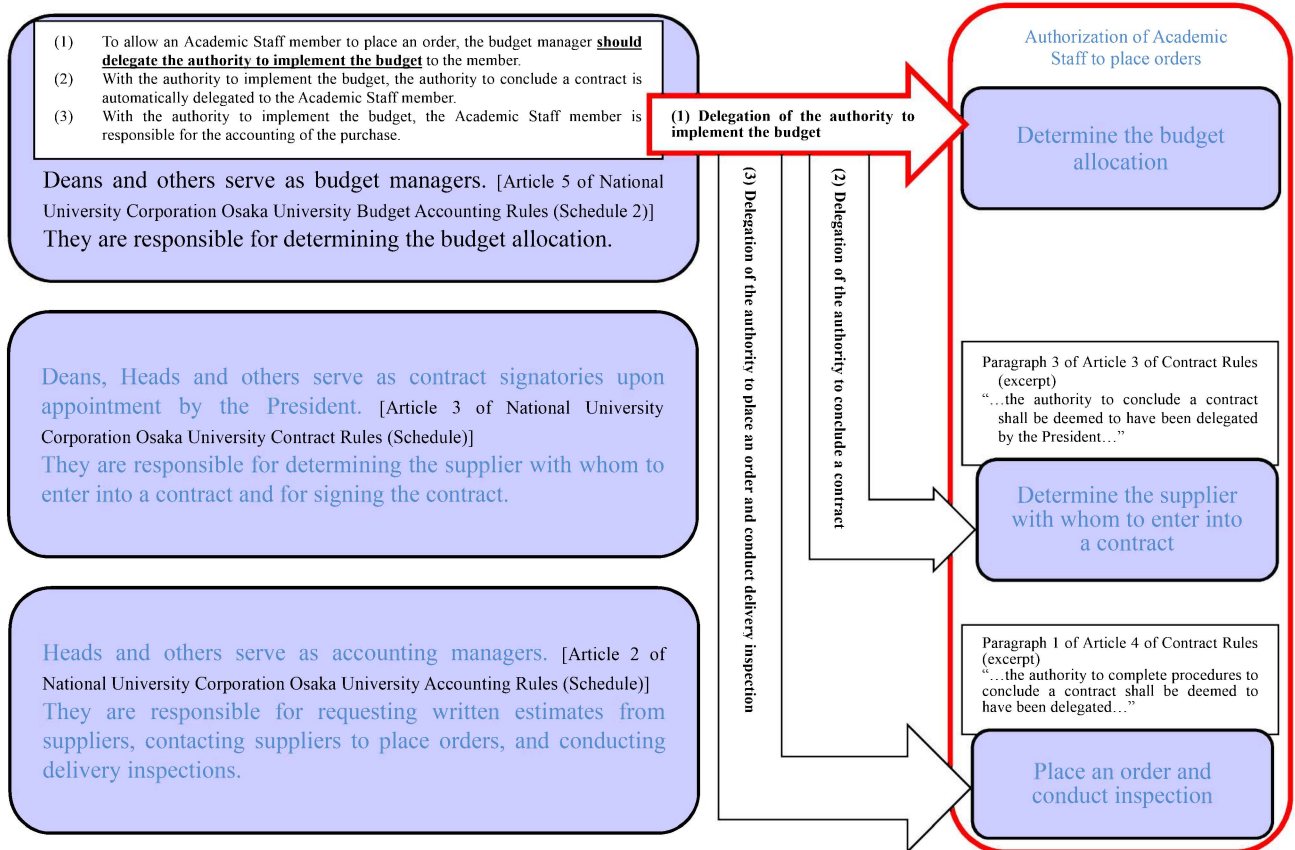
Flow of authorizing Academic Staff to place orders

- It is necessary for academic staff who place orders to have the same authority and responsibility as **accounting managers, contract signatories (including the President of Osaka University), and budget managers.**

- **The authority and responsibility delegated to** academic staff by the budget manager **for implementing the budget** is an authority that is also passed from the president of the university and accounting managers to them.

*Principal investigators and research collaborators engaged in research projects funded by Grants-in-Aid for Scientific Research (KAKENHI), etc. are responsible for administering the funds without being given the above authority by budget managers.

(Ref. Paragraph 1 of Article 7 of the Japan Society for the Promotion of Science Guidelines on Handling of the Grants-in-Aid for Scientific Research “Single-year Fund”.)



(1) To allow an Academic Staff member to place an order, the budget manager **should delegate the authority to implement the budget** to the member.
 (2) With the authority to implement the budget, the authority to conclude a contract is automatically delegated to the Academic Staff member.
 (3) With the authority to implement the budget, the Academic Staff member is responsible for the accounting of the purchase.

Deans and others serve as budget managers. [Article 5 of National University Corporation Osaka University Budget Accounting Rules (Schedule 2)]
 They are responsible for determining the budget allocation.

Deans, Heads and others serve as contract signatories upon appointment by the President. [Article 3 of National University Corporation Osaka University Contract Rules (Schedule)]
 They are responsible for determining the supplier with whom to enter into a contract and for signing the contract.

Heads and others serve as accounting managers. [Article 2 of National University Corporation Osaka University Accounting Rules (Schedule)]
 They are responsible for requesting written estimates from suppliers, contacting suppliers to place orders, and conducting delivery inspections.

