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| Procedure Title | Guidelines for staff preparing applications for Research Grants and other externally funded proposals |
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**Guidelines for staff preparing applications for research grants and other externally funded proposals**

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Bangor University strongly encourages staff to seek external funding for any research activity they want to undertake. BU aims to increase the number of good quality research proposals and the amount of funding awarded.

The guidance below is intended to clarify the requirements of both the University and external sponsors/funders when proposals for externally funded research are being developed. These are in effect the internal rules by which both researchers and REO staff should be working in supporting the application process.

1. **Internal deadlines for submission**
   1. **Full proposals**

In order to allow all members of staff involved in proposal development - both in academic as well as in administration departments – enough time to conduct all necessary and all mandatory tasks and procedures while managing their workloads, the following internal deadlines are to be observed. Staff are encouraged to engage with these processes earlier, if possible:

**15 working days before the sponsor deadline**

A first draft Full Economic Cost (FEC) budget needs to be submitted to REO. This first draft FEC budget needs to be based on a well-considered project plan and budget plan and constitutes relevant information collated and organised in a logical fashion in one document or file. It can be presented directly in a FEC form, on an excel spreadsheet or word document (such as the FEC questionnaire) or in a single email – not an email string.

This time frame allows several iterations of the budget to correct mistakes and adjust the budget with developments on the project. It is expected that the project development is well advanced and no fundamental changes to the project are expected at this stage.

Proposals to calls with less than 20 working days between issue of the call and funder deadline are excepted from meeting this internal deadline. However, in these cases applicants are required to notify REO about their intent to submit as soon as possible.

**5 working days before the sponsor deadline**

Proposal and FEC budget have to be ready, approved by the Head of School or alternate and submitted for the final University level check and sign off.

For collaborative proposals where BU is the lead partner, the PI needs to arrange confirmation by this deadline of the final partner budget(s) broken down to an appropriate level of detail, and confirmed by a relevant authority in the partner institution(s) (often a central administration department). The confirmation can be submitted directly to REO or via the PI. The partner institution(s) are welcome to liaise directly with REO.

This allows enough time to address any major issues that might be identified at this stage. REO will ensure that final approval will be granted at least 1-2 days before the deadline.

**30 hours before the sponsor deadline**

No amendments or revisions can be made to the proposal in the last 30 hours - this gives one full day and one morning ahead of the submission deadline. This is essential given the bottleneck, which commonly occurs with multiple proposals being submitted on the same day. **This limit will be rigorously enforced.**

* 1. **Outline proposals/ Expressions of interest**

The procedure and timeline for submission of outline proposals/ expressions of interest/ stage 1 proposals or such is the same as for full proposals, with the exception of the level of financial detail required for the FEC budget submitted for approval (at least 5 days before the deadline). In these cases any staff cost needs to be costed in full detail, but other elements of the budget such as travel and subsistence, equipment, consumables can be summarised in broad categories or to the level of detail the funder requires. If the funder restricts changes to the budget between outline stage and full proposal it is important to estimate the budget conservatively. Otherwise there is a risk of locking the proposal into a budget deficit.

Please note that

* proposals including patient and public involvement (PPI) need to fully cost their involvement
* all cost incurred by collaborating or contracted NHS organisations need to be reported separately for all cost categories.

If a PI wishes to cost an outline proposal in full detail they will receive support from REO for this.

1. **Costing and pricing**
   1. **Overheads**

Recovery of overheads is critical to the financial well-being of the University – they represent real costs which have to be met. Applicants for external funding must make every effort to maximise such overheads. Where no overheads are recoverable or overhead recovery rates are low, specific authority must be sought before a proposal can proceed, unless it is one of the prestigious funders in REF terms agreed by RSTG: The British Academy, The Royal Society, Leverhulme Trust and Wellcome Trust.

Where such authorisation is required, the escalation should follow the process of Head of School to Dean of College to PVC Research and Impact and approval should be recorded in a comment on the FEC form.

