

Policy & Procedures on Administration of Research Grants and Contracts

Policy Category:	Research
Subject:	Administration of research grants and contracts
Approving Authority:	SMT
Responsible Officer:	President & Principal
Responsible Office:	Finance and RMID
Related University Policies and Procedures	Financial Procedures Financial Regulations Policy and Procedures on External Funding & Collaboration Code of Practice for Intellectual Property, Commercial Exploitation & Financial Benefits Declaration of Interests Policy Policy and Procedures on Consultancy, Fee for Service, Non-Standard Teaching Programmes and Outside Work
Effective Date:	14 April 2022
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I. Purpose & Scope

This policy and procedures relates to the administrative, financial and legal aspects of externally-supported research in the university, including: costing and pricing research projects; drafting and negotiating contracts and collaboration/consortium agreements; approving research proposals prior to submission; signing and accepting all research awards and contracts; issuing research activity codes; authorisation of staff recruitment; invoicing, profile payments and financial reporting; managing audit reviews of research activity codes; and credit control relating to external research funding. It also covers agreements that underpin or facilitate academic research, including Material Transfer Agreements (MTAs), Data Sharing Agreements (DSAs) and Confidentiality Agreements (CDAs or NDAs).

This policy and procedures should be read in conjunction with the Financial Regulations and the Finance Procedures. In the event of any difference between the provisions of this policy and procedures and the Financial Regulations or Finance Procedures, the Financial Regulations/Finance Procedures will prevail.

II. Definitions

Pre-Award 'Pre-Award' in this policy is used as a generic description of functions carried out by the [Research Grants teams](#) and the [Contracts Team](#) and is used to mean one or both of these as the context requires.

Research There are three main definitions and requirements for any externally-funded activity to be able to be classified as 'research which the university and the HEI sector use. These are:

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- (i) the Frascati Definition of research (used by HESA and Research England),
 - (ii) the [REF](#) definition of research and
 - (iii) the Charity Commission's requirements for research.

Full details concerning these definitions can be found on the [RMID web pages](#). Where the nature of a project is uncertain, this will be resolved between senior management in Research Grants & Contracts and the Dean of Faculty and/or Head of School/Division/Department in which the work is to take place.

FEC Terminology (see also [section 13](#))

[Full Economic Cost \(FEC\)](#) - FEC, which is a development of the Transparent Approach to Costing process ([TRAC](#)), is the methodology that UK HEIs are mandated to use by the UK Government to calculate the full economic cost of the activities they undertake, including externally-funded research. The FEC of a project represents the *cost* of all the resources that are necessary to undertake that project and is distinct from the *price* charged for that project to the funder, although the FEC will generally inform that price. TRAC was established by the UK Government to help improve sustainability across the HEI sector by enabling universities to understand their own costs and drivers and so take informed decisions about which activities they choose to undertake and on what basis, using a consistent, robust and sanctioned methodology.

Directly Incurred Costs (DI) - DI costs, often referred to as the 'direct costs' of a project, include all the usual running costs of a project, e.g., recruited staff costs, dedicated technicians and support staff, research fellows, student stipends and fees

Directly Allocated Costs (DA) - DA Costs are the costs of resources used by a project that are shared by other activities; examples include PI time and Estates costs.

Indirect Costs - Indirect Costs are the institutional infrastructural costs associated with carrying out a particular research project that are not covered under DI and DA costs using FEC methodology.

III. Policy and Procedures

1. General

- 1.1 All research contracts, research collaboration/consortium agreements and research grants entered into or accepted in the name of the university require the prior approval and signature of the Operations Director (Research & Researchers), the Director of Research Grants & Contracts or such other signatories as have been given the delegated authority to sign or accept grants, tenders and agreements by the Chief Financial Officer in writing.

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- 1.2 The terms and conditions of each research contract or grant offered to the university will be checked and, where necessary, negotiated, by Pre-Award before being formally accepted.
- 1.3 The terms of all research grants and contracts must be consistent with university regulations and policies and must not expose the university to unacceptable levels of risk, including reputational risk or contractual liabilities for which it is not insured. The university reserves the right to refuse to accept any grant or contract which does not comply fully with university regulations, policies and requirements.
- 1.4 The scale of the university's research activity and the geographical distribution of its campuses necessitates the delegation of certain financial and legal authorisations. The basis for such delegation is that all members of Pre-Award are authorised to sign or authorise research proposals committing the university to participation in research projects and to accept grants awarded (but not contracts). However, tenders, research contracts and other legal agreements relating to research activity can only be signed on behalf of the university by the authorities noted in paragraph 1.1.

2. Ethical and Reputational Matters

- 2.1 Faculties/Schools/Divisions/Departments should not accept a research grant or contract without being fully aware of, and being willing to comply with, the conditions which the funder requires to be met, however onerous or unwelcome these might be. Where Heads of Faculty/School/Division/Department, or their delegates, are unclear about a funder's terms or the possible implications of accepting them, they should seek guidance from the appropriate Pre-Award team before making their decision.
- 2.2 King's good name and academic integrity must be maintained and protected in all arrangements to fund research or collaborate with the university. King's will not accept funding or in-kind support (e.g., the provision of material or equipment and exchanges of materials) from organisations or individuals, or enter into collaborations with them, where the nature of the activity or the association with the organisation or individual may bring the name and integrity of the university into disrepute. Examples of this would be collaborations with the arms trade, overseas governments that are subject to UK sanctions or the tobacco industry (as defined in [Cancer Research UK's Code of Practice on Tobacco Funding](#)), or engaging in activity that:
- involves or arises from the violation of international conventions (such as those on human rights or the environment), or
 - entails corruption (including bribery or other forms of inducement), or
 - could lead to breaches of law or regulation (e.g., regarding data protection or informed consent), or to breaches of the university's own procedures (such as those relating to procurement, recruitment, expenses, academic governance or promotion).

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- 2.3 Research contracts and grants, and activities carried out in accordance with those contracts and grants must be compliant with
- Relevant legislation and codes of practice, including but not limited to those relating to health and safety, data protection, modern slavery, safeguarding, tax evasion and relevant financial sanctions laws
 - Regulatory requirements
 - Ethical guidelines and principles
- 2.4 See [here](#) regarding the use of the university's name.
- 2.5 The independence and academic integrity of the conduct of research, including its findings, must not be compromised and in any agreement that governs that activity, the university must always be able to protect its reputation in a way that any outputs can be disseminated, presented and used as well as in a way that both its and its researchers' identities can be used. All such activity must comply with the university's [policy and procedures for the acceptance of external funding and collaboration with organisations and individuals](#). Where any aspect of a proposed activity raises significant concerns, that activity will be put through a due diligence process to ensure that the risks are assessed and, where appropriate, mitigated and managed. Alternatively, the proposed collaboration may be declined.
- 2.6 The university will not accept any funding or collaborative arrangements for research where:
- (i) it is not able to publish meaningfully the results of the research it has carried out in accordance with normal academic practice (subject to the minimum delay necessary to protect any intellectual property or to allow for external organisations to review publications and request amendments to ensure that publications do not contain any of their confidential information); or
 - (ii) it is not free to use the results of the research it has carried out for its own further academic purposes at no additional cost and without being subject to another organisation's prior permission. Further details are set out elsewhere in these Procedures.
- 2.7 Some sources of support or collaborations may be politically sensitive and such activities may also have to comply with certain national and international requirements, such as UK export controls (which apply to the export of project deliverables/findings and the provision of materials, whether supplied physically, electronically or orally), or trade sanctions on activity in, or supported from, particular countries or by organisations and individuals with links to those countries. It should be noted that in extreme cases, export controls may even apply to academic publication itself.

Further information regarding trade sanctions and export controls can be found on the [RMID webpages](#).

- 2.8 If a project involves the use of animals, there must be a valid project licence in place before the relevant stage of the project and all costs for the use and maintenance of all animals within the university must have been agreed with the BSU when the project is costed by means of the BSU providing a formal quotation for that project. Applicants are required to append BSU quotations to their Worktribe project record.
- 2.9 If the research to be undertaken would expose workers to abnormal risks, it should be first established if the university's existing insurance arrangements provide adequate cover or whether additional specific covers may be needed. All such projects should also be notified to the local Faculty safety professional or the [university's Health and Safety Services](#) at the earliest opportunity to discuss their particular requirements and to ensure all statutory aspects are capable of being complied with. Applicants are required to make appropriate declarations regarding such issues on the Worktribe risk assessment form linked to the Project record.
- 2.10 Studies using humans, their tissue or data may only be undertaken within the applicable legislative and regulatory frameworks, such as those relating to good clinical practice, human tissue, data protection, mental capacity, research governance and medicines for human use. Any studies that involve human participants in any capacity (e.g. social surveys, healthy volunteers or patients) must have approval from the appropriate Research Ethics Committee. In addition, where personal data is to be collected and used:
- (i) Participants must consent fully and freely to the use and reuse of their personal data.
 - (ii) Identifiable data can only be reused for secondary research under certain conditions; if you are unsure, seek advice.
 - (iii) Personal data should usually be anonymised and may only be published in identifiable form with consent.
- 2.11 Where researchers intend to use human tissue, they must have full ethical approval and Participant Informed Consent forms in place. A key consequence of the *Human Tissue Act* was to make the giving of informed consent the fundamental principle underpinning the lawful storage and use of human bodies, organs and tissue and this applies to the storage and use of tissue from living people as well as the taking, storage and use of tissue from the dead. Consent for research is not a legal requirement if
- (i) the samples are anonymised to the researcher and
 - (ii) the research has been approved by a suitable Research Ethics committee.
- 2.12 It is illegal even to hold "bodily material" (i.e., material consisting of or including human cells such as includes hair, blood, nail and gametes) with the intention of undertaking DNA analysis on it without consent. Unless the exceptions in paragraph 2.10 apply, if

there is any intention of carrying out genetic analysis on identifiable material, consent for this must be obtained at the time the sample is taken. Extracted DNA and RNA where no whole cells remain is not classed as 'bodily material'

- 2.13 Research data may have ongoing value beyond a single study. Depending on its nature, data may be retained for research purposes in compliance with the *UK General Data Protection Regulation* (UK GDPR) and the *Data Protection Act 2018*, although certain conditions and limitations may apply. Misuse of personal data by researchers is a serious offence under the Act and is also a breach of university regulations. Applicants are required to make appropriate declarations regarding the involvement of human participants in the Worktribe risk assessment form linked to the Project record.
- 2.14 Certain collaborative projects also have to be put through a due diligence process or an enhanced ethical review to assess the risk of working with particular partners, on a particular topic and/or in particular regions. Several major funders, including UKRI and the NIHR, specifically require that, where the university is the lead institution on a collaborative project, it undertakes rigorous due diligence checks on the prospective partners, irrespective of their roles in the project or whether they would be receiving funding from the award.
- 2.15 Due diligence on funders and collaborators will also be undertaken to identify any risk that the association with the university could enable the criminal facilitation of tax evasion. Such due diligence will be proportionate to the identified risk.
- 2.16 Any suspected or actual breach of law, regulatory requirements, or university policies must be reported to the appropriate authority within the university – usually the Executive Dean of the Faculty concerned and to the funder as required. Concerns may also be raised through the university's [Policy on Information Disclosure \(Whistleblowing\)](#).

3. Research Income

- 3.1 Only projects which are intended to carry out research can be accepted by the university as 'research' and handled through the university financial accounts as research income. Examples of funding that would not qualify as 'research' are 'fee for service' work, institutional consultancy, routine testing, teaching projects and short courses. The decision on what can be classified as research is not always straightforward, but generally research can be seen as entailing the creation of new knowledge; it would not include the proposal of existing knowledge or expertise to solve specific problems where there is nothing novel being created. Some projects that are initially anticipated to be a contracted service may subsequently prove to be more accurately and beneficially classified as 'research', provided that [suitable terms](#) can be negotiated. In such cases, the work will then be handled as a research project and not as a contracted service, or, in some cases where it is possible and worthwhile, the work may be disaggregated into a research element and a contracted services element. Where it is unclear how the work should be classified, the [Contracts Team](#) in RMID will

resolve the matter with the relevant Dean of Faculty and/or Head of Division/Department

- 3.2 Where the work being carried out in a project is able to be categorised as research, the terms of the agreement that funds the project must also comply with the requirements set out [here](#) and [here](#) in order for the award to be classified and reported on as 'research' by the university.
- 3.3 Where funding is given in support of a research student's studies (e.g., stipend, fees consumables or travel), HESA requires that such income be recorded and reported as research training support and not as research income. HESA specifies that the only exceptions to this (i.e., when student funding may be classified as research income), are
- (i) the non-UKRI element awarded under CASE and similar co-funding schemes, and
 - (i) bona fide research projects where the research is being carried out by a student.
- 3.4 Where an award is placed with the university but is carried out jointly with another organisation and the university passes that other organisation's funding on to it, only the funding that relates to the activity carried out in the university counts as 'research income' when reporting to HESA, including for the [REF](#). Discrete packages of directed work which the university subcontracts to other organisations and where the university retains due control and ownership of the work and remains responsible to the funder for the subcontracted work are not treated in this way and may count as 'research income' in reporting to HESA (examples would include the construction of bespoke equipment for a project or the routine testing/analysis of samples). The transfer of any funds to other organisations in this way must be handled by means of a legal agreement or subcontract, which will be negotiated by Pre-Award – [see 'Subcontract & External Consultants' for further information](#).
- 3.5 Because only funding that relates to the activity carried out in the university counts as 'research income', the university will not submit proposals or generally accept awards involving another organisation including any KHP partner where
- (i) none of the funding will be retained for expenditure at the university, or where
 - (ii) only amounts of less than £5,000 are to be retained at the university and those amounts do not include appropriate [DA costs](#) or [Indirect Costs](#), or, in the case of charity funding, the funding is not eligible to attract [CSF QR support](#).
- 3.6 Research England financially underpins the infrastructure costs associated with carrying out research funded by certain UK and international charities by means of the quality-related research ('QR') support element in the university's block grant for research, known as the Charity Support Fund ('CSF'); this is one of several streams of QR funding. UK and overseas charitable funding for [research](#) is eligible for CSF QR funding provided that it is awarded through:
- (i) excellence,

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- (ii) open competition and
 - (iii) selection using *bona fide* external peer review.