Academic Staff who are delegated the authority to implement the budget by accounting managers (Deans or others) are allowed to place orders directly.
 *If you are not sure whether you have been delegated the authority or not, ask the Administration Department at your Department/Office.

! Note, however, that even with the authority to implement the budget, **Academic Staff remain subject to certain limitations when placing orders.**

Orders that Academic Staff are authorized to place

Academic Staff can place orders for the following.

- Purchase and production of items costing under 500,000 yen*
- Contracts for services costing under 500,000 yen*
 (Services exclude contract of temporary laborer and disposal of industrial waste)

Academic Staff may also conclude the following contracts even if they cost 500,000 yen or more:

- Contracts relating to institution-owned intellectual property †
- Contracts concluded overseas (only if funds are distributed to the overseas project) †
- Repair of medical equipment at the University hospital (only if required urgently and unavoidably) †

*Total value of order(s) placed with one supplier in one day



Orders that Academic Staff are not authorized to place

Academic Staff should ask the Administration Department for the following contracts.

Order(s) placed with one supplier with a total value exceeding 500,000 yen in one day

(Excludes contracts listed on page 9 (†) costing 500,000 yen or more.)

Construction work

Services including contract of supply of temporary laborer and disposal of industrial waste

Responsibility combined with authority

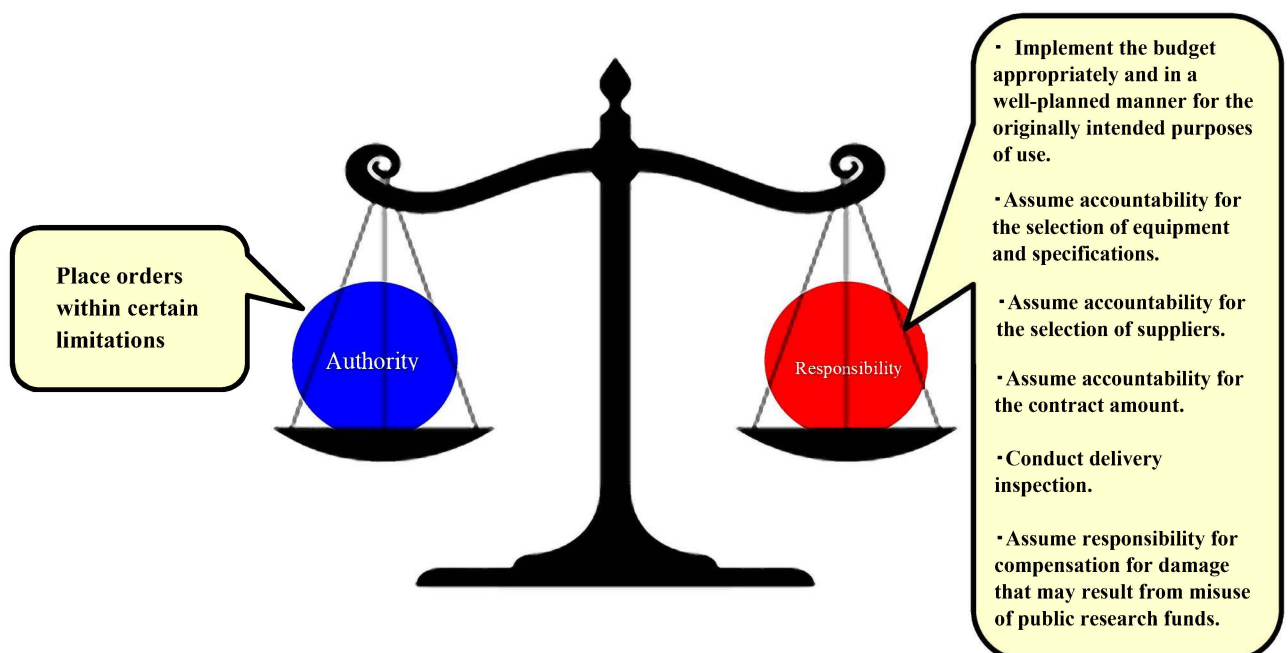
Persons authorized to place orders by the University also take on certain responsibilities.

National University Corporation Osaka University Accounting Regulations

(Accounting Obligation and Responsibility)

Article 52

1. Each of the Trustees and Staff of the University shall perform respective duties with the **due care of a prudent manager** pursuant to laws and ordinances applied directly or *mutatis mutandis* to financial and accounting procedures of the University and these Regulations.
2. Should any of the Trustees and Staff of the University act in violation of the provisions of the foregoing paragraph, whether deliberately or by gross negligence, and cause damage to the University, then he or she shall be held responsible for **compensating for the damage**.





Appropriate and well-planned implementation of the budget

Before placing an order and concluding a contract, you should select the budget to use, from among those you are authorized to use.



I will use the budget of XXX allocated to the YYY research project to purchase a microscope for the YYY research project.

First, determine which budget to use, and then place an order.



Note: There are budgets that have restrictions, please confirm in advance whether it is possible to use expenditures from that budget before placing an order or making a contract.

You are responsible for drawing up a plan to implement the budget which you are authorized to use by the end of the academic year and managing the balance of the budget.



