

# **GUIDELINES**

## **FULL COSTING OF PROJECTS FUNDED BY EXTERNAL RESEARCH GRANTS**

These guidelines provide the guiding principles and procedures to be applied when staff apply for external research grants.

### **1.0 Introduction**

These guidelines relate to the costing of research projects funded by external research grant agencies such as those listed as being Australian Competitive Grants as well as other Commonwealth, State and not for profit grantschemes.

The Full Costing of Projects Funded by External Research Grants Guidelines recognises that in the conduct of research, the University should where possible seek funding that reflects the real cost of undertaking the research and not just the direct project costs. In addition to project consumables, the real costs of research may include:

#### Direct costs

- Academic staff salaries;
- Salaries of project specific staff including research fellows/associates, research assistants, administrative and technical staff;
- Project/laboratory consumables;
- Travel and accommodation
- Equipment

#### Indirect costs

- Office and laboratory space;
- Running, maintenance and capital costs of major equipment not directly sourced from project funds;
- Other research infrastructure, such as information and library services, animal houses;
- Protection of the University for professional indemnity and public liability; and
- Legal and administrative services provided by the University.
- Share of technical support, workshops, office support, secretarial, electricity, maintenance and cleaning costs;
- Audit and compliance costs (taxes, fees);
- Banking costs (foreign exchange fluctuations, transaction charges).

The objective of these guidelines is to encourage academic staff to include the real costs (including staff time) in project budgets and to apply an overhead/infrastructure component on top of all direct salary and non-salary costs to cover the indirect costs.

### **1.1 Terminology**

The term 'Element' used throughout this document refers to School/Department in academic groups and Offices in administrative areas. Head of Element refers to Head of School/Department or Office Director. For the purposes of these guidelines, Head of Element also means directors of all Griffith Research and Academic Centres.

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## 2.0 Scope

These guidelines apply to all staff for whom the University is the principal employer, [casual academic staff](#), adjunct, visiting and honorary appointees of the University.

These guidelines apply to all research grant applications and successful research grants which are to be hosted by the University. All research grants are to be processed through the Office for Research.

These guidelines do not apply to those granting schemes where the scheme guidelines explicitly specify that the agency will not fund staff salaries and/or institutional overhead or infrastructure charges.

These guidelines do not apply to contract research and consultancies that are administered by Griffith Enterprise. The Consultancy and Commercial Research Policy sets out the conditions and overheads that apply to such activities.

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## 3.0 Guiding Principles

All work as described in these guidelines is governed by the following guiding principles:

- Academic staff are normally required to undertake research as part of their University duties. Therefore any salary funded through a grant will be reimbursed to the Element and is not available as remuneration or use by the researcher.
- Budgets for research grants projects will be costed to reflect the full direct and indirect costs of undertaking the research. The indirect costs will be estimated by the application of a multiplier (as detailed in section 4.0) on the direct costs of the research.
- Academic staff salaries and on-costs will be included in research grant project budgets except if the grants scheme specifically excludes the inclusion of such expenses.

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## 4.0 Project Costing

The overhead charge should be determined at the time of preparing the grant application and incorporated in the budget request. The standard overhead charge to be applied to research grant costs is 25%. There are two exceptions. Projects where the total budget (regardless of the period of funding) is less than \$20,000, the charge is nil. Project costs totaling over \$600,000 will have a flat charge of \$150,000.

### 4.1 Project Costing

All eligible projects will be costed in accordance with the following model:

<b>Project Cost Components</b>	<b>\$20k or less @ no charge</b>	<b>\$20k to \$600k @ 25%</b>	<b>Over \$600k @ \$150,000</b>
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## **4.2 Overhead Rates as set by Granting Agencies**

The overhead charge will normally be applied to grants as set out in section 4.1 except in cases where a granting scheme has its own overhead scale. In such cases the agency specified overhead rate will be used. In these cases the internal allocation of income from the overhead will be distributed in the same relative proportions as set out in section 5.0.