3.7 The requirement for external peer review means that the funding in question:

- (i) has been available to more than one institution, using a transparent, external, expert review process where no credible applicant was excluded, and
- (ii) must have been awarded to the institution(s) that the external peer review process found to have submitted the highest quality research proposal(s).

3.8 Where programme funding is provided over a relatively long period, the grant must both continue to be used for the purposes originally intended and be subject to reasonable periodic peer review if it is to continue to be eligible for CSF funding. RMID can advise as to whether a particular funder or funding scheme is eligible or ineligible for CSF. Decisions as to which funding is eligible for CSF are made by the Director of Research Grants & Contracts based on the evidence that is available; where evidence is lacking, the funding will be deemed to be ineligible. If there is a need to escalate the decision within the university, the final arbiter shall be the Chief Finance Officer. The university is externally audited by the Office for Students (OFS) on the funding for which it claims all QR funding.

4. Charity Status

4.1 As an 'Exempt Charity', the university is regulated by the requirements set out in the *Charities Act 2011* and answerable to the Charity Commission through annual returns and an audit process to ensure compliance; the audit is carried out on behalf of the Charity Commission by the Office for Students (OFS) as its 'principal regulator'. The Commission has made clear that neither research nor the advancement of education are in themselves charitable aims or activities, and that in order to be 'charitable', research carried out by a university/HEI must fall within its 'aims and powers' as set out in its Charter and be carried out 'for the public benefit'.

4.2 To achieve public benefit, the Commission requires that a project must fulfil each of three criteria:

- (i) The research project has to constitute a 'useful subject of study', i.e., the research must be in a subject, or be directed towards establishing an outcome, which is both of value and calculated to promote the University's charitable aims in a meaningful and direct way. 'Useful' means that the project should be capable of increasing or enhancing knowledge, understanding and learning, rather than being 'useful' in a practical sense - simply adding to the store of useful human knowledge is deemed not to be beneficial.
- (ii) The research project must be undertaken with the intention that the useful knowledge it generates will be disseminated to the public and others who are able to utilise or benefit from it. In some

circumstances, dissemination could be through the practical proposal of the research findings, provided this is done for the 'public benefit'. Dissemination has to take place within a 'reasonable time frame' after the research is completed or after the outcomes of value occur.

- (iii) Any private benefit (e.g., to a commercial funder or collaborator) must be "legitimately incidental to the achievement of a HEI's charitable aims for the public benefit" because private benefit is non-charitable. There cannot be an automatic presumption either (a) of public benefit, or (b) that private benefit is incidental. Public benefit may arise from research in a variety of ways, and in many cases, the dissemination of the useful knowledge gained will constitute adequate public benefit.

The Charity Commission requires that for commercially-funded or commercially-collaborative work to constitute a charitable activity, all of these conditions must be complied with.

4.3 The Charity Commission also states that universities should not be directly involved in contract research as a charitable activity (i.e., as 'research'), unless they demonstrably have a particular research interest in the work to be undertaken. In assessing whether private benefit outweighs public benefit in a particular case, the price paid for the research is a relevant factor, as any subsidy of the work from public (i.e. university) funds by charging less than full cost would increase the private benefit at the expense of the public benefit.

4.4 The university's Governors are ultimately responsible for compliance with the provisions of the *Charities Act* with their responsibilities delegated in two ways, one relating to the nature of the work and the other relating to the nature of the legal agreement:

- (i) The first route of delegation is at academic level, to the Head of the relevant Faculty and/or School/Division/Department, for them to take responsibility for determining whether the proposed work would fulfil all the necessary public benefit research criteria.
- (ii) The second route of delegation is to the appropriate Pre-Award section, whose responsibility it is to ensure that the terms of research agreements are negotiated to comply with the charitable criteria for public benefit. If the terms that have been negotiated for a particular contract make the public benefit unclear or uncertain, the Director of Research Grants & Contracts will escalate the matter for final review with the Chief Finance Officer and the Chief Accountant.

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- 4.5 The test of public benefit lies in the purpose of the university in entering into a particular research contract and not any subsequent purpose for which the funding received may be used or in the commercial outcome of the work.
- 4.6 Further details of the Charity Commission's requirements, including those on sharing in the financial benefits from the exploitation of IP, and related documentation are on the [RMID web pages](#).

5 Shareholdings/directorships/university and staff interests

- 5.1 Where companies in which the university has a shareholding, directorship/controlling interest or other interest fund research at the university, transparency and operational integrity are especially important. Such companies should not be given preferential discounts on the price they pay for the research (i.e. they should not be subsidised by public funds), but must be treated in the same way as any other commercial organisation as regards price and other terms of engagement (e.g. rights of academic publication, university freedom to operate, payment terms, use of name, university retention of literary copyright in academic publications/theses, compliance with the *Charities Act 2016* confidential information, material transfers, warranties and indemnities).
- 5.2 It will generally be the case that ownership of intellectual property rights created in the course of such research would be assigned to the company and that, *in lieu* of royalties, the university's shareholding in the company would be the means by which it received due financial reward from the commercial exploitation of such intellectual property.
- 5.3 It is generally the case that in projects funded by 'university' companies, the project investigators also have a stake in the company and so also are able to receive due financial reward by means of that shareholding. However, this is unlikely to apply to recruited researchers or to students working on the project, and in such cases, the university's expectation is that provision will be made in the funding contract that they will be rewarded for the commercial exploitation of the IP that they create on a fair, reasonable and proportionate basis.
- 5.4 Under UK Government regulations, contracts for commercially-sponsored clinical trials may not be placed directly with a university, but must be placed instead with an NHS Trust, which may in turn sub-contract part of the trial to the university as appropriate. Such commercially-sponsored clinical trials are handled through the King's Health Partners Clinical Trials Office ('[KHP CTO](#)') on behalf of all the university and its KHP NHS partners, with the income from the trials being passed through RMID and given activity codes in the standard way once the contracts have been signed and approvals received.
- 5.5 For the university to be able to administer income from a commercially-sponsored clinical trial, that trial must have an appropriate investigator associated with it who has a recognised university status in accordance with the procedures set out [elsewhere](#).

5.6 For clarity, investigator-led clinical trials that involve funding from commercial organisations are not deemed to be commercial clinical trials under Government regulations and so are handled by Pre-Award.

6. Conflicts of Interest

6.1 In order to maintain and protect King's good name and academic integrity, investigators must expressly declare any actual or potential conflicts of interest that they, their immediate family, anyone with whom they have a close personal relationship or researchers working on their project, may have with regard to the funder or collaborators on that project when seeking RMID, Faculty and/or School/Divisional/Departmental approval for their project. The university has a suite of policies and procedures relating the [disclosure, declaration and management of external Interests](#) that all staff are required to adhere to.

6.2 The university must not be placed in a position where the independence and integrity of its research or relationships could be compromised or called into question because of an investigator's or researcher's direct or indirect association with a third party, including the funder of their work or an organisation that it is contracting with to provide a service.

6.3 The university must also always be able to protect its and its researchers' integrity, transparency and reputation in the way that a project is awarded, the way the terms are agreed, the way that the project protocol is designed, the way that the research is conducted and staffed, the way that project partners and contractors are selected and the way in which outcomes are reported, presented and disseminated. Section 2.2 of the university's [Financial Regulations](#) states that 'Officers and staff must not allow their private interests to conflict with their official duties and must register any pecuniary or other interests. They may be requested to withdraw or be excluded from certain decision-making processes as a result of such registration.'

6.4 Some examples of conflict of interest include

- directorships, including non-executive directorships, of public or private companies
- shareholdings in public or private companies
- ownership or part-ownership of public or private companies
- remunerated or honorary positions, including employment, by external organisations
- consultancies with external organisations, including expert witness work
- product endorsement or advocacy
- ownership of, or interest in, third party intellectual property rights or royalties from that ownership or interest
- a position of influence over the decision to fund their research project or over the negotiation of the contractual terms for the funding

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- membership of a group or organisation with an interest in a particular project or subject matter, whether that group is political, commercial, an SIG or otherwise
 - access to privileged information or facilities.

All such potential or actual conflicts of interest should be brought to the attention of the member of RMID handling the negotiation at as early as possible and declared as set out in the university's [Procedure for Disclosing External Interests and Managing Conflicts](#).

- 6.5 Where an investigator has any such association with the organisation funding or collaborating on their research project, they must not seek to influence the terms of the grant or contract supporting the project in favour of that organisation by looking to obtain preferential terms, for example on price, payment or intellectual property rights and nor should they seek to exert influence on decisions about the acceptability of the terms being proposed in the company's favour, which will, where necessary, be taken in consultation with their Head of Faculty, School, Division or Department, as appropriate. Should the investigator in question be a Head of Faculty, where necessary, the decision will be taken in consultation with the Vice-Principal (Research & Innovation). It should be noted that Section 2.2 of the university's [Financial Regulations](#) states that "Officers and staff must not allow their private interests to conflict with their official duties and must register any pecuniary or other interests. They may be requested to withdraw or be excluded from certain decision-making processes as a result of such registration."
- 6.6 Applicants for NIH funding should be aware that the NIH has implemented a set of [policies relating to conflicts of interest](#). The NIH policy applies to everyone (e.g. university researchers, honorary staff, students, consultants, external collaborators etc.) who is responsible for design, conduct and reporting of research funded by the NIH itself, by NIH Institutes and by the Public Health Service of the US Department of Health and Human Services (of which the NIH is a part). The policy and extensive guidance are at www.grants.nih.gov/grants/policy/coi/.
- 6.7 The [NIH policy](#) is supplementary to, and should be followed in conjunction with, the university's own policies, procedures and guidelines on related matters, such as [disclosure and declaration of interests](#) and the standards and values set out in the university's [Statement on Research Integrity](#). In accordance with the NIH policy, the university's own procedures for implementing the NIH's requirements have to be made available to the public to download from the university website. The university's forms and processes relating to the NIH policy are at <https://internal.kcl.ac.uk/innovation/grants-contracts/pre-award/funding/nihfcoi>
- 6.8 The payment of consultancy fees to university academic or research staff from research projects raises issues of financial control, transparency, academic reputation and conflicts of interest, as well as questions about what work such payments would relate to that the individual was not already obliged to carry out under the research agreement as part of their university duties. Therefore, no consultancy fees may be paid directly to university employees from research project budgets. For similar

reasons, anyone holding an honorary contract with the university, including an adjunct appointment, may not be paid consultancy fees directly from a research project on which they are acting as an investigator.

7. Investigator eligibility

- 7.1 Subject to meeting any applicable academic requirements specific to an award or proposal, all members of the university's staff are eligible to act as investigators on research projects, whether as PIs or Co-Is where they provide significant intellectual contribution to the writing and design of a proposal and the delivery of any subsequent award. There are no restrictions based solely on the nature of employment contracts and therefore staff employed on open-ended or fixed-term contracts may act as PIs or Co-Is and/or apply for funding to support their employment costs, provided that (i) they satisfy any eligibility criteria to the funding scheme in question (e.g. an applicant for a career fellowship may be named as the PI on their application and award provided that this is permitted by the funder's regulations),(ii) they have all applicable Faculty/School/Departmental approvals and (iii) they meet any other university criteria, e.g. with regard to academic qualifications or to measures relating to employment end dates that extend beyond the dates of the funding being applied for.
- 7.2 There are also no university restrictions regarding an individual's eligibility to act as an investigator on research proposals or awards based on the source of their salary support at the time of their making an application or receiving an award, whether they are university-funded or externally-funded.
- 7.3 However, staff should be aware that:
- (i) certain funders may impose their own eligibility criteria/restrictions regarding current sources of salary support, especially where a proposal being submitted is for an activity scheduled to run concurrently with the current source of salary funding, and
 - (ii) there must be no conflict or contradiction between the terms and conditions attaching to each source of support.
- 7.4 Where an applicant's salary is currently being supported by an external organisation, the applicant must be able to demonstrate that that organisation has no objection to any proposed application for support. By way of an example, certain charitable organisations that fund fellowships place restrictions on how the fellow may interact with commercial entities for the duration of their fellowships, and other funders require the fellow to work 100% on the research that they are funding. Should there be a conflict/contradiction between the terms and conditions attaching to each source of support, or should the organisation currently supporting an applicant's salary object to the new support being sought, RMID will require an undertaking from the applicant and endorsed by the relevant Faculty, School, Division or Department that, should the application be successful, the original source of salary support will be relinquished.

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- 7.5 Where a funder stipulates particular eligibility criteria for investigators for a specific funding scheme and those criteria are acceptable to the university, they will take precedence over, or supplement, standard university policies for that particular scheme or proposal only. Similarly, should the external regulatory environment dictate certain criteria to act as sole PI, joint PI or Co-I for a particular activity, those requirements will take precedence over, or supplement, existing university policies.
- 7.6 Individuals who are incoming visiting, mobility or training fellows may not hold research grants or contracts as the sole investigator. However, the university is fully supportive of such individuals seeking funding in order to continue their academic careers at the university once their fellowships have ended and being identified as PIs on those proposals or awards, provided that the other requirements of these Procedures regarding investigator eligibility and holding research activity codes are met.
- 7.7 Although except as set out above, incoming visiting, mobility or training fellows may not hold awards solely in their own name, the university actively encourages them to be identified as a co-PI or co-investigator on applicable awards to help raise or maintain their academic profile and further their academic careers; this requirement also applies to individuals seconded to the university from other institutions.
- 7.8 The imposition of any eligibility criteria for investigators based on the nature of their employment terms that go beyond those specified by external funders could expose the university to a claim for unequal treatment under the *Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002*, which seeks to prevent employers from discriminating against fixed-term employees, including through the misuse of successive fixed terms contracts without good reason. Any such move would also be contrary to the [Concordat to Support the Career Development of Researchers](#), to which the university is a signatory.
- 7.9 A PI will generally also be the budget holder for a project. However, Faculties, Schools, Divisions and/or Departments (as appropriate) may determine that the responsibility of holding and managing a university research activity code for an award (or part of an award such as a discrete work package), should be arranged differently from PI or Co-PI roles in order to be able to ensure robust and accountable management of project funding both during and after the lifespan of an award.
- 7.10 Faculties, Schools, Divisions and/or Departments (as appropriate) have the responsibility of reviewing and approving the eligibility and suitability of staff to be named as investigators (including the suitability to act as account holder) in the context of this Policy and Procedures and any relevant academic criteria that may be applicable, and must ensure that any potential risks are identified and fully addressed before approvals are given.
- 7.11 The university's own approval procedures for staff recruitment, appointment and promotion will apply to all posts supported by funding secured through research grants and contracts or costed on research projects as a [Directly Allocated cost](#).