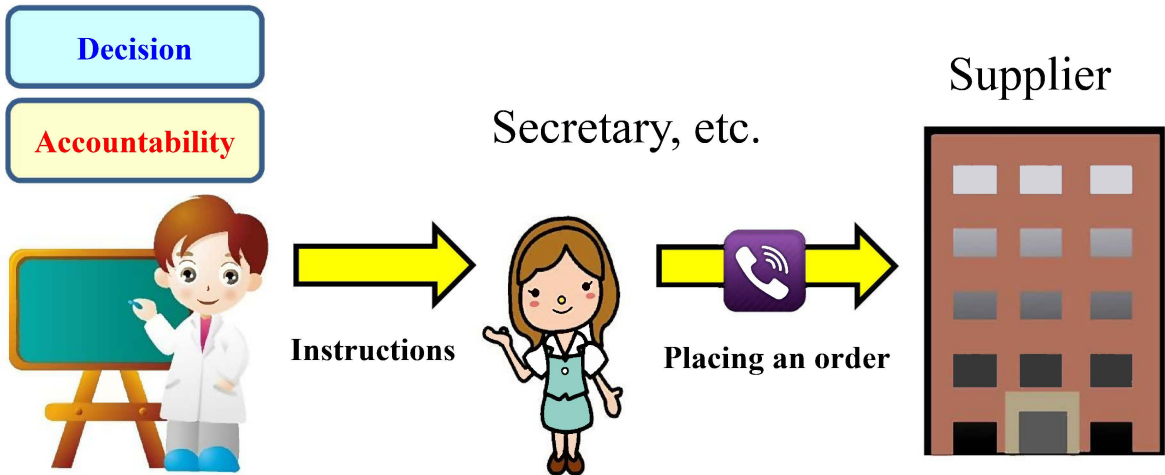
I have to leave an amount of XXX yen to allocate to YYY that will start in ZZZ.



Procedures for placing an order/concluding a contract

When placing an order and concluding a contract, you should make a **decision** as shown below, complete the prescribed procedures and be able to **convince others** of the validity of your decision.

While Academic Staff may instruct a secretary, etc. to contact a supplier to place an order, **the responsibility lies with the Academic Staff** who have the authority to place the order.



Selection of a model to purchase: You should select the item that is absolutely essential for your research or other purpose (when purchasing an item).

Which microscope has the most suitable specifications for our purpose?

Selection of a supplier: You should select a supplier in consideration of reliability and specialty.
 Contract amount: You must be able to convince others of the appropriateness of the contract amount.

• Which supplier will deliver the order most reliably?
 • Is this contract amount appropriate?

Estimate Company A ○○○ yen	Estimate Company B △△△ yen
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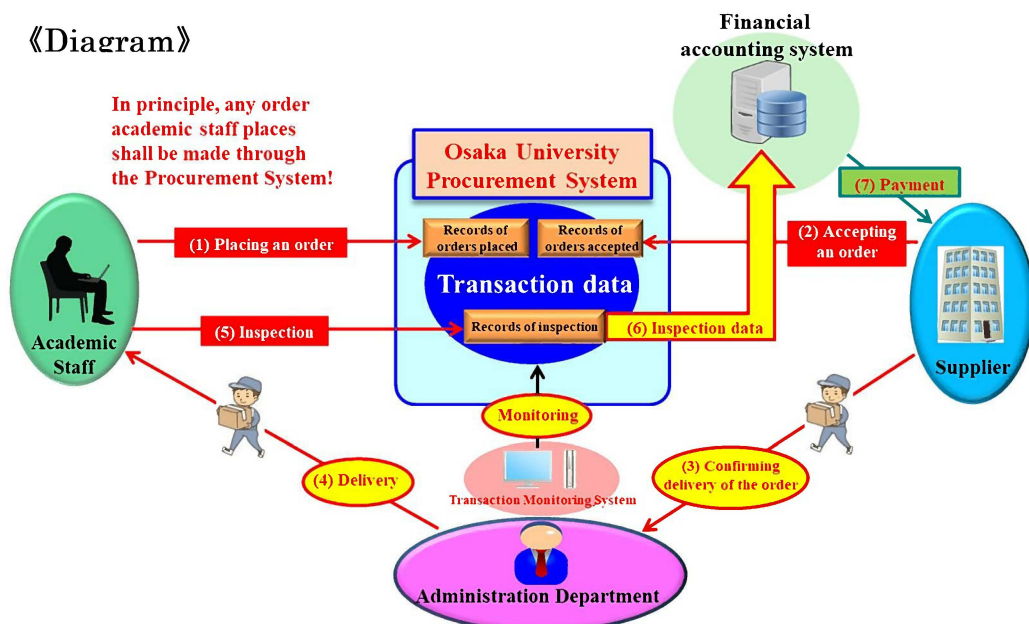


Concluding a contract with a supplier

- ◆ You conclude a contract under the authority given by the President. This means that the parties to the contract are Osaka University and the supplier, not you and the supplier, whether the contract is executed in writing or not.
- ◆ You must be able to convince others of the appropriateness of the contract amount based on market price and other data.
- ◆ The contract should include the following terms:
 - Place of delivery (or place of service in case of a service contract)
 - Date of delivery (or date of service in case of a service contract)
 - Date of payment (end of the second month after the month when the order is placed)
 - Payment method (bank transfer)
 - Others
- ◆ **You should record details of the order including the source of funding** by keeping a notebook or entering relevant data in the financial accounting system so that you will be able to check the items you received against the order in terms of quantity, type, etc.

When placing an order, please use the “Osaka University Procurement System”.

