

## Joint Research and Enterprise Services

### Research Overheads Policy – St Georges, University of London

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#### University research funding and the importance of overheads

SGUL receives research funding from a variety of different sectors, including charities, research councils, government and industry. Across these funding sectors there are a variety of funding rules, some more rigid than others and some entirely negotiable.

The costing methodology which SGUL uses for research depends on the rules of the funder, with Research Councils and other UK government funding generally subject to Full Economic Costing (FEC), a complex formula used to calculate the full costs of research to universities. For internal purposes the most important financial measure is the % which SGUL receives in addition to the direct costs of research, either as overheads paid directly from the funder or via Research England Quality Related (QR) charity and business support funding.

Overheads are vital for the University – they fund the costs of research which are not specific to individual research projects including utilities costs, facilities management, insurance, maintenance, and professional services support for research (such as HR, Finance and JRES). These are all costs which the University must pay to support research and it is important that we recover the maximum research overheads available.

#### Confidentiality

This policy is confidential to St George's University and should not be shared outside of the University.

#### Minimum overhead rates policy

Detailed in the tables below are the SGUL minimum levels for overheads for various types of funders. Minimum levels of Principal Investigator (PI) and Co-Investigator (Co-I) time are also set out – these impact the overhead rate with many funders. These minimum levels apply to all SGUL contracted research projects (but not St George's NHS Trust contracted research projects managed by JRES). It should be emphasised that these minimum levels are subject to project costings complying with the funder's terms.

This policy also sets out the expected overhead rate for different types of funders. JRES will seek to obtain the best overhead amount within the funder's rules, which is often a considerably higher amount than the minimum levels and can be higher than the expected overhead rate. JRES should always be contacted to cost and price a research project prior to any figures being provided to funders and only JRES costings should be supplied to funders.

### Minimum and expected overhead rates – non-industry funders

Type of funder	Minimum overhead rate	Expected overhead rate	Any overheads rules
Charity (open/peer reviewed)	None – as receive QR (currently 23% of direct costs)	The maximum possible under the funder rules.	Generally direct costs only
Charity (not open/peer reviewed)	25% of direct costs	The maximum possible under the funder rules.	Historically direct costs only, however given the University does not receive QR funding we seek overheads
Research Councils	25% of direct costs	The maximum possible under the FEC rules (or other funder rules where applicable).	Mostly 80% FEC
UK Government	25% of direct costs	The maximum possible under the FEC rules (or other funder rules where applicable).	Often 80% FEC, however different rules depending on scheme
European Commission	25% of direct costs	The maximum possible under EC rules.	Mostly direct costs plus 25% overheads
Other	25% of direct costs	The maximum possible under the funder rules.	Various rules apply

### Minimum and expected overhead rates – industry funders

Type of funder	Minimum overhead rate	Expected overhead rate	Any overheads rules
Industry – Small and Medium Enterprises (SMEs)	30% of direct costs or 100% FEC – whichever is greater	50% of direct costs or 120% FEC – whichever is greater	After costing by the Research Funding team, the Head of Enterprise and Innovation will advise on the price to charge the funder based on the market rate, which can be affected by various factors such as Intellectual Property ownership and the University’s academic contribution.  The amount to charge industry funders for research should always be approved by JRES prior to any discussion of funding with industry partners.
Industry – large (non-SME) companies	50% of direct costs or 120% FEC – whichever is greater	70% of direct costs or 140% FEC – whichever is greater	

### Principal Investigator/Co-Investigator time

- For all projects, the amount of the SGUL PI time should be between 10% and 30%. This includes the where the application is led outside of SGUL, and the SGUL lead is the Co-I on the overall application.
- For all projects, the amount of Co-I time should be a minimum of 5%.
- Additionally, for projects exceeding a total of £500,000, the combined SGUL PI and Co-I time should be a minimum of 20%.
- The % of PI and Co-I time should reflect the annual Time Allocation Survey (TAS) which academics are required to complete three times a year.

### Approval process

- JRES will seek to obtain the best overhead amount within the funder's rules.
- For non-industry research funding, the Head of Research Funding or Research Funding Manager (Pre-Award) will have authority to submit applications which meet the above minimums.
- For industry funding, the Head of Enterprise and Innovation will have authority to negotiate with the industry partner for projects which meet the above minimums.
- Where the above minimums are not met, the JRES Director will have authority to agree a lower overhead amount, taking into account all of the circumstances of the research project.
- Where there is no remaining scope to improve the overhead amount, and the JRES Director's view is that the University should decline to apply for or accept the research project due to the overhead amount, the JRES Director will consult with the Institute Director. The final decision to decline a research project shall be made by the Deputy Vice-Chancellor (Research and Enterprise).