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- 7.12 Where an application is to be made for a grant or contract to be supervised by someone who has not yet taken up their post at the university, that person's employment contract must be scheduled to start on or before the start date of the proposed grant or contract, failing which the relevant Faculty / School/ Division / Department will be required to give an undertaking that, should the application be successful, such arrangements will be put in place before the start date of the project.
- 7.13 Contracts of employment for sole PIs must extend beyond the end date of the funding being applied for, failing which the relevant Faculty / School/ Division / Department will be required to give an undertaking that, should the application be successful, such arrangements will be put in place before the start date of the project. Where it is not possible to give such an undertaking, a second member of university staff with an appointment of suitable duration will be required to act as a co-PI or co-investigator on the project to ensure continuity of project management and to assume responsibility for the submission of post-project deliverables, such as the final report, and other matters such as budget overspends, mischarged items or the audit of the project, in the event that the PI is no longer employed by the university and so unable to do so. Unless required by the funder of the project in question, this arrangement can be purely internal to the university and so need not appear in the award; the Project record in Worktribe should clearly identify all such details.
- 7.14 Where a PI anticipates that they may retire during the lifetime of a grant that they are applying for, they should make this clear in the Worktribe record and in their proposal and should identify an alternative member of university staff with an appointment of suitable duration on the RG form who will take over PI responsibility on their retirement.
- 7.15 Emeritus staff or staff with honorary appointments are permitted to act as a named co-PI or co-investigator on grants where they have a permanent member of university staff acting as a co-PI on the project who will be in a position to take responsibility to the funder on behalf of the university and also accept responsibility for the project's financial management within the university as the internal budget holder; such a role may be internal to the university rather than identified on a grant award, as determined by the appropriate Faculty/School/Division/Department taking account of the individual circumstances.
- 7.16 Certain honorary university staff who are employed by a KHP NHS Foundation Trust may be able to hold university grants in their own name as sole PI, as set out [elsewhere](#) in these Procedures.
- 7.17 In certain circumstances, emeritus staff may be permitted to hold grants (but not contracts) in their own names as sole investigators where these grants are essentially string-free, their appointment letters from HR expressly gives them this right and the terms of the grants do not preclude it. Faculty/ School/ Divisional/Departmental authorisation for such activity is given on a case-by-case basis by approval of the

application in Worktribe for the grant in question.

7.18 With the exception of agreements that enable [properly authorised](#) KHP NHS Foundation Trust staff holding research awards through the university solely to undertake the activity covered by, or arising from, those awards, the university will not enter into agreements such as Material/Tissue Transfer Agreements, confidentiality agreements or data transfer agreements with external organisations where the investigator/s hold only honorary appointments with the university; in such cases the legal agreement should be transacted by the individual's substantive employer.

7.19 In addition, and in furtherance of the academic mission of King's Health Partners, where there is strong academic merit and where there are no financial, regulatory or legal impediments or disadvantages to the university, certain staff employed by the university's KHP partner NHS Foundation Trusts who also hold honorary university appointments may be given permission to place research grants through the university and act as the sole investigator. The university will not accept KHP NHS Foundation Trust awards purely for the convenience of investigators who wish not to use their own administration. Decisions about which individuals and which of their projects may be handled in this way will be made strategically, as there has to be genuine academic merit and [REF](#) and/or QR value to the university in addition to there being no financial or other disbenefits associated with the university accepting the funding. This policy principally relates to commercially sponsored clinical trials, Research Council and charitable grants, rather than to contracts, because contracts present potentially problematic issues such as:

- (i) the ability of the university to take contractual responsibility for undertaking work and supplying deliverables where the sole investigator is not a university employee and so has none of the responsibilities and duties of an employee towards the university,
- (ii) the means by which the university could exercise due control over matters such as poor performance (including not providing reports and other deliverables), default or breach of contract, and manage the associated risks of non-payment, financial sanctions and litigation in a situation where the sole investigator is not a university employee and has no direct Faculty/ School/Divisional line management by which the university could exercise due control if required, and
- (iii) the ability of the university to provide funders with foreground and background intellectual property rights they require (which, de facto, will not belong to the university and over which it will have no automatic rights of use or control), as well as to provide them with any warranties or indemnities relating to those IP rights.

7.20 The status of '[Adjunct Academic](#)' has been established by the university to enable key KHP NHS Trust-employed staff to develop and lead strategic research studies, act as PIs and budget holders on research awards made directly to the university and act as first supervisor for PhD students. Appointments are subject to a formal application process

and are made initially for five academic years, after which extension of the appointment is subject to a renewal process. Full details of criteria, benefits, expectations and associated processes can be found [here](#).

- 7.21 It should be noted that the employing KHP NHS Trust must give its approval at a senior level for each individual application/award to be handled through the University. Having Adjunct Academic status does not represent blanket approval for an individual's grants to be run through the University.
- 7.22 All KHP NHS staff holding research grants or contracts through the university, whether as Adjunct Academics or under simple honorary contracts, are acting in a university capacity carrying out university work and so are bound by the university's Financial Regulations, Financial Procedures and this document.
- 7.23 It should be noted that where the sole (or even the lead) investigator is not a university employee, participation in some funding programmes (e.g., certain EU schemes), can result in grants that do not even recover their full direct costs, or else which can only achieve very low Indirect Cost recovery. This generally occurs where the funding scheme requires demonstrable, accountable cost-sharing by the university and/or uses cost models that are only viable when the university is able to include the employment costs of its own salaried staff working on the project. This applies to university emeritus staff as well as KHP NHS Trust employees.
- 7.24 Some projects which may appear marginally viable in financial terms at the proposal and award stages (i.e. with a very modest Indirect Cost recovery), may, in practice, not recover even the basic direct costs of carrying out the work if their budgets are not fully spent. Consequently, any failure to spend the full budget (e.g. due to late staff recruitment or over-estimating the project budget required) is very likely to result in a financial loss. In such cases, the university may decide not to accept such projects, and the investigator will therefore be asked to seek permission from their employing KHP NHS Trust for the project to be operated through that NHS Trust.
- 7.25 It should also be noted that Research Council FEC grants will not yield the normal university level of overall 'overhead' recovery where investigators are not university employees, because the PI time costed on those projects has to be transferred to the PIs' employing institutions; university Indirect and Estates Costs will still be recovered on such grants, however.
- 7.26 In order for the university to accept awards or submit applications on behalf of KHP Trust staff wishing to act as sole investigators:
- There must be formal written approval by the relevant KHP Trust at an appropriately high level (e.g. Head of the Trust R&D Office); this could be either on a case-by-case basis, or by a well-defined, blanket agreement relating to certain kinds of award that may held by specific individuals.
 - The individuals are officially assigned to a university Faculty and/or

School/Division.

- There is formal approval by the relevant Executive Dean and Head of School/Division; this is important as there are significant risks attached to non-university employees acting as sole investigators on grants (e.g., if sanctions are applied by a Research Council or payment withheld).
- To ensure independence, probity and transparency, where work is to be subcontracted between the university and a KHP Trust, the same individual may not act as the project lead for both organisations.

7.27 In addition, where a KHP individual holds an award at the university as the sole investigator, university Financial Regulations and procedures regarding the authorisation of expenditure on those awards require sign-off by a properly authorised permanent member of university staff. Should such an individual wish to be a sole authorising financial signatory, this requires the express written permission of the Executive Dean of Faculty, Head of School/Division and the Chief Accountant. Where a KHP individual is a co-investigator on an award at the university a substantive member of university staff will be required to act as the budget holder.

7.28 Where it is agreed that awards may be operated through the university on the basis set out above, those awards must be made to the university directly in the case of new projects, or in the case of existing projects, subcontracted or novated to the university from the relevant KHP NHS Trust with the funders' express consent.

8. Secondment of university staff

8.1 Where a university employee is to be seconded to another organisation, including a university spin-out company, a legal agreement should be put in place to formalise the matters associated with the secondment, such as the price, the nature of the work being carried out by the secondee, the duration of the secondment, intellectual property rights (including rights to use findings generated whilst on secondment after the end of the secondment), confidentiality, indemnities, place/s of work, insurance, payment, use of name, conflicts of interests, publication, transfer/use of materials and VAT (secondments are generally subject to VAT). As the purpose behind secondments varies (including both research and consultancy), the nature of the terms required in the legal agreement also will vary depending on the circumstances; most particularly the terms relating to publication and intellectual property will differ according to the situation.

8.2 All secondments, whether full- or part-time, require prior approval at Faculty and School, Divisional/Departmental level at the earliest possible opportunity because of the long and short-term consequences of staff being seconded out of their academic unit for both the academic unit and the individual. Where an employee is seconded to another organisation, they remain a substantive employee of the university during their secondment and so would not be substantively employed by the hosting organisation, although they may receive an honorary position.

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- 8.3 Before a secondment can be agreed to by the university and formalised with the hosting organisation, the university will need to be satisfied that
- (i) there will be no actual or potential conflicts of interest between the activities to be carried out under the secondment and the secondee's normal university duties, including those of supervising externally funded research projects and students, and/or
 - (ii) that a robust and transparent mechanism has been put in place to manage any actual or potential conflicts of interest that have been identified or that may arise during the secondment.
- 8.4 Particular care over conflicting interests, roles and responsibilities should be taken where a proposed secondment involves an academic being hosted by an organisation that is also currently funding research projects that he/she is supervising.
- 8.5 Careful consideration should be given to what information a secondee may wish to use during their secondment as well as the conditions under which that information was originally created or received, so that this can be properly addressed in the legal agreement governing the secondment. Confidential or unpublished research results, or results belonging to or licensed to funders of research, must not be disclosed to the organisation hosting a secondment, except to the extent that they are already legitimately in the public domain, in which case they must always have their provenance and any restrictions on their use expressly identified and agreed to beforehand.
- 8.6 University staff taking up secondments should be aware that any materials, data, databases, software, datasets, tissue samples, questionnaires, images, creative works, animal models, cell lines, documentation or other outputs in whatever media that they have created whilst employed by the university are, and will remain, the property of either the university or an organisation that has funded work at the university. Therefore, the secondee may not take such materials to, or supply them to, the hosting organisation without, in the case of university-owned materials, specific terms relating to the transfer of materials being put in place, either in the secondment agreement itself or in a separate Material Transfer Agreement ('MTA'). Any materials that are owned by an organisation that has funded work at the university or which have been supplied to the university by a third party under an MTA may not be taken to or supplied to the hosting organisation without the express written permission of the organisation that supplied them. Normally, a separate agreement with respect to any sharing of such materials must be put in place.
- 8.7 Secondment agreements must not be signed by seconded individuals but rather should be signed by and on behalf of the appropriate university authority because they will contain matters that individual academic staff are not empowered to agree to, for example relating to confidential information, ownership of the work they create in the course of their secondment, price or payment. Advice on appropriate signatories as

well as on the acceptability of any contractual terms for secondments should be sought from HR.

9. Research Agreements/Working with a potential funder – Key Elements

- 9.1 When setting up a research project with an outside funding body it must be determined who in that organization is empowered to negotiate and agree terms.
- 9.2 The university always requires formal written commitment that the agreed level of funding for a project will be made available. Any letters of intent sent to the university in order to allow commitments to be made before a contract is formally executed must be definitive and not couched in conditional language.
- 9.3 The potential commercial value of a project's anticipated outputs, both to the researcher and the university, should be borne in mind and inform decisions on such matters as pricing, management of intellectual property and the management of risk.
- 9.4 Care should be taken in defining what results are to be achieved by a project; this applies particularly in the case of student-based projects. There needs to be clearly defined and achievable goals. Normally, 'reasonable endeavours' terms should apply to the research being carried out and the university should not guarantee that a research project will achieve certain specified outcomes. Therefore, in the contract for the work, it should be specified that:
- (i) the results of research projects are experimental and may contain materials, data or processes whose properties and safety may not have been established, and
 - (ii) the university will not be liable for the consequences or effects of any use to which a funder or collaborator puts project results.
- 9.5 Where a project requires certain non-financial contributions from the funder (e.g., the supply of software to the university to be used in the research programme or compounds and datasets to be analysed), supervisors should bring this to the attention of Pre-Award so that these requirements can be made clear in the contract. The relevant disclosure should be added also at application stage in the Risk Assessment of the Worktribe Project record.
- 9.6 Supervisors should be aware that all information which they and their research teams receive from funders or collaborators under obligations of confidentiality, whether these obligations are set out in the research contract itself or in a collaboration/consortium agreement, a confidentiality agreement non-disclosure agreement or in an MTA, must be kept fully confidential and may only be disclosed to those individuals permitted by the relevant agreement. Funders or collaborators in turn must abide by the same obligations of confidentiality. Any such confidential information may not be disclosed, for example, to academic colleagues not permitted to receive it by the relevant agreement or to colleagues and collaborators in other organisations, including those in the university's KHP partner NHS Foundation Trusts,

unless the agreement expressly permits this. Pre-Award can advise supervisors on these contractual obligations.