《Diagram》



Utilization effect

- Prevent collusive relationship between a supplier and academic staff.
- Prevent fraudulent accounting operations, such as placing fictitious orders and depositing public research funds with a supplier.
- Allow administration departments to monitor items to be purchased and the outcomes of supplier selection.



Example: When purchasing a product

Academic Staff

Conduct a delivery inspection to check the delivered product against the order to make sure that:

- ◆ The product is the one that was ordered.
- ◆ The product works normally and is free from damage.

Administrative Staff

Check the delivered product against the delivery statement to confirm delivery of the order.

Evidence of the delivery inspection should be provided by placing an official stamp on the delivery statement or other means.

To XX Laboratory	Date
Osaka University	
Stamp	Stamp
XX Company Ltd.	
Delivery Statement	
Laptop computer	
Model No.: PC0786	
Price: 80,000 yen	1 unit

The Academic Staff member who conducted the delivery inspection should place a stamp here.

The Administrative Staff member who confirmed the delivery of the order should place a stamp here.



Example: When contracting with a service provider

Academic Staff

Conduct a delivery inspection to confirm that the service was provided as ordered.

Administrative Staff

Confirm that the service was provided as ordered by means of a completion report or other means.
If a question arises regarding the provision of any service that requires specialist skills, such as database creation, program development, digital content production and maintenance and inspection of equipment, a third person who is familiar with the service (who has no reporting relationship with the ordering person and who is a member of a different laboratory or research group) may be asked to conduct an investigation.

Evidence of the delivery inspection should be provided by placing an official stamp on the completion report or other means.

To XX Laboratory
Osaka University

Date

XX Company Ltd.

Stamp

The Academic Staff member who conducted the delivery inspection should place a stamp here.

Completion Report

Data analysis of XXX

Preparations for analysis of

Analysis of

Verification of the analysis results of

Production of a report on analysis results of

*For details, refer to the Exhibit.

The Administrative Staff member should confirm the provision of the service.



3-3

Travel Expenses

- ◆ A business trip refers to a trip undertaken by any Osaka University staff to a destination away from his or her workplace to perform duties for the University including for research, educational, and administrative purposes, or by any non-Osaka University staff to a destination away from his or her place of residence for the said purposes. The expenses incurred for the trip will be reimbursed by Osaka University as travel expenses.

Applying for a business trip

To go on a business trip, you should apply via the Business Trip Expenses System.

If travel expenses are provided by another organization (e.g. a university or academic society), if you stay at your own home or friend's home during a business trip, or if you use an official vehicle or rental car for the trip, the amount of travel expenses payable to you should be reduced. In any of these cases, you should indicate so when applying for the payment of travel expenses.

Business trip report

When writing up a business trip report, fill in the “Outline of business” column with details of how the trip is related to your research. In case of an overnight trip, indicate all the accommodation facilities you used during the trip.

■ Examples of “Outline of Work”

(1) Standard business trip (for research meetings, etc.):

Participated in a forum on AA with **BB researcher** at CC Company. There, we discussed DD. As a result, I got EE outcomes for my own research.

(2) Business trip for a presentation at an academic conference:

Presented AA at the BB Academic Conference on mm/dd. I fielded many questions regarding the contents of my presentation from research experts.

(3) Students participating in a business trip as assistants:

Participated in a research meeting in AA Institution about BB with **CC Professor** from DD University as an assistant to EE Professor from Osaka University, and gathered information regarding FF.

Note: If a business trip is made with competitive funds, more detailed reporting may be required according to the rules of the funding organization.



Each researcher is required to give specific details about the business and achievements made in the “**Outline of Work**” column, and if the researcher had a meeting, the name(s) of the person(s) present at the meeting should be stated. A simple description such as “I had a meeting” or rewriting the outline of work stated in the business trip application form using the past tense is not acceptable.



Submission of evidence of your trip

Osaka University faculty and staff (individuals directly hired by Osaka University) must use the Ticketing System, unless circumstances make it impossible. Undergraduate students, graduate students, Visiting Instructors, Professors Emeriti, dispatch staff, etc. and students and staff affiliated with other universities and other research institutes not of Osaka University cannot use the Ticketing System, though an Osaka University faculty or staff member may use it on their behalf if it becomes necessary, at the discretion of that staff or faculty member.

Furthermore, those who have the authority to use research expenses (JSPS Research Fellowship for Young Scientists fellows, etc.) are to use the Ticketing System (excluding the EX-IC card).

1) Submission of evidence for travel expenses (air/rails):

Air: your ticket stub and receipt must be submitted.

Examples: boarding pass stubs, receipts, invoices

(When using the Ticketing System, this evidence is not necessary)

*When submitting evidence other than a ticket stub to prove that you boarded a plane, you will need evidence of your boarding class (or something to certify the final amount after boarding).

**You may submit a copy of the plane ticket (including e-tickets) for the return trip of Visiting Instructors from overseas. Having the used ticket stubs mailed to Osaka University is not necessary.

Rail: It is not necessary to submit anything for travel within Japan (Used special express tickets etc. are also not necessary).

Please use the EX-IC card for ticketless travel on the bullet train (Tokaido and Sanyo Shinkansen)

2) Submission of evidence for lodging expenses:

For hotel(s) etc.: Submission is not necessary.

However, if you stay at a hotel that goes over the base lodging expenses, please submit a receipt showing the dates of stay and total expenses etc. for exact lodging expense calculations (Submission is not necessary if you use the Ticketing System).

