

University of Limerick Research and Enterprise Office: Research Overheads Procedure

1.0 Purpose

The cost of conducting research in UL includes not only the direct costs of the project/programme but also a range of indirect costs, which include expenditures such as ineligible project costs, utilities, access to research publications, and administration support services. Funding agencies make a contribution to the indirect costs of research to the University in the form of overheads. Sectoral analysis has shown that the current overhead rates provided by funding agencies are insufficient to meet the full costs of research and as such the University absorbs the additional costs.

The University through its strategic plan has placed a focus on research and is reinvesting the overhead contribution. The purpose of this procedure is to provide a transparent, rational, and scalable model for the reinvestment of overheads generated from research projects/programmes. The following factors have been considered in the development of this procedure:

- For all funding agreements or awards entered into by UL, the University must ensure compliance with relevant funder terms and conditions. Where such terms and conditions may conflict with this procedure, those funder terms and conditions take precedence over this procedure.
- Overhead costs are incurred at various levels – project, research institute, department, faculty, and central administrative services and facilities, and the overhead reinvestment model reflects this.
- Research overhead should be re-invested to support and enhance systems, facilities, and services associated with research activity.
- Overheads from all funding sources should be treated in accordance with this procedure.

2.0 Procedure

This overhead procedure proposes a two-way division of research overhead as follows:

- An allocation of 44% will be distributed among the following parties – the faculty, department, research institute, and the research project.
- The remaining 56% will be allocated centrally, to cover utilities and central administration costs including services and facilities associated with sponsored research activity. A portion of these funds will also be invested in a strategic fund for the purpose of enhancing UL's research performance.

Table 1 summarises the reinvestment of overheads generated from sponsored research.

Table 1 Summary of Research Overhead Reinvestment¹

Category	Overhead Allocation (Institute) %	Overhead Allocation (Non-Institute)² %
Project	14	14
Department	8	10
Faculty	8	20
Research Institute	14	0
Subtotal	44	44
RAM	38	38
Research Strategic Fund	18	18
Subtotal	56	56

2.1 Cost Categories

This section provides additional information on the cost categories listed above and provides guidelines of what costs are eligible to be charged from funds generated from research overheads.

Note: Where a project involves multiple investigators having separate budget allocations (for example, these may be implemented as separate cost centres), then in the descriptions that follow below, each investigator is regarded as a project leader for their element of the project.

1. **Agreed Set Up costs:** Exceptional costs should be deducted from overheads before any allocation is made. In terms of externally funded large scale national centres (e.g. >€5M) which UL leads it is recognised that the centres require overheads to cover direct costs not covered by funding agencies and may also require strategic funding for specific initiatives. Any specific funding requirements will be addressed on a case by case basis and applied as a top slice in advance of allocation. Such costs must be agreed with the Research & Enterprise Office and Finance Office in advance. Where a centre director is seconded from an academic department then funding towards a replacement should be provided.
2. **Project:** The project allocation should be used to cover the following:
 - a) Non-claimable direct project costs
 - b) Project overruns or disallowed costs
 - c) Redundancy costs

¹ For EU framework funding, the Project will receive a 12% “top slice” of overheads prior to application of the reinvestment defined in Table 1.

² Where the project leader is not a member of a UL Designated Research Institute, the research institute allocation of 14% is distributed between the faculty and department, with the faculty allocation increasing to 20% and the department allocation increasing to 10%.

- d) Research staff costs
- e) Administration or technical support
- f) Provide funds to support and promote research collaboration both within UL and externally for the project team. Examples may include funding for publication material and attending conferences

Priority must be given to ensure sufficient funds are available to cover the costs referred to under points a), b) and c) above before funds may be allocated to cover the other allowable costs.

3. **Department:** A percentage will be allocated to the project leader's department to contribute towards the additional costs incurred by departments as a result of the increased level of research activity, and for strategic research development. This percentage varies depending on whether the project leader is a member of a designated research institute.³
4. **Faculty:** A percentage will be allocated to the project leader's Faculty to contribute towards the additional costs incurred by Faculty's as a result of the increased level of research activity, and for strategic research development. This percentage varies depending on whether the project leader is a member of a designated research institute.

Out of the faculty allocation, 4% of the total overheads is assigned as non-discretionary to cover contingency costs, such as costs associated with CIDs.

5. **Research Institute:** If the project leader is a member of a UL designated research institute, a percentage of the overheads will be allocated to provide a sound financial base for the research institute. Each research institute is required to submit a budget for approval annually as part of the University's budgeting process. The following are examples of allowable costs that this allocation may be used to cover:
 - General running costs of the research institute (including rent)
 - Administration, research, knowledge transfer and technical support
 - Development of a research institute strategic plan
 - Redundancy costs for institute staff
 - Start-up research funding for new academics joining the research institute
 - Promote the research activities of the institute via marketing, hosting conferences and research forums in UL
 - Provide funds to support and promote research collaboration both within UL and externally for members of the research institute
 - Fund equipment maintenance costs of research equipment and purchase of research equipment
 - Refurbishment costs

³ A designated research institute is an entity which is established under the University's approved Criteria for Designation of University Research Institutes and Centres.