- 9.7 It should be noted that even where there are no specific obligations of confidentiality in an agreement, the obligations of confidence in the common law apply to evidently confidential information disclosed to (or by) university staff.
- 9.8 The start date and agreed period of work must be realistic and the budget awarded must cover the full, agreed cost of carrying out the work.
- 9.9 Where required, the scope of technical progress reports must be defined and agreed, and interim reporting requirements should not be onerous.
- 9.10 The method of payment by the funding body needs to be agreed and, where possible, payments should be made in advance so that the university is not bearing the cost of carrying out the work and claiming for it in arrears, although it may be reasonable for a modest sum (generally not to exceed 10% of the budget), to be retained at the end of a project pending the submission of a final report or completion of the project to the agreed specification.
- 9.11 One way in which the university manages the financial risks associated with working with commercial funders (non-payment, bankruptcy etc.) is by carrying out credit checks on funders that are new to the university or whose status gives potential cause for concern (e.g., new, small or start-up/spin-out companies). Where a credit check indicates that a company is not financially robust, the company is too new for the credit check to yield any meaningful financial data or if there are other grounds to be cautious, and the decision is made to move ahead with the collaboration, the university will put in place measures to ensure that it is not financially exposed. Such measures may include requiring that the full budget be paid in advance, requiring a letter of guarantee from the company's bankers for the value of the project or requiring the value of the project to be underwritten by the funder's parent company, if there is one (and provided that the parent company is financially sound). The university may also require the company to take out so-called run-off insurance to back up its liabilities should it cease trading, some of which (e.g., indemnities or product liability) may extend beyond the duration of the project where it is intending to use the project results commercially. Additional measures may also be put in place around staff employment and IP.
- 9.12 The terms under which a research project may be terminated and how on-going commitments (e.g., to recruited staff) are to be honoured, need to be clearly stated in any agreement for funding. Contracts that support research students should not be able to be terminated by a funder unless the student ceases to be a student at the university or abandons their particular course of study.
- 9.13 Where a project involves the participation of a number of organisations, care should be taken to ensure that each party's role is made clear, and to specify which party is

carrying out which part of the work and/or committing to deliver which deliverables, including reports. Other important considerations are:

- (i) whether publications will be made in joint names,
- (ii) the ownership, protection and rights to use intellectual property, and
- (iii) how the overall direction of the project will be overseen and managed.

- 9.14 The direction of the project may involve the creation of a steering group, in which case the collaboration/consortium agreement should identify clearly what that steering group should be responsible for (e.g., academic direction, finances, reporting/dissemination), the frequency of its meetings, whether some meetings could be virtual, and how decisions are taken, including the voting rights of the chair of the group.
- 9.15 The form and wording of grant conditions, contracts and other legal agreements is of great importance, and some words may carry unexpected and very specific legal meanings (e.g., ‘best endeavours’ or ‘full title guarantee’).
- 9.16 The wording in any agreement and its importance will vary depending on the nature of the work and the various risk factors involved. For example, the nature and scale of risk in a contract to carry out research on medical implants or new biomaterials is different from that in a contract to carry out a social survey for a policy review to study the relationship between the individuals’ experiences of the social welfare system. Similarly, a contract to cover the university supplying a service will need to address different risk and liability considerations from one where the university is not supplying a service, such as research collaboration/consortium agreements or ‘straightforward’ material transfer agreements.
- 9.17 Any contract with commercial organisations to carry out research must be worded in such a way as to enable the university to fulfil its charitable purpose of carrying out research for the public benefit and not impede or prevent it. All such contractual issues are the responsibility of RMID who will assess the situation, seek advice where appropriate and negotiate with the external organisation to seek the best possible terms in the circumstances that are consistent with each party’s requirements and preferences.
- 9.18 The following table highlights some of the main aspects in research agreements and identifies some of the university’s key preferred terms of business:

Parties	All contracts must be made with King’s College London (not with a Faculty, research group or an individual). This section of an agreement should also specify the legal address of the parties to the agreement; the university’s legal address is - Strand, London WC2R 2LS.
Start, Duration & End date	These should be clearly set out and correspond to the details of the project specification attached to the contract or grant
Project	The Principal Investigator and Co-Investigators should be identified,

Investigators	together with their counterparts in the funding organisation.
Payment	The amount to be paid for the project should be stated, as should the pattern of payments (e.g., fixed price, quarterly in advance, against milestones), whether output VAT is payable (which it generally is with most commercially funded and some Government-funded research), any retention sums, payment terms (e.g., 30 days) and any requirements for the university to provide specific information to support invoices. The university's preferred financial terms for contracted research is fixed price, quarterly in advance.
Project Specification & Deliverables	There should be a schedule attached to the agreement setting out the proposed plan of work; it need not be lengthy, but it should set out clearly what research is proposed and identify any subcontractors or external consultants who will be used. The specification should also identify any relevant timelines. Where the other party is also carrying out part of the project, this should be specified, as should any dependencies affecting the work that the university is to carry out (e.g., the supply of a dataset or computer program by the other party that is fundamental to the university's work). This section of a contract is important for clarity and to avoid misunderstandings or disputes about performance once the project is underway. Details included in the work specification (e.g., the duration or budget) should not conflict with the terms in the main body of the agreement.
Reporting & Meetings	The nature of required reports as well as the frequency and responsibility for reporting should be clearly laid down and must be realistic. If regular project management meetings are required, these should be identified. Meetings may be virtual (e.g., by teleconference, Skype or simply by telephone). In student contracts the student's thesis should constitute the final report, with no obligation to deliver any other final report.
Equipment	Equipment purchased on research projects should generally belong to the university, with the major exception being projects funded by UK Government Departments. Annual maintenance costs should be charged for. University procurement policies must be complied with when purchasing equipment.
Confidentiality	There should be a two-way confidentiality clause protecting the exchange of confidential or sensitive information in the course of the project which also identifies the exclusions that should apply (e.g., if the information lawfully enters the public domain or is legitimately required to be disclosed under a freedom of information request). The terms governing confidentiality must not conflict with the fundamental right to publish research findings in accordance with academic practice (see below).
Publication	The right to publish the findings from the research in a meaningful way in accordance with normal academic practice is fundamental to the university's academic and charitable mission, although it may be reasonable to genericise certain aspects of the findings when publishing where this does not compromise academic integrity. The contract should set out a process for the publication of the research findings,

	<p>whereby the funder is able to review proposed publications and vet them for the inclusion of its confidential information or for information that may jeopardise its protection of intellectual property arising from the project. It is not acceptable to allow indefinite delays in publication or to allow publication to be delayed to protect the commercial interests of the funder; however, it is acceptable and within the scope of the university's charitable requirements to permit delays in order to allow any intellectual property that may arise during a research project to be protected (e.g. by a patent application). Nevertheless, any delays in publication to allow intellectual property protection to be taken out should be kept to the minimum necessary in the circumstances. See also here.</p> <p>Publication restrictions on student theses should be given especially careful consideration and must not impede a student's ability to submit a meaningful thesis and be examined for his/her higher degree. Any delays in publication must correspond to the periods and processes set out in the university's student regulations, which specify that theses must be placed in the public domain immediately they have been awarded and ratified. However, delays may be permitted in exceptional circumstances, such as to protect intellectual property (e.g., by patent), where a thesis includes material of significance to national security or personal safety or in order to adapt the thesis for publication as a book (although such cases only the thesis and not the abstract could be delayed). An application for delay on the grounds that a thesis contained sensitive or confidential information would not automatically be granted, as the Council may take the view that the inclusion of such information in a thesis intended to advance learning was inappropriate, although it would exercise some discretion depending on the situation. The maximum delay that will be granted is two years from the date of the award. A student has to apply to the university's Academic Board for restriction of access to her/his thesis, with the application supported by the appropriate Head of Faculty.</p> <p>Academic publications should conform to the university's citation policy, which has been devised to ensure that research data created and used within the university is managed and curated to the highest standards throughout its lifecycle and with due regard to applicable legislation on access and privacy, and the possibility of beneficial re-use.</p>
<p>Intellectual Property ('IP')</p>	<p>The university prefers to retain the ownership of the IP created in a project and grant royalty-bearing licences to the funder to use it for commercial purposes, but it may alternatively agree to assign the ownership of the IP to the funder, where this makes sense, in return for royalties. In all cases the university would retain the rights to use the IP that it has created for its own further academic purposes. Where rights are assigned in student contracts, care should be taken not to assign the literary copyright in student theses. Where the university agrees to assign ownership of the IP to the funder, this is made dependent on the funder honouring its obligations to pay the university for the research it carries out, and ownership will only pass to the funder once all invoices have been settled. Where ownership of IP is assigned to the funder,</p>

	<p>the university will retain rights to use the results of sponsored research projects itself for further research and teaching. See also here. In addition, certain IP must not be assigned, such as the literary copyright in a student's thesis. Particular care needs to be taken in multi-party / consortium agreements over how IP will be owned and used, so that the participants all have the appropriate rights to use each other's IP and the IP is owned in a way that makes best sense in the context of the consortium and complies with anti competition regulations and the university's charitable requirements. Jointly owned IP is very problematic and should generally be avoided except in specific and exceptional circumstances. See also Section 10 on IP.</p>
<p>Use of the university's Name</p>	<p>Reputational risk is a significant concern for the university (see also here), and there should be provisions that protect how the university's name, crest and logo are able to be used (including being implied by inference), as well as the names of its staff and students. The university would not allow its name to be used in advertising or endorsing products created as a result of research carried out in its laboratories. Where project reports may be used publicly by a funder or be used in or as a policy document, the university must retain control over how its name and reputation, as well as that of its researchers, are managed, and, in the event that its academic findings are likely to be misrepresented or presented in a way that may mislead or damage the university's integrity, it must have the right to have its and its researcher's names removed from the publication and to not be associated with it.</p>
<p>Subcontracts & External Consultants</p>	<p>There must be a formal legal agreement between the university and any subcontractors (including other universities) and external consultants. All such agreements should be drafted to make clear the deliverables and timescales required for the university to be able to use the subcontracted work in the project, and any critical dependencies should be closely managed. The terms of subcontracts / consultancy agreements must be consistent with the main research grant / contract and should ensure suitable levels of performance and timely delivery by the subcontractor / consultant, including suitable monitoring of their performance. Such agreements should also ensure that any work created by the subcontractor / consultant belongs to the university. This is because if a contract is silent on the ownership of the results, the work carried out by the subcontractor or consultant, including any intellectual property rights, will be the property of the subcontractor or consultant and the university will be unlikely to be able to honour its commitments to the funder of the project. The contracts should also specify appropriate rights of audit and that payment will only be made on receipt of suitably detailed invoices. Care should be taken to ensure that any VAT that the consultant or subcontractor has to charge has been costed into the project budget for their work. The terms of subcontracts and external consultancies are to be negotiated by Pre-Award and must take proper account of IR35 taxation requirements. A consultancy must not be a surrogate form employment and in particular, consultants must be free to act independently and not be under the control, supervision or direction of the university, which are</p>

	<p>the key indicators of employment identified by HMRC.</p> <p>Consultants who are not registered in the UK for taxation purposes will need to provide the university with definitive documentation and full supporting written evidence that they are properly registered for taxation purposes in another country.</p> <p>Before contracts can be put in place with organisations or individuals to act as subcontractors, collaborators or consultants, PIs are required to identify, and take steps to manage, any reputational risks associated with the relationship in full accordance with the university's policy and procedures for the acceptance of external funding and collaboration with organisations and individuals. If any risk identified with the relationship is too great, the university may decide not to enter into the proposed relationship.</p> <p>University procurement policies, including those relating to tendering and preferred suppliers, must be complied with when placing subcontracts and external consultancies. Payment for work carried out under subcontracts and external consultancies can only be made against university purchase orders raised through KFIN for the work in question.</p>
<p>Liability & Indemnity</p>	<p>Careful consideration needs to be given when liability or indemnity clauses are proposed. The university will generally seek to limit its liability in research contracts by a number of means, including a financial cap on its liabilities. The university's insurance does not cover certain kinds of liability, which need to be specifically excluded in contracts so that no liabilities are accepted that exceed or fall outside the university's insurance cover. Similarly, wherever possible, any terms that may be implied into contracts for research that the university carries should be explicitly excluded (e.g., <i>the Sale of Goods Act</i>, which applies to the supply of research and consultancy services). Where the university agrees to give indemnities, they will need to be balanced by a requirement on the funder that notwithstanding the indemnity, it will seek to mitigate its losses, so that the indemnity cannot be used effectively as a blank cheque. Where a funder has rights to use the finding of the research commercially, the university requires to be indemnified for the use that is made of the findings, for which it cannot be held liable. The results or outcomes of research projects cannot be guaranteed, and the university will include wording in agreements to make clear that all results provided to funders are 'as is' and comprise experimental research-grade findings that are not of market standard. Where a project is a clinical trial, the university must be fully indemnified on a 'no fault' basis against any claims brought by third parties arising from the use of drugs etc. provided for the trial by a participating organisation.</p>
<p>Termination</p>	<p>Provisions for premature termination should allow for outstanding costs and commitments (e.g., to staff) to be met. Where the university terminates a contract for default by a commercial funder, the funders' rights to own or use projects results should automatically become void. The minimum notice of termination required in respect of staff is three months for researchers and administrators on academic-related pay</p>

	scales. Student Agreements should not be able to be terminated by the funder unless the student ceases to be a student at the university or abandons their particular course of study.
Force Majeure	There should be a provision that exempts the university from claims of default or non-performance caused by circumstances beyond its reasonable control (e.g., acts of God) and sets out a process for notification and for how such situations should be handled. Without there being such a provision in a contract, should the university be unable to carry out an agreed programme of work due to events outside its control, a funder could construe this as a breach of contract and a failure to perform and take legal action against the university.
Dispute Resolution	Consideration needs to be given to how to deal with a dispute arising with the funding body or other participants in the project and the way in which such a dispute could be resolved without going to law. A dispute resolution clause should specify the full process, place and nature of the dispute resolution process to be used, as well whether it is intended to be binding or non-binding. ADR-based mediation is preferred to arbitration. Ideally any mechanism should include an escalating process that starts at a local, operational level and moves on to senior officers of both parties before any external course of action is initiated, which is likely to be time-consuming and expensive. Any external process, including going to law, should be the final, not the first, step. Particular care needs to be taken in international contracts to choose a suitable mechanism that is fair and workable for all participants and not likely to lead to unknown risks and costs, but which instead can help mitigate some of the potential consequences of international collaborations.
Law	Agreements should normally be governed by English law. The main acceptable exceptions are contracts from the European Commission or from Scottish or Northern Irish governmental bodies. Careful consideration will be given before agreeing to operate under a foreign legislation because the risks may well be unknown and the university's insurance cover may be inadequate.
Jurisdiction	The country in which any legal disputes will be heard should be specified, and as a venue, the UK is always preferred. Where an overseas venue is agreed to, the language used in proceedings must be specified as being English. The USA and Canada should be avoided on grounds of costs and inadequate insurance cover. Full insurance cover is needed to cover action in the country of jurisdiction.
Signatures	Only authorised university officials are authorised to sign contracts; individual academic or research staff are not empowered to sign contracts in the university's name. The signatures of investigators and/or researchers may also be required to confirm that they have read and understood the contract and recognise that it applies to them in their carrying out of the project. The university accepts and prefers the use electronic signatures for research grants and contracts, Collaboration Agreements, MTAs, NDAs and other forms of research-related agreement.