Note: When using external funds, and if it becomes necessary to submit evidence of funds used, please refer to the guidelines regarding fund distribution systems.



Use of mileage points

Academic Staff are responsible for handling mileage points earned on their business trips and are expected to use the points for subsequent trips to reduce costs.





3-4

Honorariums

◆ For the purpose of Osaka University, honorariums mean fees and compensation paid to certain individuals*¹ for services*² rendered by them upon request. In principle, honorariums are paid directly to the individuals who rendered services by bank transfer or other means.

*1: Researchers and specialists invited from outside of Osaka University, students of Osaka University and other universities, etc.

*2: Lectures, tutoring, text writing, translation and other services that require specialist knowledge and skills

Invitation to lecturers

- After obtaining the consent of the prospective lecturer to the invitation, send a bank transfer request form.
- If you are to invite an individual from overseas for a service for which an honorarium is to be paid, consult in advance.

Payment of honorariums

To pay honorariums for services such as research guidance and lectures, send evidence such as an Honorarium Payment Report and brochure of the event to Travel Expense and Honorarium Team.

3-5

When Hiring Part-time Employees

Employment procedures

When hiring a part-time employee to do simple tasks for a short time for educational and research purposes, refer to National University Corporation Osaka University Guidelines for Hiring Part-time Employees and confirm the permitted period of employment and other conditions before starting the employment procedures.

You are also required to check the following.

Part-time employees should be assigned tasks that are appropriate for them to carry out in terms of period of employment, nature of the task, etc.

Supervisors should order part-time employees to perform tasks only for the purposes of the funds from which their wages are paid.



Confirmation of attendance at work

- You must confirm the attendance of part-time employees at work without fail.
- You are responsible for supervising the work of part-time employees in accordance with the purposes of the funds from which their wages are paid, in a transparent manner.



4. Misuse of Public Research Funds



- ◆ “Misuse” shall mean the use of Public Research Funds for purposes other than originally intended whether deliberately or by gross negligence, or the use thereof in violation of any of the regulations of the University, laws, ordinances, and grant and distribution conditions of competitive and other funds. (Paragraph 3 of Article 2 of National University Corporation Osaka University Regulations Pertaining to Public Research Funds)
- ◆ In addition to the use of public research funds for unauthorized purposes, attempting to obtain public research funds by submitting false documents to Osaka University as shown below constitutes misuse of public research funds, even if the purpose is not for personal use or the amount is not large.

Purchase of items (including services such as repairs)

- Fraudulent depositing of public research funds with a supplier (1)
Asking a supplier to issue a fictitious delivery statement and depositing public research funds with the supplier as payment for the fictitious delivery
- Fraudulent depositing of public research funds with a supplier (2)
Asking a supplier to deliver products at a price which is comparatively higher than the usual fixed price range, and depositing the difference to the supplier.
- Fraudulent depositing of public research funds with a supplier (3)
Asking a supplier to deliver (a) product(s) and, after the order is confirmed by the Administration Department, return the product(s) and deposit public research funds used to pay for the product(s) with the supplier
- Writing different items in a delivery statement
Purchasing items or ordering repairs or other services not permitted under the rules for using public research funds and making payment with public research funds by asking a supplier to issue a delivery statement on which consumables or other items permitted to be purchased with public research funds are written instead of the items or services that are not permitted
- Falsifying a delivery date
Asking a supplier to issue a delivery statement with a false delivery date and making payment with public research funds to make it appear as if the items were delivered by the end of the relevant academic year, which actually is not the case

Travel expenses

- Fictitious business trip
Applying for payment of travel expenses by submitting a false business trip report for a business trip that did not take place or was cancelled





- Overstating travel expenses

Asking a travel agency to issue a false receipt and quotation for the full or overstated airfare when having purchased a discounted air ticket, and pocketing the difference

*Regarding airfares, the exact amount paid for the air ticket will be reimbursed.

Requesting payment of normal travel expenses when traveling on a package tour



- Receiving duplicate travel expenses

Applying for payment of travel expenses to Osaka University despite having received travel expenses for the same trip from another organization

- Use of travel expenses for private purposes

Taking family on a business trip and asking a travel agency to falsely add the airfare for the family to a quotation or receipt, or applying for travel expenses for a private trip

Personnel expenses

- Fictitious honorariums and salaries

Applying for payment of honorariums or salaries for research assistants or part-time employees by reporting fictitious or overstated work hours

- Kickback of honorariums or salaries

Paying honorariums or salaries to research assistants in the laboratory for fictitious service and making them return these honorariums or salaries to apply towards expenses for operation of the laboratory or other purposes



Others

- Pooled funds

Having a supplier return deposited funds in cash and adding the funds to the laboratory's budget Having research assistants, etc. return all or part of salaries or travel expenses paid to them for fictitious service and business trips respectively and placing the money under the control of the laboratory

- Other cases of misuse involving the creation of falsified documents or false applications

Spending or receiving public research funds fraudulently through the falsification of documents or false applications in manners other than the above

e.g. fabricating false accommodation receipts or false applications for private vehicle use, etc.



Misuse of public research funds is a crime!

5. Disciplinary Action Taken in Case of Misuse of Public Research Funds



- ◆ In case of misuse of public research funds, not only the individual who committed the misuse but also the research institution may be subject to disciplinary action, such as a cut in indirect expenses and reduction in grants resulting from the lowering of the rating of the institution in the national university corporation evaluation.