- Supports to hosted national centres of scale (e.g. >€5M)

If the project leader is a member of multiple UL designated research institutes, the PI will confirm the UL designated research institute(s) associated with the project and the overhead will be allocated evenly between the institutes listed. The Research & Enterprise and Finance Offices will have oversight of the proposed allocation.

6. **RAM:** This allocation will contribute to central administration costs including services and facilities associated with sponsored research activity. These costs will include, for example:
 - Central administrative support personnel within the Research & Enterprise Office, Human Resources and Finance Office
 - Supplement UL's core budget relating to the direct running costs of the dedicated research functions
 - Utilities costs for supporting research, such as Buildings, ITD and Library
7. **Research Strategic Fund:** This allocation will contribute to supporting initiatives aimed at enhancing UL's research performance and the development of research within UL. Examples of activities included within this allocation can include:
 - Research Incentive Schemes, including UL internal seed funding
 - Research strategy development
 - Matching funds
 - Strategic recruitment costs
 - Research training and events
 - Building & equipment
 - Subscriptions/Memberships
 - Licences/Software/Systems

2.2 Accounting Process

All overheads relating to research will be accounted for in the annual budget process. Overheads will be recognised as income and the annual allocations arising from the reinvestment specified in section 2.0 above will be set out in the budget for approval by the University Executive Committee. Except in cases of the funding of PhD students over four years, unspent project and department overheads relating to research will revert to the relevant Faculty after three years.

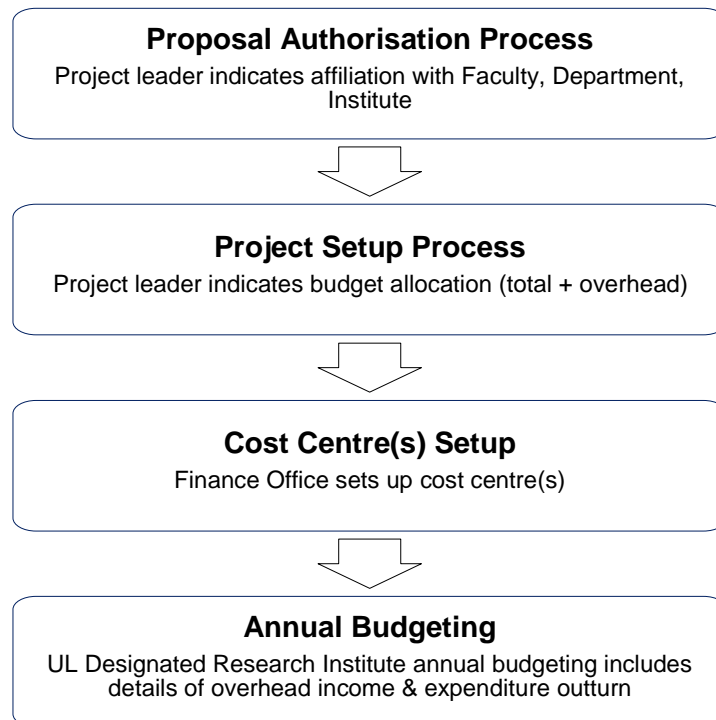
2.3 Approvals and Audit Process for Research Overheads

As part of the project set-up process, project leaders should indicate their department affiliation, as well as the affiliation of the proposal, if any, to a UL designated research institute(s). The Finance Office will then set up the

appropriate cost centres for the overhead allocation to the project and the UL Research Institute(s). The annual report from designated research institutes must include details of how overhead allocations were spent. The overhead spending may be audited to ensure compliance with this procedure. Research Institutes that are found to be non-compliant with the procedure will not be eligible for future allocation of overheads.

A process flow of the approvals and audit process is shown overleaf.

Process Flow



3.0 Records

Records are maintained in accordance with the UL Records Management and Retention policy. Records created as a result of this procedure are:

- Proposal authorisation
- Project set up

4.0 Review

This procedure will be reviewed in accordance with the QMS Self-Assessment Process and any updates will be sent to Executive Committee and included in the next version.

Revision & Approval Log

Rev No.	Date	Revised By:	List of Revisions	Approved Sign & Date
0	12/05/09	EOC	New Document	Executive, Dec 12 th 2009
1	02/05/18	PS	Updated to reflect new overheads procedure	
1	25/07/18	N/A	N/A	Executive Committee, 25 July 2018