10. Intellectual Property

- 10.1 The university's policies and procedures regarding Intellectual Property (IP) are to be found in its [Code of Practice for Intellectual Property, Commercial Exploitation and Financial Benefits](#). The Code sets out the terms governing the ownership, protection and commercial exploitation of IP, and provides a framework to enable the dissemination of knowledge in the public interest whilst allowing for suitable protection of intellectual property and commercial exploitation where appropriate. The information below provides a brief summary of IP management in the specific context of university research grants and contracts.
- 10.2 The Patents Act 1977 and the Copyright, Designs and Patents Act 1988, and related IP legislation, provide that all IP generated by an employee made in the course of their normal duties belongs to their employer. Therefore, any IP created by university employees in the course of their normal duties is the property of university.
- 10.3 Students are not employees and so, in law, students who generate IP in the course of their studies or research would own that IP in their own right. Such a situation creates a number of interrelated problems regarding the identification, protection, management and exploitation of IP (especially as students are not generally sole creators of IP), as well as problems with the effective dissemination of research outputs for the public benefit. Therefore, the university requires that students carrying out research at the university assign the ownership of their IP to the university in return for certain benefits. Such assignments also enable the university to fulfil legal obligations it may have to the organisation supporting the student or collaborating on the research programme in which the student is participating. In such cases, although students are asked to agree that any IP they create will initially belong to the university, subsequent ownership will be determined in accordance with the terms of the agreement with the external organisation that relates to the research project in question.
- 10.4 The Students and Education Directorate is responsible for ensuring that, prior to an undergraduate or taught postgraduate student being assigned or engaged on any research project in the university, or prior to a postgraduate research student registering at the university, that student agrees to comply with the [Code of Practice for Intellectual Property, Commercial Exploitation and Financial Benefits](#) by completing the university's online enrolment task and signing the IP Assignment and Acknowledgment for Covered IP Rights contained in Schedule 1 of the Code. The Code states, among other things, that after assigning their IP students will be treated in the same way as employees as regards the sharing of net revenue from the commercial exploitation of any IP they may create.
- 10.5 Students who are also university employees are treated in law and by the university as employees.
- 10.6 Individuals who work on projects and who are neither employees nor students, such as emeritus staff or visiting fellows, are required to assign their IP to the university for the

same reasons as students, will be required to agree to comply with the university's [Code of Practice for Intellectual Property, Commercial Exploitation and Financial Benefits](#) and sign the IP Assignment and Acknowledgment for Covered IP Rights contained in the Code, under which, among other things, they too will be treated in the same way as employees as regards the sharing of revenue from the commercial exploitation of any IP they may create.

- 10.7 Executive Deans and Heads of School, Division or Department (as appropriate) are responsible for ensuring that all individuals working on research projects in the academic area for which they have responsibility have agreed to comply with the Code, including signing the IP Assignment and Acknowledgment for Covered IP Rights contained in Schedule 1 of the [Code](#).
- 10.8 A funder paying the full cost of a project has a right to expect a significant degree of control over the work programme, more rigorous contractual conditions and to have a significant stake in the results of the work. The way in which the project IP is handled will naturally depend on the individual circumstances of each project, but the university's policy is to grant funders options to licences (generally in specified fields), rather than simply granting licences automatically. The university recognises that certain funders may be best placed to commercialise and/or protect the IP from a project, but this should always be on the basis of reasonable terms and a financial return to the university. The UK Government has issued guidelines to all Government Departments stating that they should generally allow universities to own the IP arising from research projects that they commission from them, except in quite specific circumstances.
- 10.9 Funders may wish to own the results of research they sponsor. This is a common request from commercial organisations, but in many cases a funder will not actually need to own the IP but will need the security of a guaranteed right to use the IP on agreed terms. The actual ownership of the IP is generally of far greater use and value to the university in its future research and academic activities and to enable it to exploit the IP's commercial potential to the full. It is a common misunderstanding that owning IP and having the right to use it are the same thing. It is not acceptable to assign the ownership of IP simply because a project is being fully funded. There should also be a good reason for doing so, such as on the basis of ownership of pre-existing IP.
- 10.10 In a significant number of cases, projects may intentionally be non-commercial and have no intention of generating results which are likely to be commercially exploitable. In such cases there clearly ought not to be any need for the funder to own the project results.
- 10.11 Irrespective of who owns the IP arising from a research project, the university would expect to share in the financial benefits from its commercial exploitation. This is also consistent with the Charity Commission's guidance to universities.
- 10.12 The university policy is that ownership of IP will generally only be assigned when:

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- (i) a project has been fully funded (i.e., full FEC),
 - (ii) to do so would not jeopardise the university's ability to apply for or attract future research sponsorship,
 - (iii) to do so would not entail assigning ownership of mainstream research results
 - (iv) it is able to retain freedom to operate – i.e., the right to use the IP itself for further academic research and the freedom to publish findings in accordance with normal academic practice,
 - (v) it is able to comply fully with its public purpose requirements under the Charities Act 2011, including revenue-sharing, and
 - (vi) it is in the university's interest so to do.
- 10.13 It must be recognised that ownership of the IP arising from research projects is an asset in itself. Therefore, where there is a genuine case to be made for the ownership of the results to be assigned to a funder, the university may consider charging a fee to recognise the value of that ownership.
- 10.14 The university's aim will always be to obtain the best terms possible in the circumstances, taking into account all relevant factors.
- 10.15 In all cases where ownership of IP is assigned, the university will retain rights to use the results of sponsored research projects itself for further research and teaching. In addition, certain IP rights must remain unassignable, such as the literary copyright in a student's thesis. Some contracts (generally those funded by Government), require the assignment of copyright and/or the waiving of the author's moral rights where the aim of the work is to create an official report or document etc. (moral rights protect the paternity and integrity of authors and creators of literary, dramatic, musical and artistic works and although they cannot assigned or licenced, they may alternatively be waived). In such circumstances, this approach is not unreasonable, but the university will always ensure that it retains the right to use the report/document and its content and the ability to control how its name and that of its researchers is used in association with the document(s) - a right which would otherwise have been lost when copyright was assigned and moral rights waived.
- 10.16 IP matters associated with companies in which the university has a shareholding, directorship/controlling interest or other interest, are dealt with at paragraph 5.2.
- 10.17 Some one-to-one commercially funded research projects as well as consortium-based research projects with commercial involvement where more than one of the parties is undertaking part of the project, such as the EC's research programmes, Innovate UK projects or some Research Council initiatives, are governed by an EU competition regulation intended to prevent anti-competitive practices (EU Regulation 1217/2010). This legislation serves to protect the university's rights to use and exploit a project's results (i.e., IP), but where applicable, also severely restricts the ability to grant or be granted exclusive licences to, or ownership of, a project's results. After Brexit, the UK is retaining EU Regulation 1217/2010 with its original expiry date of 31 December 2022.

10.18 Certain funders may indicate that irrespective of the ownership of the IP, they do not wish to share any revenue they make from the commercial exploitation of the results of a research project with the university. However, it is not acceptable to forego a share in a future revenue stream simply in return for a project being fully funded. This undervalues the role of the university in carrying out sponsored research and could raise concerns about breaches of State Aid regulations. The fact must be recognised that the university only undertakes research at cost, and that it therefore requires a financial stake in the IP it has created to recognise its contribution to the invention that has been made. IP will not be assigned or licensed to a funder without there being a fair return to the university in the form, for example, of running royalties. Where a funder is not willing to share revenue in this way, the university will review the circumstances and if it was agreed still to proceed on this basis, it will negotiate a premium in addition to the full contract price in lieu of the university's foregone future income. It should also be borne in mind that universities are exempt charities regulated by the Charity Commission, which has stated that, when collaborating with industry, "at the very least, in all cases, [universities] should ensure they can exercise an appropriate degree of legal control over the use of IPR and receive a proper share in any benefits arising from such use."

10.19 In summary, the university:

- Will not accept a lower price simply because the funder allows it to own project IP.
- Will not generally assign ownership or give exclusive licences to IP in its areas of mainstream research where it is not in the university's interest to do so.
- Will retain full academic freedom to operate.
- Will charge a premium where a funder will not share exploitation revenue.
- Expects to be able to share in the benefits from the commercialisation of IP that it creates.

11. Costing, Pricing and Approval

11.1 Faculties/Schools/Divisions/Departments are responsible for initiating all research applications in the Pre-Award module of [Worktribe](#) and for costing the following grant types:

- Research grants of any value from UKRI, NIHR, UK and charities
- EU/NIH/GCRF where King's is not the lead partner
- Multi-Faculty research grants
- Innovate UK funding

11.2 For the following types of research applications, Faculties may also initiate costings provided that the individuals attend short, ad-hoc training delivered by Pre-Award that provides further guidance and highlights key points for these complicated bids. These training sessions are available on Skillsforge or can be requested directly from Pre-Award:

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- Commercial research funding (including co-funded studentships with industry partner e.g., CASE).
 - Applications where King's is the lead coordinator of multi-party international collaborations for EU, NIH, GCRF
- 11.3 All proposals must be approved in advance of submission by relevant Executive Deans of Faculty and Heads of Schools/Divisions/Departments or their nominated representatives using the facility in the Pre-Award module of Worktribe.
- 11.4 The approved Project record in Worktribe must be submitted to Pre-Award or Contracts, together with the appropriate supporting documents and draft applications, five working days before the date the proposal is to be submitted to the funding body.
- 11.5 For commercial, multi-party international collaborations where King's is the lead and consultancy, the deadline for grants to have been approved at Faculty level and to be sent to Pre-Award/Contracts workflow is a minimum of 10 working days' notice.
- 11.6 When making applications for research funding, applicants should always include in their proposal all costs that are permissible under the funder's applicable terms and conditions.
- 11.7 Projects must be fully costed to include all staff time, both permanent staff time and additional staffing needs, e.g., research assistants, technicians, students, nurses, clerical staff, etc., all of which must be clearly identified and defined. Investigator time is not included in the calculation of [Indirect Costs](#) and must be calculated and shown separately. All staff costs, Indirect Costs, Estates Costs and overhead charges must be calculated by Pre-Award.
- 11.8 Unless a funder's terms and conditions specify otherwise, all individuals acting as investigators on projects, whether as PIs, Co-PIs or Co-Is, must fully cost the time that they will spend on the research into their project budget as part of the Full Economic Cost (FEC) Directly Allocated (DA) costs. There are a few consistent exceptions to this requirement, the most common being:
- (i) the award pays for the salary of the PI/Co-I, as this makes their cost a DI cost, e.g., a career fellowship where the fellow is also an investigator, and
 - (ii) academic time intended for student supervision on student projects because the student's fees contain an element to cover academic staff supervision.
- 11.9 The university requires that, unless there are exceptional circumstances agreed at Faculty/Division/School/Department level, anyone acting as PI will spend and budget for a minimum of 10% of their time on the project and that anyone acting as a Co-I will generally spend and budget for at least 5% of their time. Where a PI is leading or coordinating a multi-party project, they should spend and budget for at least 20% of their time, unless agreed otherwise at Faculty/Division/School/Department level.
- 11.10 Notwithstanding the above provision, the university recognises that the amount of an investigator's time that needs to be committed to a particular project will vary

depending on the scale, nature and complexity of the project as well as on the number of other investigators involved and the level of management and supervision required. Therefore, decisions about deviations that fall below the university levels of expectation are to be approved on a case-by-case basis at Faculty or School/ Division/Department level (as appropriate), through the approval process in [Worktribe](#), unless an alternative, equivalent local management approval mechanism is in operation. Investigators should always present the authorised approver with the rationale for any such deviation.

- 11.11 For fellowships schemes however, where a PI is acting as budget holder and supervisor but where their time is not an eligible cost for the purpose of the fellowship scheme, it is expected that PIs will indicate a realistic expected percentage of time they anticipate spending in holding the grant. No specific time commitment is expected, provided that a realistic picture of the involvement is added in the costing for monitoring FEC purposes.
- 11.12 Salary information collected and shown in Worktribe is sensitive and should be kept confidential to the extent that is practical and reasonable (in the context of the requirements of a funding body and a research collaborator which may reasonably need to be aware of salary and budget information). It should be borne in mind that everyone involved in the submission of a proposal who is based in the UK, whether within the university, a funding body or a collaborative partner is required to abide by the provisions of the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018 under which they will all be acting as 'Data Controllers'. In particular, all such organisations have to adhere at all times to the six data protection principles identified in the Act when dealing with personal data. In terms of proposals, every organisation involved in the process has the responsibility, when handling salary and other personal details, to use this information solely for the purpose that it was originally intended/supplied, to keep it for no longer than is necessary and to process it in a secure manner.
- 11.13 All costs for internally provided university services and facilities should be provided by the unit supplying those services.
- 11.14 External organisations and consultants involved in proposals (e.g., other universities, NHS Trusts or companies), should provide details of their own costs. If VAT is applicable to the work of that organisation, VAT should be included in budgeting for their involvement. As every university has different FEC rates for their Estates and Indirect Costs, where proposals require the inclusion of FEC costs from other universities, these costs must only be obtained from the university in question, and applicants should allow sufficient time to obtain this information. Applicants are required to include the budget for external organisations and the approval of NHS Trusts (for NHS involvement) when submitting costs in Worktribe.
- 11.15 All proposals where funding will come to the university must be approved by Pre-Award prior to submission. Pre-Award sign or authorise as the 'Institutional/Administrative

Official', 'Finance Officer' or equivalent on application forms. To obtain approval, PIs should provide a copy of their proposal and a completed and fully-approved project record in Worktribe. Pre-Award will check the proposal (with particular attention to the costs entered and funder rules on completion) and the risks assessment in Worktribe. If they have any concerns about the proposal, they will discuss them with the PI. Once any queries have been resolved, the proposal will be signed on behalf of the university.