* 1. **Staff Cost Recovery**

Another important means of recovering actual costs incurred by the University in undertaking research is to include all departmental staff time associated with the proposed work under Directly Incurred costs or Directly Allocated costs, as appropriate for and allowed by the Funder. Such staff cost can include key administrative staff in departments as well as from central services such as REO, where staff are employed in order to support specific activities and transactions associated with externally funded projects and where the sponsor allows such costs.

Such cost recovery charges to individual projects will be based on actual time spent (subject to a maximum limit) and will normally be made on the basis of timesheet recording. On most projects such charges will be low (typically in the range of 5% to 10% of a member of staff’s time), though there will be cases where a higher charge needs to be made to reflect higher levels of commitment to projects.

It is important to cost all staff time realistically.

* 1. **Exchange Rate Protection**

Where sponsors fund projects in non-sterling currencies it is important that the risks associated with exchange rate fluctuations are adequately managed. Exact methodologies will vary depending upon the risk/volatility of specific exchange rates but will normally make an assessment considering average, maximum and minimum exchange rates over a medium term period with a percentage margin added to create an acceptable risk envelope. It is expected that shifts in exchange rate will be managed during the life of the project to minimise any risk of loss, however towards the end of a project losses or gains may manifest themselves.

Exchange Rate Losses – These are normally passed on directly to the School or College.

Exchange Rate Gains – It is rare that a sponsor allows us to keep exchange rate gains without conditions, if at all.

Some funders allow these funds to be used for the project - to improve the quality or quantity of work done, sometimes even to extend the scope. For example these funds could be used by the project to undertake additional activities and incur costs not in the original budget such as contract extensions or additional T&S costs. Where such additional expenditure is proposed, it must be formally sanctioned by the Head of School, not the project PI.

In the instances where Bangor University is allowed to keep exchange rate gains without conditions, given that any losses are passed directly to the School or College, where such gains are made these should be passed in the first instance to the School to allow a balance to offset past and future losses. They should not automatically be used for the project.

* 1. **Threshold cost recovery rates for research**

Bangor University strongly encourages staff to seek external funding for any research activity they want to undertake. The institution aims to maximise cost recovery for all projects, which is measured through the cost recovery rate (% of Full Economic Cost (FEC) funded).

In order to improve overall cost recovery on research projects, in particular to encourage lift up of cost recovery for projects with the lowest funding rates, Bangor University is introducing thresholds as of 1 August 2017. Please note that these rates are not targets to aim for, but thresholds below which justification and approval to proceed is required.

Factors affecting cost recovery and reasons for targeting a specific funding opportunity are multifaceted and complex. When deciding whether a project with low cost recovery rate is worth pursuing, the outcome will vary depending on research area, type of planned activity, career stage of the applicant and strategic priorities of the institution.

**Process**

1. Not withstanding the cost recovery rate, **if a project budget does not cover additional direct cost** (cash cost) to the university and no external match funding is available to cover this cost, the project is financially not viable. Such projects are usually not supported by Bangor University.
   1. If the PI nevertheless wants to pursue the proposal, it is their responsibility to make the case for and negotiate the provision of the internal match funding with their Head of School/ equivalent manager or relevant representatives of university management. In order to receive final institution-level sign off, evidence (email or letter stating the reason) of such a match funding decision needs to be submitted together with a FEC form signed by the Head of School.
   2. If Bangor University makes a strategic or political decision to participate in a financially non-viable funding scheme or call and/or to provide internal match funding, the above justification is not required. This will be communicated to staff when the call is advertised. Advice on these cases and from which budget the internal match-funding will have to be covered, will be available from College Research Support Officers (CRSOs)
2. **If a proposal budget** covers all additional direct cost (cash cost) to the university, but **does not reach the threshold cost recovery rates** below, the PI needs to revise the budget and/ or needs to obtain support from their Head of School, Dean of College or PVC Research and Impact to proceed. This will be investigated throughout the budgeting process as follows:
   1. When a draft FEC budget of a proposal indicates that the cost recovery rate might fall below the following thresholds, the PI should investigate, with support from the CRSO, whether there are opportunities to improve the budget in the first instance. It is important that the proposal cost is estimated as accurately as possible.