Disciplinary action against an individual

Disciplinary action taken by Osaka University:

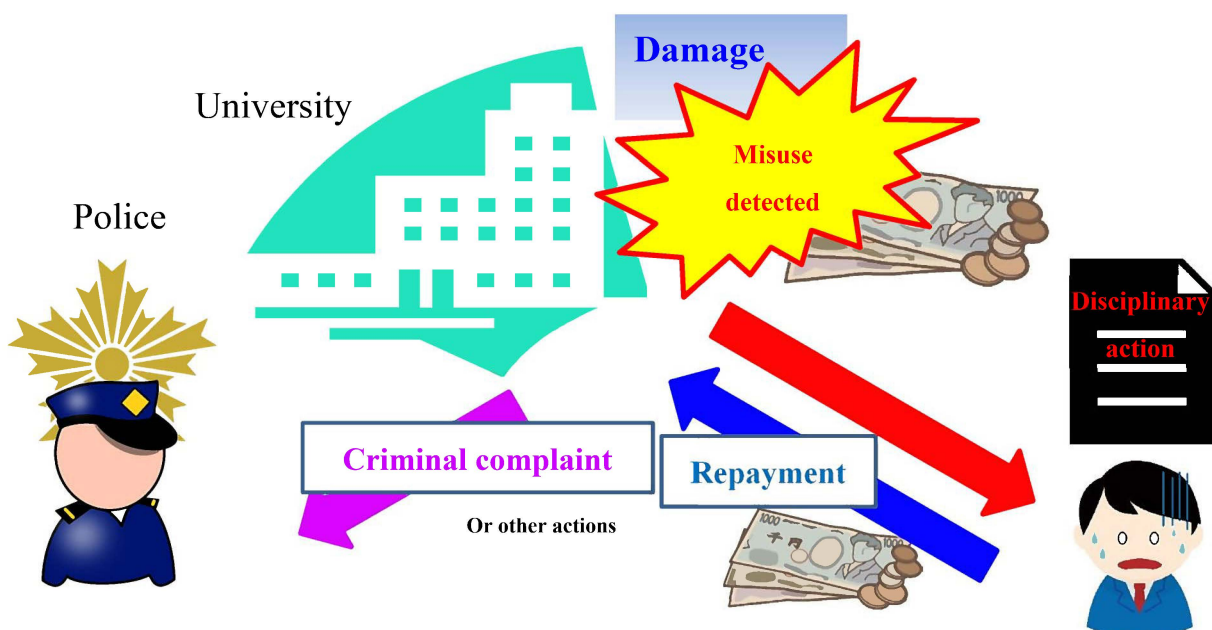
Osaka University will take disciplinary action pursuant to the Osaka University Work Regulations and Regulations on Investigation into Misuse of Public Research Funds at National Corporation Osaka University, and make public the results of investigation into the misuse and information on the disciplinary action taken, including the name of the individual.

Disciplinary action taken by the funding organization:

Individuals who have misused competitive funds are subject to restrictions on subsequent application for competitive funds offered by the same or other funding organizations including ministries and agencies, pursuant to the Guidelines for Proper Execution of Competitive Funds (Agreement among Relevant Ministries and Agencies on Competitive Funds dated September 9, 2005) revised on October 17, 2012. In case of misuse of Grants-in-Aid for Scientific Research (KAKENHI), the amount misused plus penalty charges (calculated based on the annual rate of 10.95% for the period from the date of receipt of the KAKENHI to the date of repayment) must be repaid.

Disciplinary action under law:

Osaka University or the funding organization may consider taking legal action against the individual who committed misuse, such as filing a criminal complaint (for fraud, document forgery, etc.) and a civil suit.



6. Measures Taken for Misuse and Wrongful Receipt of Public Research Funds (Penalties)



- ◆ Following the revision of the Guidelines for Proper Execution of Competitive Funds (Agreement among Relevant Ministries and Agencies on Competitive Funds dated September 9, 2005) on October 17, 2012, infringing individuals are subject to more strict and specific restrictions concerning eligibility for subsequent application for competitive funds.

Also, as of June 22, 2017, there has been a revision to violations of the obligation to exercise due care of a prudent manager.