- 11.16 In the case of electronic submission of proposals, Pre-Award is normally the final authoriser (and submitter) of an online proposal and applicants must allow enough time at the submission stage to make corrections to their proposal should Pre-Award identify any errors and need to return the proposal to the PI to revise and re-submit.
- 11.17 Where a funder does not require an explicit approval (electronic or print signature) from an institutional representative, this does not mean the costing requirements of this section do not apply. It is the obligation of the PI to ensure such proposals are costed by Pre-Award and approved via Worktribe as with any other proposal.
- 11.18 Costs prepared for one funder may be inaccurate when used for another funder because different funders have different requirements (e.g., concerning the inclusion/exclusion of inflation to cover future pay awards, or a requirement to break costs down by financial years). Likewise, changing project dates will have an impact on salary costs. Therefore, when resubmitting costs to a different funder, applicants should re-cost the project as necessary or else confirm that the costs previously provided remain accurate and may be used with a different funder.
- 11.19 Certain permanent staff are employed by the university, but their employment costs are 100% recharged to one of its partner KHP NHS Foundation Trusts. In such circumstances the university is restricted as to whether the employment costs of such staff may be charged to research awards. With funders such as UKRI and NIHR, the university cannot charge the employment costs of these staff to research awards but will charge the Estates and Indirect Costs associated with their time commitment. For other funders, with the exception of those funders who do not pay DA time (e.g., the charitable sector), the university will charge the employment costs of such staff to research awards, along with the applicable Estates and Indirect costs. For those funders where FEC methodology is not used, such as EU, NIH, etc, the university cannot charge the employment costs of these staff and will not be able to claim the related Indirect and Estates costs.
- 11.20 The financing of all grants and contracts should, wherever possible, be arranged in sterling rather than in a foreign currency. However, the university recognises that this is not always possible, and where a project is to be costed in a foreign currency, the exchange rate to be used should be the official one published in Worktribe in order to manage and mitigate the exposure to currency fluctuation as well as any requirements the funder may have. If the currency needed is not listed in Worktribe, the Pre-Award will select an exchange rate that correlates to the level of risk associated with accepting

the funding, with the key determiners being the currency involved, the proposed start date, duration of the project and the funder's terms and conditions.

11.21 The university will only agree to use certain foreign currencies if it is satisfied that the exchange rate to be used does not expose it to unreasonable risk. The university is generally willing to use US dollars and Euros for which it holds specific bank accounts.

11.22 *Process for determining exchange rates*

11.22.1 If a proposal or award is made in a foreign currency, the rate used should be one of the formal university rates detailed in the table below, with the exception of EU funding, where the [Pre-Award International Team](#) will use the International Team Project Rate for all applications.

11.22.2 There is generally a delay between a proposal being submitted to a funding body and payment being received. To ensure a PI has the Sterling budget identified at the proposal stage to undertake their project, the university fixes the exchange rate at the proposal stage (see **Application Rate** below) and applies it to the award, once made.

11.22.3 The Application Rate (also published in Worktribe) should only be used when the university is to receive funding in foreign currency. It is not to be used when receiving quotations in foreign currency which have to be paid in that currency, if an award is made. In such circumstances, when preparing the costing, the foreign currency price should be calculated in pounds sterling by taking the relevant exchange rate at <https://www.xe.com/> and adding a 5-10% buffer to the GBP Sterling amount to account for fluctuations.

11.22.4 The university absorbs currency gains and losses and to mitigate its losses, the university exchange rates include a level of contingency above the market rate at that time. For situations when there are no formal application and award steps in receiving foreign currency research funding, one of three rates will be applied depending on the potential currency fluctuation risk between the point when the rate is set and when the funds are received (see details of the rates below).

11.22.5 The university exchange rates are updated monthly, and Pre-Award will be able to confirm current monthly rates. Requested deviation away from university rates shall only be agreed in exceptional circumstances by Pre-Award.

There may be exceptional circumstances where it becomes evident when a grant or contract is awarded that there is (or is going to be), a sizeable exchange rate divergence from the one originally used in the application or in the award that would cause the university to incur considerable losses (e.g. £10,000 or more p.a.); this could occur when there is a lengthy period between an application being submitted and a grant or contract being awarded and/or where there are significant fluctuations in the relevant currency markets. In such circumstances, Pre-Award will review the exchange rate of affected awards at Award Set-up stage in Worktribe with a view to applying a more

realistic one and will work with the PI and senior Faculty management to address the issues involved for the grant or contract in question.

If requested and in exceptional circumstances, provided that i) the duration of the proposed project is 12 months or less and the project is expected to start shortly after the application deadline; or ii) the project is expected to receive 90% of the funding within 24 months for a low risk currency (e.g. USD, Euro), Pre-Award may agree to review the exchange rate used and apply a lower level of contingency than the standard university exchange rate (no less than 5%).

11.22.6 **Glossary for university exchange rates for research grants and contracts:**

Application Rate	The university's formal rate used to fix the Sterling budget at the proposal stage for both proposal and award stages. The rate is typically 10% above market rate at that time.
University Risk Rate	The rate used to set the Sterling budget for research awards that did not have Application Rates fixed at an earlier stage. The default rate is the <i>High Risk Margin university Risk Rate</i> (typically 10% above market rate at that time) unless 90% of the funding is to be received in a <i>stable currency</i> within 24 months, in which case it will be the <i>Low Risk Margin university Risk Rate</i> (typically 5% above the market rate at that time).
Finance Rate	The rate held in the university's Finance System on the date the funding is received.
International Team Rate	The rate used for proposals submitted to European Commission funding schemes (€0.05 below the average daily €/£ exchange rate of the preceding 18 months at the time of application).

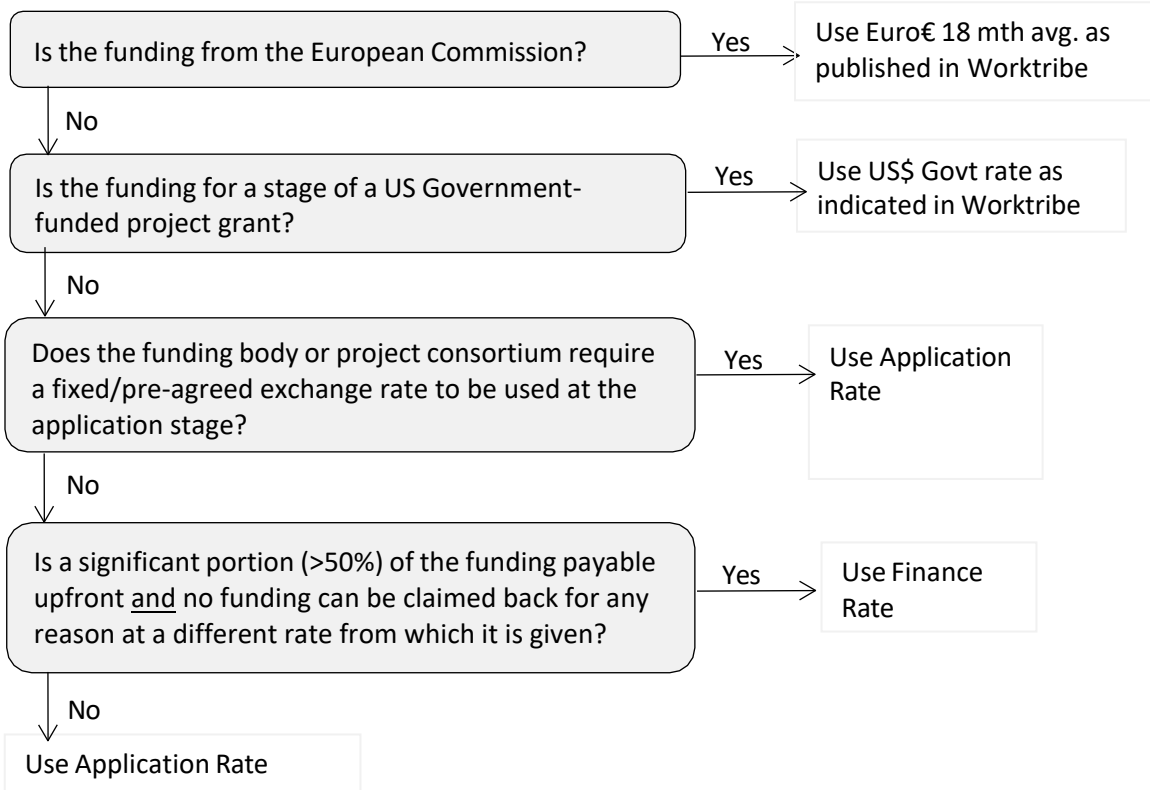
For all the funding schemes whose budget is based on costing: to ensure a PI has the Sterling budget (they identified at the proposal stage) to undertake their project, the university fixes the exchange rate at the proposal stage (see International Team Project Rate) and applies it to the award, once made.

Only for the funding schemes that require no costing because the grant is awarded on the basis of flat-rate amounts: at set up stage of the grant code, the university fixes the exchange rate at the proposal stage (see International Team Project Rate). At activation of the grant code stage, [Post-Award](#) will update the exchange rate applied to the award with the 18-month daily average less €0.05 at 2 months before the start date of the project. For example, for a project due to start 01/03/2020 the 18 month daily average exchange rate for the period July 2018 to December 2019 less €0.05 At interim report to the funding body stage, Post-Award will update the non-pay budget using the average exchange rate of the reporting period minus €0.05, if the average exchange rate between the rate used at activation stage and the rate in use at interim report stage is greater than 10 points. Where there is an interim report to the funding body stage, Post-Award will update the non-pay budget using the average exchange rate of the reporting period minus €0.05, if the average exchange rate between the rate used at activation stage and the rate in use at interim report stage is greater than 10 points.

For all EU-funded projects: If, after the submission of the penultimate financial statement, reported Euro costs indicate an underspend in Euros if expenditure

were restricted to the original Sterling budget, a further supplementary Sterling budget may be made available subject to all costs incurred over the original Sterling budget being under-written in advance by the department.

START



11.23 Full Economic Costing (FEC)

11.23.1 All research projects should be costed using Full Economic Cost (FEC) methodology, irrespective of whether the funder will pay FEC or not or whether the project will recover full FEC.

11.23.2 Full Economic Costing is a method for calculating the full cost to the university of research projects. The FEC of a project represents the cost of all resources that are necessary to undertake a project and is not dependent upon what a funder will pay, which is the price of the research. The university’s FEC rates for Estates and Indirect Costs are calculated annually using data from its TRAC returns (the current rates can be found [here](#)). FEC concerns the cost of a project rather than its price or the way in which its price is shown to a funder. The calculation of a FEC costing for all externally funded research projects is a mandatory, and our methodology and underlying data is regularly externally audited to ensure its robustness and accuracy.

The FEC of a project represents the full cost of the resources necessary to undertake that project and project costs should not be excluded from the calculation of FEC in order to anticipate or affect a decision on setting the price for a project or to increase the perceived chance of a proposal being successful.

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- 11.23.3 There is one Indirect Costs rate for the university and several Estates rates: a non-lab, office/desk-space rate; a low/dry laboratory rate; and high/wet laboratory rate. There is also an exceptional, zero rate solely for activity based at Shrivenham. Each Division/Department of the university is allocated an estates rate based on the predominant space usage for that area and, unless there are sufficient grounds to use an alternative rate approved by the Chief Accountant, project Estates Costs are calculated using the predominant rate for the project (based on the Division/Department in which the project staff are located). Where a significant portion of a project is undertaken off-campus (e.g., overseas), it costs the university less in terms of its estate than if the work were to be undertaken on university premises; in such cases, Pre-Award will advise on the appropriate Estates Costs to be included in project budgets as part of the FEC calculation.
- 11.23.4 For student-based projects, DA costs are not charged on the student stipend or fees, but are charged on PI and Co-investigator time, which must be charged on all student projects, except where the rules of the particular scheme preclude it (e.g., CASE awards).
- 11.23.5 Not all research projects recover FEC and not all funders will pay FEC. For example, UKRI Research Councils typically pay 80% of FEC and major UK charities typically pay DI Costs only, although many funders require details of FEC to be included in proposals. Some funders have fixed regulations on Indirect Costs that are not open to negotiation, e.g. the NIH. It is expected that FEC will be used with all other organisations funding research. However, to reiterate, FEC is a methodology for costing a project, and is different from how that project may be priced, or how the budget may be best presented to a potential funder.
- 11.23.6 Pre-Award will advise on the best way in which costs should be presented for individual projects or funders. With commercial contracts, the price for the work is generally not broken down into the cost of its component parts in the way that, for example, a Research Council proposal requires, as commercial organisations are generally more concerned about whether the cost of the project to them represents a fair price for the work than how it has been calculated and are unlikely to have any understanding of the complexities of FEC.
- 11.23.7 Where a funder requires the costs of a project to be shown using a different methodology, e.g., using person-days or non-FEC terminology, Pre-Award will develop the figures to form the basis of the budget. A person-day rate will include all project costs expressed as a fraction of 220 working days in a year and using the contracted hours the relevant individual is employed (e.g., seven hours a day). A rate using non-FEC terminology (e.g., 'overheads' and 'direct costs') will be costed so that the amount for overheads includes both FEC Indirect Costs and Estates Costs – the FEC 'Indirect Costs' category does not on its own equate to 'overheads'; PI time should still be charged separately.