* Industry 80% FEC
* RCUK standard grants & NIHR 75% FEC
* UK Government 70% FEC
* H2020 70% FEC
* Royal Soc./ British Acad. 60% FEC
* H2020 MSCA 60% FEC
* Other EU government 60% FEC
* Structural Funds 60% FEC
* Other 60% FEC
* UK Charities 50% FEC
  1. If the cost recovery rate cannot be increased to reach the threshold, the PI should bring this to the attention of their Head of School immediately and make a case for support. In order to receive final institution-level sign off, evidence (email or letter stating the reason) of the decision to support needs to be submitted together with a FEC form signed by the Head of School. It is advisable to come to a decision early on in the process and to communicate it to the CRSO to avoid wasted effort.
  2. Approval from the Dean is required if any of the following applies:
  + if the Head of School is involved in the proposal,
  + if the cost recovery rate is more than 10% below the threshold,
  + if the FEC of the proposal is above £600,000
  1. Approval from the PVC Research and Impact is required if any of the following applies:
     + if the Head of School and Dean are involved in the proposal,
     + if the cost recovery rate is more than 15% below the threshold,
     + if the FEC of the proposal is above £1,000,000

**Guidance: When making a case for or taking a decision to support a proposal with low cost recovery rate, please take the issues outlined in the annex into account.**

1. **Other issues**
   1. **Principal Investigator Status**

The Principal Investigator (PI) on externally funded grants is normally a permanent member of academic staff. However, the University is committed to the career development of Early Career Researchers (ECRs) and other research staff on fixed term contracts. There may be cases where a member of staff on a fixed term contract is allowed to submit a proposal as named PI. In assessing these cases the following matters will be considered.

1. Do the sponsor rules allow for this or is it explicitly not allowed? (Some grants require an ECR to be the PI)
2. If the sponsor doesn’t normally allow this, the PI/ acting PI may investigate whether the sponsor accepts a proposal if the University provides a formal letter stating that the fixed term contract will match the length of the proposed award. This letter must be signed by someone with appropriate management authority in the School or College (Head of School, Dean, or College Manager) in the full knowledge of the affordability of the commitment. The permission and commitment letter must be obtained at the beginning of the proposal development and the case must be discussed with support staff in REO from the outset.
3. Where the sponsor will allow fixed term contract staff to act as PIs there must be written evidence to support this. There must also be evidence that the proposal covers the full cost of the fixed term post for at least the entire duration of the proposal at an FTE level commensurate with the commitment on the proposal. Ideally, the fixed-term post will run beyond the end of the grant to also cover the final reporting period at a duration usual for the sponsor.
4. In all cases where a fixed term contract holder acts as PI there must be a permanent member of academic staff recorded as Co-Investigator and this individual must accept the responsibility to manage commitments arising from the project in such cases as unfunded project extensions or resignation of the PI etc.
   1. **Confidential Information**

It is normally expected that a senior academic acting as PI will be responsible for co-ordinating a research proposal and dealing appropriately with any confidential information required in drawing up the proposal (in most cases this confidential information is restricted to salary data). It is also usual practice for PIs to delegate tasks like co-ordinating the proposal or sub-tasks such as costing the proposal or data-input to a more junior member of staff (from either the academic or the administrative domain). Usually all CoIs need to have access to the on-line application form (e.g. to contribute to the preparation of the application form) as well.

Whilst it is normally accepted that where an individual agrees to be part of a proposal they would consent to allowing access to such data there may be occasions where this isn’t appropriate. If a member of staff objects to their salary or other confidential data being handled by a junior member of staff, they have the right to ask for this to be handled be the PI (active opt-out).