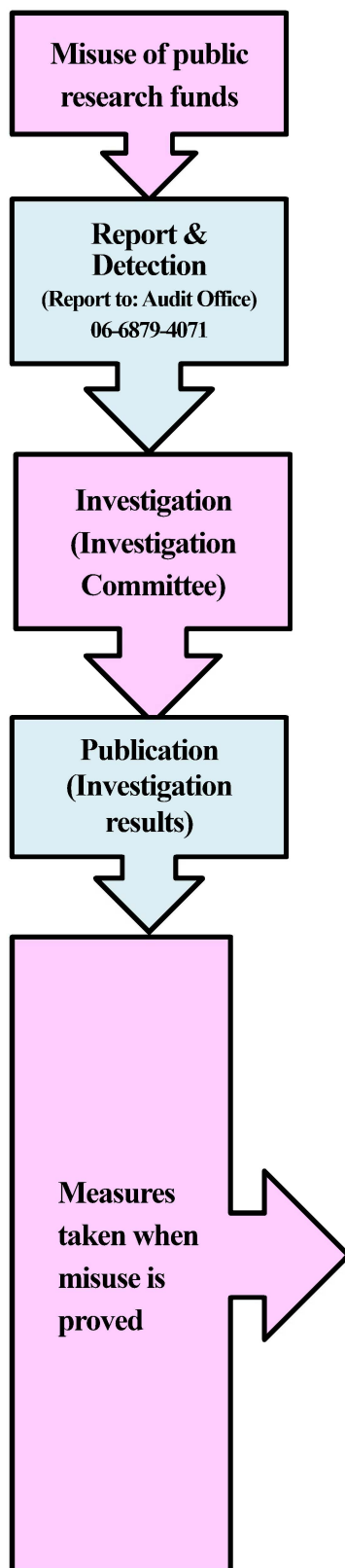
Individual subject to suspension of eligibility to apply for competitive funds due to misuse or wrongful receipt of funds	Severity of misuse	Period of ineligibility to apply for competitive funds	
Researcher who misused competitive funds and researcher who participated in the misuse (1)	1. Misuse for the purpose of pursuing personal interests	10 years	
	2. Misuse for purposes other than 1	(i) Misuse that has a large influence on society and that is determined to be highly malicious	5 years
		(ii) Misuse other than (i) and (iii)	2 to 4 years
		(iii) Misuse that has little influence on society and that is determined to be less malicious	1 year
Researcher who received competitive funds through a fraudulent or other wrongful process and researcher who participated in the process (2)		5 years	
Researcher who was not directly involved in misuse but his or her failure to perform the obligation to exercise due care of a prudent manager resulted in misuse (3)		The period of ineligibility for researchers who fail to adhere to the obligation to exercise due care of a prudent manager will be at maximum 2 years, minimum 1 year	

*In the following cases, the University will give a warning instead of imposing an ineligibility period.

- If the misuse by the researcher in (1) has little influence on society and is determined to be less malicious, and if the misused amount is small.
- In (3), if the influence on society is minimal and determined to be not so malicious.

* Research projects conducted with competitive funds are, even if conceived and proposed by individual researchers, funded by taxpayers' money. Research institutions are therefore required to manage the funds and their administration departments should follow the procedures for administering the funds instead of individual researchers. Also, principal investigators who are responsible for implementing research projects with competitive funds should endeavor to ensure proper administration and management of the competitive funds in compliance with the rules of the funding organization. Any researcher who has used competitive funds arbitrarily in violation of the rules is regarded as having misused the funds and may be ordered to return the funds, restricted from subsequent application for funding, or subjected to other penalties. Researchers in a managerial position who failed to perform their managerial obligations may also be subjected to penalties, even if not directly involved in misuse. For this reason, you are required to ensure proper management of competitive funds (e.g., spending plan and progress management) at all times without fail.

7. Flow from Detection of Misuse of Public Funds to Disciplinary Action



- Depositing public research funds with a supplier, writing different items in a delivery statement, paying salaries for fictitious service, etc.

- Information on alleged misuse given by student, graduate student, laboratory staff, secretary, administrative staff, supplier (president, sales person, accounting manager), etc.
- Information on alleged misuse given via MEXT or Board of Audit
- Illegal deposits or other misuse detected through a tax audit or investigation of a supplier by the Tax Office or Special Investigation Department of District Public Prosecutors Office

- Expenses and academic year subject to investigation
 - Investigation covers documents related to all expenses used by the person who is suspected of misuse.
 - Investigation covers as many academic years as possible.
- People subject to investigation
 - All relevant persons including laboratory staff, secretary, administrative staff and supplier are interviewed.

- Publication of investigation results (Interim investigation results may also be published.)
 - If misuse is proved, the name of the person who committed the misuse is made public.
- Report of the investigation results
 - A report of the investigation results issued in the name of the President of Osaka University is submitted to MEXT and the funding organization.

- **Repayment of public research funds (Misused amount must be repaid even if it is used for research purposes.)**
 - The total amount of misused public research funds must be repaid to the funding organization **with a penalty charge**. (For Grants-in-Aid for Scientific Research [KAKENHI], the penalty charge is **calculated based on the annual rate of 10.95%** for the period from the date of receipt of the grant to the date of repayment.) (In case of misuse, the total amount must be repaid by the individual.)

- Indirect expenses paid wrongfully from public research funds must also be repaid to the funding organization.

- **Restrictions on eligibility for subsequent application for all competitive funds offered by relevant ministries and agencies**
 - Penalties are commensurate with the severity of misuse. (In case of misuse for research purposes: 1 to 5 years of ineligibility for application; In case of misuse for private purposes: 10 years of ineligibility)

- **Disciplinary action taken by Osaka University**
 - Strict actions such as disciplinary dismissal are taken and the name of the person involved in the misuse is published. This applies to both academic and administrative staff.

If misuse is proved after retirement of the person who committed the misuse, he or she must repay the retirement allowance (if he or she would have been subject to disciplinary dismissal if misuse were proved while employed at the University).

- **Possibility of taking legal action such as criminal complaint and civil suit**

- **Penalties against the research institution**
 - Additional management requirements, cut in indirect expenses and suspension of funding

8. Enhancement of Compliance Awareness



- ◆ Both researchers and administrative staff should remain aware of the Code of Conduct when using public research funds.