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- 11.23.8 Indirect Costs, Estate Rates or 'Overheads' do not represent any form of 'profit' but are solely the amounts necessary to recover the actual cost of undertaking an individual research project.
- 11.23.9 Where funders do not require projects to be priced using FEC, the pricing for such projects should be regarded as potentially negotiable (especially as regards commercial funders and some governmental agencies), with the basis being that whilst such projects must be costed using FEC, the price achievable may be higher than FEC and be based on factors such as the market, the 'value' of the research, the contractual terms required and the expertise being provided. Pre-Award will advise on such 'value-based' pricing.
- 11.23.10 The university recognises that it will not always be possible to recover the full costs of a project and that the price of a research project should not be based simply on what it costs to undertake, but on other, qualitative factors as well. Therefore, an Executive Dean or Head of School/Division/Department may agree, in consultation with RMID, to take an informed decision to recover less than full FEC from a project by reducing the percentage of FEC that is to be charged.
- 11.23.11 Funds for Indirect Costs and Directly Allocated Costs influence the budgets set for Faculties/Schools/Divisions and it should therefore be recognised that any decision to charge less than the cost of carrying out a project will impact directly on the relevant unit's income to maintain its infrastructure. Charging less than FEC means a project will not recover some or all of the Indirect Costs or Directly Allocated Costs (e.g., Estates Costs) from the funder, which nevertheless will be incurred and borne by the unit where the work is carried out. As under-recovery of the costs of carrying out research projects necessarily entails institutional contribution or subsidy, Faculties, Schools and Divisions should regularly monitor cost recovery levels across their full portfolio of research funding rather than simply at the level of individual awards, and use this information to inform their judgement when assessing the acceptability of proposals where the full cost of the work would not be recovered.
- 11.23.12 It should be noted that the OFS's *'Terms and conditions of Funding for Higher Education Institutions'* state that
- "As part of ensuring its long-term sustainability, an HEI should know the full cost of its activities and use this information in making decisions. If it does not seek to recover the full cost, this should be the result of a clear policy set by the governing body and included in the financial strategy and should not put the HEI in financial difficulty. We do not expect public funds to subsidise non-public activities."
- 11.23.13 Where a lower price is proposed with a commercial funder, the terms of the contract will be drafted to reflect this. Where a funder requires significant control, payment against onerous deliverables, considerable obligations and extensive intellectual property ('IP') rights, the price paid should be at least the FEC unless there are good strategic or non-financial (e.g., academic) reasons for doing so. Funders that pay the

full costs of a project will be offered rights which are consistent with this level of funding and which are better than they - or any other funder - would have received had they paid less than the full cost of the project (e.g. rights to the IP). Wherever possible, it will be made clear in the initial costing that the price quoted for a project is tied to those terms which the funder desires.

- 11.23.14 Where a funder is not willing to share future revenue they may derive from the commercial exploitation of the results of a research project (e.g., by royalties), a premium will be charged on the price of the research *in lieu* of the loss of any future income. Further details are set out [here](#).
- 11.23.15 The proposed price for a research project should not be disclosed to the prospective funder without first having been approved according the processes set out in these Procedures.
- 11.23.16 As stated [elsewhere](#) in these Procedures, when ‘university’ companies (spin-out or otherwise), fund research at the university, they should not be given any preferential discounts on the price they pay for that research (i.e., subsidised by public funds), but should be treated in the same way as any other commercial organisation as regards price and other terms of engagement. To do otherwise could raise concerns about breaches of State Aid regulations.
- 11.23.17 Where a project handled by RMID will, or is likely to, recover less than the DI cost of carrying out the research, the budget requires the prior approval of the Management Accountant for the relevant Faculty/School/Division as well as the Head of the relevant unit. Pre-Award will not progress proposals unless such approvals have been given. Similarly, should Pre-Award feel that a proposed budget could result in an Indirect Cost recovery that is a potential cause for concern, it will ask for prior approval of the Management Accountant for the relevant Faculty before initiating any action. These situations generally arise where a particular funding scheme requires demonstrable, accountable cost-sharing by the university and when the amounts to be contributed by the university (e.g., permanent staff time or Indirect Costs) are taken into account, there are insufficient funds remaining to cover the direct cost of carrying out the work. Such programmes may also result in an unreasonably low Indirect Cost recovery rate for the same reason. The situation arises most frequently when the investigator(s) are not university employees, as the university is generally only able to include the costs of its own salaried staff in the cost models used in such funding programmes. However, some projects which may appear marginally viable in financial terms at the proposal and award stages (i.e., with a very modest Indirect Cost recovery) may, in practice, not recover even the basic DI costs of carrying out the work unless their budgets are fully spent, and consequently any failure to spend the full budget (e.g., due to late staff recruitment or over-estimating the project budget required) may well result in a financial loss.

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- 11.23.18 When incurring costs before the start of a project, for example when using external organisations to help develop proposals, staff should seek advice from Pre-Award as to whether or not they will be able to recover these costs from the grant or contract if it is awarded. Generally, it is not possible to recover such costs. Such costs can be significant, particularly where a 'success fee' is payable as a percentage of total funding awarded. Staff will also need to consider how such costs would be covered if the proposal were not to be successful.
- 11.23.19 Similarly, staff should be mindful of the consequences of accepting awards where the funder's regulations require activity to be carried out after the end of an award, as this may mean that the costs of the activity could not be charged to the project (e.g. certain forms of dissemination and publishing or IP protection), and so would require another source of funding
- 11.23.20 All equipment purchases and external supplies of services must comply with procurement regulations which may require a tendering process to be undertaken. The nature and extent of the tendering process will depend on individual circumstances, and applicants should therefore consult the university [Procurement Strategy & Services Office](#) at the earliest possible opportunity and allow sufficient time for the tendering process in planning a research project. This requirement applies to the subcontracting of services in research projects; without satisfying procurement regulations, the university cannot place contracts with subcontractors, even where they have been identified in the proposal process.
- 11.23.21 On projects funded by the European Commission, the full purchase price of equipment may not necessarily be received because their projects do not pay the price of equipment itself but cover the cost of its depreciation over a specified period. To maximise the amounts recoverable, all equipment on EU projects should be purchased in the first month of a project. When authorising an application in Worktribe, Executive Deans of Faculty/Head of Division/School/ Department are required to agree to cover the balance of equipment costs should the EC's rules make full recovery of the purchase price impossible. The [Pre-Award International Team](#) can advise further on this matter.

12. Detailed Procedures for Administration of Research Awards

12.1 *Grant/Contract Acceptance and Research Activity Codes*

- 12.1.1 The following documentation is required in order for Pre-Award to accept a grant or contract and to authorise the set-up of new research activity code(s) for the project:
- Completed and, wherever appropriate, a fully approved Worktribe record
 - The original proposal for funding, if one exists, otherwise a detailed description of the research project to be undertaken
 - The award letter from/contract with the funder
 - Confirmation of budget awarded to the university from the funder or from the lead

party where the university is not the main awardee

- Defined start date (where applicable).
- Completed Ethics tab in Worktribe with confirmation of ethics approval where approval is required at the outset. If ethics approval is only required for a later phase of the research, this will need to be made clear in the relevant Worktribe Ethics tab.

12.1.2 Once an activity code has been set up in the university finance system, all subsequent administration of new awards (e.g., authorisation of staff recruitment forms), is carried out by the Post-Award teams. However, any amendments, extensions or renewals of the award will be handled by Pre-Award, as will any subcontracts or external consultants' agreements.

12.1.3 Research projects are only operated through a designated range of activity codes, and not, for example, through departmental reserve activity codes. Only income incurred in these designated research activity codes is able to be counted as research income in the university's returns to HESA and in the [REF](#). Similarly, only externally funded research projects operated through designated research activity codes will appear in the university's Research Portal.

12.1.4 A research project will be allocated one bespoke research activity code, except where there is a requirement for significant amounts of project funding to be shared between different academic units or where there is a requirement for a separate activity code for the management costs of a project, as is common with coordinated EU projects. Separate activity codes will not be opened where funding to be shared between academic units comprises solely of [DA costs](#) (e.g., staff time, Estates Costs), Indirect Costs and/or minor amounts for consumables or travel; where funding to be shared between academic units comprises solely of [DA/Indirect Costs](#), attribution of those amounts to the appropriate academic unit will be effected by RMID by other means.

12.2 Post Award Administration

12.2.1 The [Post-Award section](#) of RMID is responsible for the financial administration of research projects. This includes:

- verifying funding for staff who are to be appointed on research projects
- providing staff costings for projects that are in progress
- setting up staff positions on CoreHR in advance of approving staff recruitment
- advising PIs, Divisions, Schools and Faculties on project expenditure
- monitoring expenditure through the duration of a project and controlling deficit activity codes in liaison with investigators and local Faculty, School, Divisional or Department administration; collating supporting documentation and invoicing funding bodies
- monitoring and allocating profile payments
- producing and receipting purchase orders for subcontracts and external consultancies
- paying subcontractors and partners on collaborative projects (e.g., under EU research programmes)
- producing financial information and detailed analysis on research projects or specific funders as required
- credit control management, including pursuing unpaid invoices, tracking progress, allocation of payments to the correct sales ledger debtor accounts, matching and general banking of cheques relating to research awards
- provision of regular high-level, detailed financial project analyses to advise the university on potential bad debts and funder payment trends to enable strategic decision-making

12.2.2 PIs have overall responsibility for the scientific, technical and local financial management of their research projects. This includes managing the project in full compliance with university regulations and procedures as well as with the funder's terms and conditions (e.g., requirements concerning the submission of reports, notification of significant changes to the project, completion of time sheets, stipulations on permissible travel and related expenses). Where the university's regulations are more restrictive than a funder's, the university regulations shall apply unless a specific, express exemption is obtained from the Chief Financial Officer in writing that sets out the rationale and scope of the exemption.

12.2.3 All expenditure should be charged directly to the project activity codes for which a purchase is intended and must be in accordance with the budget awarded for the project as well as the terms and conditions of the funder and university policies and procedures. In this regard, it should be noted that many of the major funders, such as UKRI, Wellcome Trust and NIHR have restrictions on the kinds of charges that can be made against their grants, such as non-economy class flights, travel that was not justified in the grant proposal, office sundries (e.g., printer cartridges), laboratory consumables, office/laboratory fittings, postage, photocopying, printing, stationery and

purchases that do not represent value for money. By way of example, UKRI's standard terms and grant guidance can be downloaded [here](#). The university's travel and subsistence policies and procedures may be found [here](#).

- 12.2.4 It is the responsibility of PIs and those acting on their behalf to familiarise themselves with the relevant terms, conditions, procedures and regulations and where they are unclear as to what is required of them, to seek guidance from [Post-Award](#). Post-Award will proactively monitor and remove all ineligible expenditure that has been incorrectly charged to research activity codes at regular intervals; all such amounts will be recharged to the Faculty/School Division/Department overhead activity code. Post-Award will provide the Faculty/School/Division/Department with information that identifies the original research activity code and an explanation as to why the costs have been deemed ineligible.
- 12.2.5 Expenditure should only be incurred between the announced project start and end dates and should comply fully with the university's purchasing regulations and the funder's terms and conditions. Where a PI wishes to incur expenditure in a manner that diverges from the original amounts awarded and/or which falls outside of the terms and conditions of their award, the PI, in consultation with Post-Award should write formally to the funder and must obtain the funder's express written approval before proceeding.
- 12.2.6 Whenever expenses are moved to or between research activity codes, the PI is responsible for ensuring that the project activity code which ultimately pays the expense is the project which benefited from the expense and that the expense is permitted under the funder's terms and condition. The PI must also ensure that there is adequate documentation to demonstrate the appropriateness of the transaction. The nature of the documentation required may vary according to the funder of the project but must always be in line with university Financial Regulations and Procedures. PIs will also be required to complete a Post-Award transfer request form relating to the expenses to ensure that there are explicit, transparent and auditable records on file.
- 12.2.7 Many funding bodies stipulate the procedures that PIs must follow regarding the submission of interim or final project reports and/or other academic deliverables including project milestones. In particular, the PIs must ensure that they submit any final reports specified in their award or agreement.
- 12.2.8 Failure to comply with these conditions frequently results in the university being financially penalised by the funder. It is the responsibility of PIs to ensure that the conditions of their funding are met. Any financial loss that the university may suffer as a result of a PI's failure to do so is the responsibility of the PI, and any financial penalties will therefore be charged against the appropriate Faculty/School/Divisional funds. PIs should note that these obligations and the right to penalise the university may extend beyond the end date of an award, e.g., where there are requirements to ensure Open Access publication within a specified timeframe (the university has a suite of well-developed policies and practices regarding [Open Access \('OA'\) publication](#) that should

be consulted for further information). Where financial information is to be included in scientific reports, only financial data provided by Post-Award should be used.