## **4.3 Exemptions and Variations**

Exemptions to the guidelines and variations to the standard overhead charge must be determined at the time of application. Exemptions and variations from the guidelines may be approved in the following circumstances:

### *4.3.1 Deputy Vice Chancellor (Research) approval*

The Deputy Vice Chancellor (Research), following consultation with the Academic Group Pro Vice Chancellor, may approve a grant to be exempt from application of the overhead charge or may set a reduced overhead charge on the basis that the grant is of major strategic importance to the University. Requests for the charge to be waived must be submitted to the Office for Research and include a justification for the strategic importance of the grant. The Office for Research will liaise with the lead researcher and other administrative elements to assess the administrative demands of the project. The Office for Research will prepare a recommendation on the waiver/variation of the overhead charge for the approval of the Deputy Vice-Chancellor (Research).

### *4.3.2 Grants awarded prior to the implementation of the Guidelines*

Grants awarded to the University and grant applications submitted to granting agencies prior to the implementation of the Guidelines will be exempt from the Guidelines.

### *4.3.3 Granting Schemes (including Foundations and Trusts) that do not fund overheads*

At the time of application, Office for Research staff will check scheme guidelines to determine whether the scheme prohibits the inclusion of infrastructure, administrative or overhead charges in the project budget. Where these charges are prohibited by the funding agency, such as in the case of the ARC and NHMRC, the overhead charge will not be included.

### *4.3.4 Salary only and Scholarship only Grants*

In cases where a grant provides solely for the salary of research staff (including Chairs, named fellowships, research associates or research assistants) or solely for a research higher degree scholarship (including scholarship top-ups) and where the funding must be used exclusively to pay the salary or the scholarship, an overhead charge will not be applied to the grant. However, where allowable by the funding agency, applications for such positions should include the overhead charge.

### *4.3.5 Industry partner contributions to collaborative grants*

Industry partner contributions as required for collaborative grant schemes such as the ARC Linkage-Projects and Smart State National and International Research Alliances Program are not required to include the overhead charge.

#### 4.3.6 Grants transferred in from other institutions

In cases where a grant is being transferred to the University from another research organization, the overhead will not be taken from the grant funds where the original grant did not include an overhead component. In cases where a grant is being transferred to the University from another research organisation, the amount of overheads included in the original grant (including no overheads if relevant) will be applicable at Griffith University.

#### 4.3.7 Equipment only grants

Equipment only grants will be exempt from the Guidelines. Where a project grant includes significant funding for equipment, the equipment component will be exempt from the charge.

### 4.4 How will the overhead be applied?

#### 4.4.1 Grant amount awarded

In cases where a grant application includes the overhead charge but the grant dollars awarded is less than requested in the application, the overhead charge will be recalculated on the basis of the grant awarded.

#### 4.4.2 Total value of the grant

In determining the overhead rate to apply to the grant, the total dollar value of the grant, regardless of the term of the grant, shall be used. A three grant where the annual grant is \$7,000 (totaling \$21,000 over the 3 years) will require the addition of \$5,250 to cover the 25% overhead.

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## 5.0 Internal Allocation of Infrastructure Charge

### 5.1 Financial management

The Office of Finance and Business Services (FBS), in consultation with the Office for Research, is responsible for managing the distribution of infrastructure charge income. When grant accounts are established, FBS will alert the lead researcher on the grant of the value of overhead component to be taken from the account and will ensure that these funds cannot be used by the researcher for any other purpose. The overhead component of grant income will be transferred from the grant account at the time of invoicing and will appear as expenditure in the grant account so that financial reporting to the funding agency is not compromised.

### 5.2 Internal Allocation

Income from the infrastructure charge will be distributed as follows.

Deputy Vice Chancellor (Research)	8.33%
Capital Fund	8.33%
Academic Group	8.33%
Total	25%