Code of Conduct on the Use of Public Research Funds at National University Corporation Osaka University

(Established on September 16, 2008)

(Amended on March 19, 2013)

Scientific research at universities is supported by the trust and expectations of the general public. The misuse of public research funds* can seriously damage such trust and expectations, and may also hurt the reputation of the research institution to which the offending researcher belongs, and even shake the foundation of our nation's academic research.

With this in mind, Osaka University (hereinafter referred to as the "University") has established the following Code of Conduct defining the standards of conduct and attitude towards research, with the aim of ensuring the reliability and impartiality of scientific research of a public nature and securing public trust in scientific research conducted at universities.

All researchers and administrative staff of the University (hereinafter referred to as "Researchers") shall act sincerely in compliance with the Code of Conduct.

1. Researchers shall ensure impartial and efficient use of public research funds in view of their public nature, and with awareness that the funds are under the control of the University.
2. In using public research funds, Researchers shall comply with all applicable laws, ordinances and notifications, as well as the relevant regulations, administrative procedures and usage rules established by the University.
3. Researchers shall ensure proper and well-planned use of public research funds according to the relevant research plan, and administrative staff shall ensure that public research funds are effectively and properly handled with a correct understanding of the characteristics of the research projects to which the funds are applied.
4. Researchers shall develop mutual understanding and foster close cooperative ties with each other so that they can help prevent the misuse of public research funds.
5. When using public research funds in dealing with a supplier, Researchers shall act in an impartial manner that does not give rise to suspicion or distrust among the public.
6. Researchers shall proactively participate in training on the handling of public research funds and deepen their understanding of the applicable laws and regulations, administrative procedures and usage rules of such funds.



*Public research funds refer to all the funds handled by the University, taken from management expenses grants, donations, subsidies, and commissions.



Academic staff also bear the following responsibilities under the National University Corporation Osaka University Regulations Pertaining to Public Research Funds.

(Responsibilities of Researchers)

Article 12

1. Researchers* shall participate in the compliance training and other educational opportunities offered by the University, unless the relevant Compliance Officer determines it unnecessary.
2. Researchers shall submit a pledge using the form specified separately to the Chief Executive Officer.
3. Researchers who have failed to fulfill the responsibilities specified in the preceding two paragraphs shall not be eligible to apply for Public Research Funds or take part in the administration and management thereof.

* “Researcher” shall mean any of the University staff and other persons involved in the administration and management of Public Research Funds of the University.

(Paragraph 2 of Article 2 of National University Corporation Osaka University Regulations Pertaining to Public Research Funds)

Compliance training

To prevent the misuse of public research funds, the Administration Bureau, as well as the Departments and Offices of Osaka University, offers compliance training and explanatory meetings for the University staff to deepen their understanding of the usage rules of competitive funds they handle, responsibilities pertaining to use of the funds, and what conduct could constitute a misuse. You must participate in such opportunities.

Measuring the level of understanding of the rules of handling public research funds

Read this Handbook thoroughly and be sure to participate in a session designed to measure the level of understanding of the rules of handling public research funds, which is offered as part of the compliance training of the University.



Website of Osaka University

Access My Handai, a portal site for the internal use of Osaka University,

at <https://my.osaka-u.ac.jp/> and click on:



Submission of a written pledge

You must submit a written pledge stating that you will comply with all applicable rules and never engage in improper activities in administering and managing public research funds. Note that if you do not submit a written pledge, you will not be eligible to apply for public research funds or take part in the administration and management of the funds.

9. Compliance Hotline Service



- ◆ Concerns relating to misuse of public research funds under the control of Osaka University should be directed to the Audit Office at:

1-1 Yamadaoka, Suita, Osaka 565-0871

Audit Office, Osaka University

TEL: 06-6879-4071

FAX: 06-6879-4074

Email: kansatsuuhou@ml.office.osaka-u.ac.jp

URL: <http://www.osaka-u.ac.jp/en/research/fuseiboushi/tuho>



When reporting misuse, you should give your name, affiliation, address and details of the misuse. You may request that your name be kept confidential in the subsequent investigation.

*For more details about how to report misuse, refer to the above website of Osaka University.

How to report

1. You may report misuse to the Audit Office by telephone, email, fax, in writing or in person.
 - *To report in writing, download the report form from the above website of the University to ensure that the details are made clear and necessary action is taken promptly.
 - *If reporting misuse by post, write “Notification of misuse” on the front of the envelope clearly.
2. Where to contact: Audit Office of Osaka University (on the 1st floor of the Administration Bureau)
3. Opening hours: 8:30–12:15, 13:00–17:15
 - *Except on Saturdays, Sundays, national holidays, year-end holidays (December 29 to January 3) and other non-working days

Note the following when reporting misuse:

1. Give your name, affiliation, and contact information.
2. Describe details of the actual or alleged misuse of public research funds at the University.
3. When reporting misuse to the Audit Office by telephone or in person, you must give substantial reliable evidence and information.
4. The person in charge at the Audit Office may contact you to confirm the details you gave.
5. Note that if your information is deemed to be a general opinion or complaint, not a case of misuse, it will be forwarded to the relevant division or office and used to improve the situation.
6. The information will be kept confidential under the Act on the Protection of Personal Information Held by Independent Administrative Agencies, etc.
7. After the information is accepted, you may request that your name, affiliation and contact information be kept confidential.
8. Your name and other personal information will not be published without your permission.
9. Rest assured that you will not be treated unfairly for reporting misuse to the Audit Office.