- 12.2.9 PIs are financially accountable to their Executive Dean/Head of School/Department/Division and remain responsible for financial management and budgetary control of their activity codes, irrespective of any delegation of authority to place charges on their behalf. PIs should ensure that anyone to whom they delegate purchasing authority has the appropriate level of aptitude, knowledge and understanding of university policies and procedures as well as the funder's terms and conditions. When delegating authority in this way, PIs should ensure that they pass all relevant details of the funding agreement and its terms and conditions to the individual concerned.
- 12.2.10 Faculties, Schools and Divisions should only authorise staff with suitable levels of skill and knowledge to undertake the local management of research administration processes, including the appropriate levels of knowledge of:
- (i) relevant university procedures, processes and systems,
 - (ii) the terms and conditions of funding organisations, and
 - (iii) any other applicable conditions, regulations, processes and guidelines that may apply.
- 12.2.11 Should a local Faculty/School/Divisional/Departmental administrator feel that any charges placed against a particular research activity code are questionable, they must promptly bring this to the PI's attention, and where necessary after investigation, any incorrect charges should be corrected as soon as possible by means of a transfer to an appropriate activity code. Again, the transfer will require completion of the Post-Award transfer request form relating to the expense.
- 12.2.12 Financial reports are available through access the university finance system that gives a summary of expenditure to date within the main budget categories.
- 12.2.13 Should a PI believe that their research grant or contract is at risk of early termination, they should promptly notify Post-Award as well as their local administration. Post-Award will review and advise the PI regarding the terms and conditions of the award, expenditure and budget commitments, and will work with the PI and the Faculty/School/Division/ Department on a suitable strategy to ensure the optimal outcome based on the particular circumstances.
- 12.2.14 Research activity codes are closely monitored by Post-Award in the period towards the end of a project, with particular scrutiny being given to the nature and legitimacy of transactions, taking particular account of funders' regulations. Post-Award will work closely with Faculty/School/Divisional/Departmental administration during this period to ensure that this process is managed in a timely and effective manner, and within one to three months of the end date of a project will produce final reconciliations for activity codes for approval by PIs before submission to funders, where relevant. By a

project's end date, Faculties/Schools/Divisions/Departments are responsible for having finalised all P2P (Purchase to Pay) processes, such as purchase requisitions, purchase orders as well as the receipting of goods and services.

- 12.2.15 On conclusion of a project (i.e., after the submission of all scientific and financial reports and the completion of all agreed project deliverables), Post-Award will verify that all expenditure incurred on the project has been correctly charged and ensure that all payments from the funder have been received. It will then close all activity codes that have a zero balance.
- 12.2.16 Where an activity code has a negative, i.e., debit, balance, the debit will either be charged against an appropriate self-funding departmental reserve activity code (normally one for which the account holder is the PI for the project in question), or if that is not possible, the debit balance will be coded to the relevant Faculty School/ Divisional non-pay activity code with appropriate documentation being agreed with the relevant Faculty/School/Divisional management accountant. The research activity code will then be closed.
- 12.2.17 Where an internal or external audit of a project disallows expenditure that has been made on a grant code, it is the responsibility of the Faculty/School/Division to cover that expenditure from an appropriate, local self-funding, non-research activity code (normally one for which the account holder is the PI for the project in question).

12.3 Position on residual research activity code balances

- 12.3.1 The university has a non-negotiable position on the application of residual balances on research grant and contract activity codes. It relates to credit balances remaining at the end of a project once all costs have been charged to the research activity code, the final report has been submitted and accepted by the funder and there is no requirement to return unspent balances to the funder. For clarity this position does not apply to awards that are made to a specified individual on a genuinely open-ended basis where the funder does not prescribe the end date, such as with NIHR Investigator Awards.
- 12.3.2 There is a **general position** and a **special position** on the use of such balances. The general policy applies in all circumstances unless the special policy is applicable.
- 12.3.3 The **General Position** is that any credit balance remaining on a research activity code will be treated as contribution to overhead and accounted for in the same way as indirect costs. The balance will be transferred to the departmental overhead recovery activity code and the research activity code closed with a nil balance remaining. The total of the departmental overhead recovery activity code is credited against the Faculty overhead recovery target and is taken into account in determining Faculty financial performance against the contribution margin.
- 12.3.4 The **Special Policy** applies where there is a credit balance remaining at the end of the grant or contract and the research project has made a full FEC contribution to

overheads. A full FEC contribution to overheads is deemed to have been made when the research project was costed and allocated to contribute:

- (i) a minimum of 80% of FEC; or
- (ii) at least 50% of total direct costs, where FEC is not applicable

12.3.5 Where the special position applies, the balance on the research activity code up to a maximum of £100,000 will be transferred to another activity code within the university specified by the Principal Investigator. Any remaining balance in excess of the £100,000 maximum will be accounted for under the general policy and transferred to the departmental overhead recovery activity code and the research activity code closed with a nil balance remaining.

12.3.6 In any one University financial year no Principal Investigator will receive more than £100,000 return of unspent (residual) balances in total across the whole of their research portfolio.

12.3.7 If there is any uncertainty as to whether the general or special position applies to any individual research activity code the matter should be referred to the Chief Accountant for determination.

12.4 Process for setting up early research cost code(s) for new awards and grant transfers

12.4.1 Where appropriate, activity codes will be opened in the finance system in advance of new grants being received (i.e., before an award or sub-award is formally made to the university and/or signed off by all the parties involved). This option does not apply to funding being provided by means of a contract (except for sub-awards from other universities or NHS Trusts passing on grant funding to the university) because the risks associated with contract negotiations are much greater than with grants.

12.4.2 When an activity code is opened in advance of new grant award paperwork being finalised, the code may not be used to fund project activity by third parties (e.g., project partners and subcontractors). Should third parties need to start a project before receiving a signed subcontract from the university, they will need to underwrite their own costs, although where it is possible, RMID will provide a suitable letter of intent for them.

12.4.3 As there are risks associated with permitting expenditure before funding terms and conditions have been agreed, all requests for early cost centre codes require underwriting by the relevant Head of Division, Executive Dean or Director of Administration.

12.4.4 The process for obtaining early research activity code(s) is:

- (i) The documents listed under the relevant heading below should be sent to the relevant Pre-Award contact, requesting an *early* activity code(s).
- (ii) Cost centre code(s) will then be created and communicated to the budget-holder by the relevant Post-Award Team Leader. Until the award paperwork is finalised

the code will be marked as '*Preliminary*' and all financial reports will display this in the description and will not contain a detailed budget breakdown.

- (iii) Each month until the award paperwork is finalised, the budget-holder, their Head of Division/School/Executive Dean and local administrator will receive an e-mail from the Post-Award Team Leader advising them of project expenditure, the status of the award and any outstanding tasks. Any delay by the budget-holder in fulfilling their outstanding tasks may lead to the activity code(s) being suspended.
- (iv) Once the award documentation has been finalised, the budget will be updated and the budget-holder will receive a project card and full details of the award. The budget-holder and local administrator will be alerted where any expenditure has exceeded the amounts permitted under the award and consulted prior to such expenditure being transferred to the nominated local code (or such other activity code as may be agreed).

12.4.5 For **new grants**, in addition to the original proposal and Worktribe approvals, Pre-Award requires the following information to set up an early activity code(s):

- (i) Communication in writing from the funding body or the lead party (if the university is not the lead grantee institution) of the intended award to the university, including value and project dates.
- (ii) A detailed budget breakdown (if not provided in the other documentation).
- (iii) Written confirmation from the Head of Division/Department, or their designated representative, of their agreement to underwrite the project costs until such time as the (award documentation is finalised (e-mail approval is acceptable).
- (iv) A local activity code to cover for any disallowable, un-claimable project costs.

12.4.6 For **EU projects**: as project start dates are generally dependent on the date of signature of the European Commission and immovable thereafter, this process will not apply to EU projects unless a fixed start date has been explicitly requested and approved during negotiations.

12.4.7 For **awards transferring into the university**, RMID requires the following documents:

- (i) Communication in writing from the funding body and from the organisation holding the original award demonstrating its agreement to the grant transfer.
- (ii) A copy of original application and award (for Research Councils this should include a copy of the starting certificate confirming when the project actually commenced, or some other confirmation of the dates).
- (iii) For EU projects, instead of the documents referred to in points (i) & (ii) above, a copy of the submitted grant agreement amendment request which confirms the funding to transfer to the university, the work to be performed by the university and, where applicable, the consent of the of Consortium.

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- (iv) A nominal detailed budget breakdown in Worktribe to enable RMID to set up budgets in the finance system. The amount for each budget heading should not be more than the amounts anticipated to be transferred under each budget heading.
 - (v) Written agreement from the Executive Dean/Head of School/Division to underwrite the nominal budget until such time as the transfer documentation has been finalised (e-mail approval is acceptable, if uploaded in the Worktribe project record or an ad hoc comment in the Worktribe project record).
 - (vi) A local activity code to cover for any disallowable, un-claimable project costs.

13. FEC Terminology

13.1 Full Economic Cost (FEC)

Full economic cost is a development of the Transparent Approach to Costing ([TRAC](#)) is the standard, Government-mandated methodology used by UK HEIs to calculate the full cost of research projects and their other activities. The FEC of a project represents the cost of all resources that are necessary to undertake a project and is not dependent upon what a funder will pay, which is the price of the research. FEC is broken down into three main categories as follows:

- Directly Incurred (DI) costs
- Directly Allocated (DA) costs
- Indirect Costs

On UKRI Research Council grants there is an additional fourth category - 'Exceptions'

13.2 Directly Incurred (DI) Costs

13.2.1 DI costs, often referred to as the 'direct costs' of a project, includes all the usual running costs of a project, e.g., recruited staff costs, dedicated technicians and support staff, research fellows, student stipends and fees (except for Research Council projects – see 'Exceptions' below), consumables, equipment, travel, external consultancies and subcontracts, casual staff, etc.

13.2.2 Redundancy and severance costs are not eligible and cannot be charged to Research Council grants.

13.2.3 Examples of **Directly Incurred (DI) costs**:

- Recruited Staff (including technical and support staff dedicated to the project or whose activity can be fully supported by time sheets). This includes the full cost of employing staff on the research project including basic salary, London allowance, employer's NI and superannuation contributions.
- Travel and subsistence
- Equipment
- Consumables
- Recruitment advertising costs for staff directly employed on the project

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- Publication costs
 - Specialist publications (not expected in institutional libraries)
 - External consultancy fees
 - Subcontracts
 - Fieldwork fees/subjects/informants
 - Computing - including recurrent costs of computing dedicated to each project only, e.g., software licences
 - The use of Central, Faculty or Divisional facilities and equipment (e.g., BSU, King's Mass Spectroscopy Facility, CUI (electron microscopy), Genomics Centre Costs and centrally provided computing services)
 - Equipment-related items (if not included as part of the Research Organisation's Estates Costs), e.g., maintenance (external contracts/agreements)
 - Rental/access charges (specify equipment or service being used and basis of charging)
 - Relocation
 - Glass house consumables
 - Purchase/hire/running costs of vehicles if necessary, for the project

13.3 Directly Allocated (DA) Costs

- 13.3.1 DA Costs are the costs of resources used by a project that are shared by other activities. They are charged to projects on the basis of estimates rather than actual costs and so do not represent actual costs on a project-by-project basis. DA costs include PI and Co-investigator time (on project and student support), pool technical time. Academic and research staff are charged on the basis of the number of hours worked, using a year of 1650 or 1540 (depending on contract of employment and rules of the funding body) hours/220 working days. It should also be noted that the university is required to show through its accounts that income received for PI or Co-investigator time under FEC has demonstrably been used to contribute towards the sustainability of the university's academic infrastructure and has not in any way been paid to individuals.
- 13.3.2 DA costs also include Estates Costs based on a £ per FTE academic staff/researcher (on UKRI Research Council grants students do not count in the calculation of Estates Costs), and the use of Faculty facilities and equipment (where the replacement cost is in excess of £10,000) and centrally-provided computing services. Where a significant portion of a project is undertaken off-campus (e.g., overseas), it costs the university less in terms of its estate than if the work were to be undertaken on university premises; in such cases, Pre-Award will advise on the appropriate Estates Costs to be included in project budgets.
- 13.3.3 For student-based projects, DA costs are not charged on the student stipend or fees, but are charged on PI and Co-investigator time, which must be charged on all student projects, except where the rules of the particular scheme preclude it (e.g., CASE awards).

13.3.4 Examples of **DA costs**:

- PI & and Co-Investigator time (based on salary plus LA, superannuation and NI costs)
[For UKRI Research Councils, PIs and Co-investigators whose time is not fully funded on other Research Council grants, or else who are not paid a salary by the Research Organisation (e.g. emeritus or honorary staff), and also Research Fellows who are paid a salary by another Research Council grant must show their hours attributed to the project in the FEC costing, but with a zero salary cost for the final FEC calculation (Indirect Costs and Estates Costs are charged as normal on such posts). If a PI or Co-investigator is honorary or an emeritus, the expectation is that their involvement in a project would be covered by a contract with the university, and if there are costs associated with the time of such individual's appointments, then they should be costed as a Directly Incurred cost. NB all PI and Co-investigator time is to be costed on the basis of the number of hours worked using a year of 1650 or 1540 (depending on contract of employment and rules of the funding body) hours/220 working days per annum. The university expectations on the levels of PI and Co-I time to be charged to projects are set out [here](#).]
- Pool technical, clerical, administrative and clinical support time
- Estates Costs based on a £ per FTE academic staff/researcher
- Charge-out costs for departmental technical and administrative services.

13.4 Indirect Costs

13.4.1 Indirect Costs are the institutional infrastructural costs associated with carrying out a research project that are not covered elsewhere in the FEC methodology. Under FEC, Indirect Costs are calculated on a £ per FTE academic staff/researcher (for Research Council grants, students do not count in the calculation of Indirect Costs). Indirect costs do not represent any form of 'profit'.

13.4.2 Under FEC, some items that used to form part of the university's overhead calculation are now costed out under Directly Allocated Costs.

Using FEC, 'Indirect Costs' covers the cost of such items as:

- Office and laboratory furnishing
- Telecommunications
- Laboratory, Classroom, IT and workshop support
- Departmental secretarial and administrative support
- Staff facilities (e.g., welfare) and development and training
- The administrative time of academic staff
- Insurance
- The cost of support staff where the time of staff involved is not significant
- The cost of workshop and other academic services

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- Central administration and management support services such as Research Grants & Contracts, Finance, Human Resources (including staff recruitment where not allowed by certain funders), Purchasing Services, Registry and Secretariat
 - Telephone, postage, photocopying, printing and stationery where the cost involved is either not significant or not allowable under a particular funder's rules and regulations
 - Libraries
 - Bank interest charges

13.5 ***Exceptions***

13.5.1 For UKRI Research Councils an additional category - '**Exceptions**' - covers items which will be 100% funded rather than funded at 80% FEC, as with the rest of the project's costs. Examples of such items are:

- Project/tied studentships (stipend and fees)
- ESRC survey costs