* 1. **Collaborative grants**

If the Bangor PI is the lead applicant for the overall proposal, the PI and/ or their team are required to obtain any approval or permissions from partner organisations required by the sponsor and / or Bangor University via their co-PIs in the partner organisations. In particular this applies to permissions to submit the proposal on behalf of the partners and where Intellectual property (IP) issues are involved. An email confirming permissions or approvals is sufficient, unless the funder requires something more formal. Bangor University cannot enforce compliance with internal procedures in other institutions, but we expect the PI to remind their external co-PIs to ensure they fulfil their internal requirements.

If the Bangor PI is the lead applicant for the overall proposal, the PI and/ or their team are required to collate budget information from their external partners sufficient to cost the overall proposal.

**Annex – Guidance for cases for support of proposals below cost recovery threshold**

**Non-financial benefits and issues**

The funder

1. What is the level of prestige/ kudos/ recognition in the research community for receiving support from the funder?
2. Are there alternative funders?
   1. There are very limited alternatives in some research areas (e.g. bilingualism). Why is a research area not supported by public funds?
   2. Is the funder supporting interdisciplinary research?
   3. Research areas go in and out of ‘fashion’ with funders.
   4. There are limited funding opportunities for certain activities (e.g. infrastructure, refurbishment)
   5. Funding opportunities for Early Career Researchers are comparatively rare, because ECRs are often ineligible to apply for mainstream calls. Opportunities open to ECRs often provide limited FEC return.
   6. Is the funding making ‘own funded research’ more financially viable by sponsoring a crucial element (e.g. contract research, PhD studentships or pilot studies)
3. What are the success rates for the funder?
4. How work intensive is the proposal stage for the academic applicant?
   1. Are collaborators required (international, other disciplines, other sectors can be particularly difficult to find)?
   2. Can proposals be resubmitted or easily adapted for submission to other funders, if they fail?
5. How high is the administrative effort for proposal preparation and project management?
6. Is a political or lobbying effort required to engage the funder or increase the success rates?
   1. Is it necessary to maintain a working relationship with the funder through on-going activities?
   2. Does the institution/ college/ school have the resources (staff time, cash) to support this?

The project - If a project can only pursue funding with a low FEC recovery:

1. How important is the project for Bangor University and/ or the career of the applicant?
   1. Does it fit with strategic priorities of the college or school?
   2. Is the project delivering REF outcomes?
   3. Is the project leading to other quality outputs and/ or impact
2. Supporting strategic collaborations or partnerships
   1. How many 'loss leaders’ can or should be supported?
   2. What low-level FEC recovery rate is acceptable?
3. What are the risks associated with the project?
   1. Internal – staffing commitments, infrastructure investment
   2. Delivering targets
   3. Compliance
   4. Ethics
4. Research entirely funded by Bangor University
   1. This does not show up in the FEC records or accounts.
   2. Zero FEC return if it involves staff time only
   3. Negative FEC return if cash resources are used in addition to staff time.
5. REF leverage effect
   1. Income contributes to the Research Environment profile, which makes up 15% of the overall REF score.
   2. Research grant funding often results in outputs and impact case studies, both of which contribute to REF results.

**Financial intervention rate/ Funding rate**

An analysis of typical % FEC recovery rates for Bangor University by funder type shows the following:

1. RCUK, UK Industry and UK government give the best % FEC recovery, UK Charities the worst.
2. The highest esteem/ REF rating are for RCUK (which includes NIHR), UK Charities and UK Government
3. Most grants are from UK Government, followed by RCUK and Charities.
4. The largest financial contribution comes from RCUK, UK Government and EU Government in the analysed years (note: these years fall in the interim between EU budgeting periods, which means BU applies for much less Structural Funds. – Not an accurate reflection of past financial impact of external funding, but potentially a more realistic indicator of what BU can expect in the future.)
5. Success rates are considerably higher outside the competitive academic funders.
6. The largest awards come from European funds.
7. EU funds carry the highest admin burden (BU has no data on the latter – staffing levels in REO post-award are an indicator. Otherwise this statement is based on observing post-award activity and experience).
8. By far the largest numbers of proposals are submitted to UK government, RCUK and UK Charities, followed by EU government.