



GUIDELINES FOR UTILISING EXTERNAL RESEARCH AND ENTERPRISE FUNDING

Purpose

The purpose of this procedure is to:

- Ensure that staff time is correctly budgeted for in requests for external research and enterprise funding
 - Ensure that indirect costs (“overheads”) are correctly budgeted for in requests for external research and enterprise funding
 - Provide clarity as to how overheads are apportioned between Tūāpapa Rangahau, Schools, Research Centres (if applicable), Principal Investigators and the project
 - Ensure that overheads are utilized according to the requirements set out by Unitec’s independent auditors
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Scope

This procedure applies to:

- All applications for external research and enterprise funding, whether Unitec is a lead or sub-contracted organisation
 - All Unitec staff named on externally funded research and enterprise projects, Research Centre Directors, Heads of School and Line Managers
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Procedure

1. Decision to apply for external research and enterprise funding

1. All Unitec staff named on externally funded research and enterprise projects need authorisation from their line manager before the application for funding is submitted.
2. Line managers should take into consideration the duration of the project, the time commitment required and whether the staff member will be working on the project within, or in addition to, any research time allocation they may have.
3. The Principal Investigator, relevant Research Office personnel and Finance Partner will work together to calculate the cost of undertaking the project, including staff time, materials, consumables, and overheads.

2. Funding for project staff time

In this section, “salary” means the amount a staff member is paid before tax, including superannuation, bonuses, allowances, annual leave and ACC levies.

- As a general rule, no external funding will be paid to any staff member as additional salary, except where the staff member is less than 1.0FTE and wishes to increase their FTE for the project (up to 1.0FTE).

- In exceptional circumstances a Special Responsibility Allowance may be paid to staff members working on externally funded research and enterprise projects. This will require the completion and approval of an 'Outside Work or Activity Disclosure and Approval Form' before the application for funding is submitted. The allowance must be budgeted for in the application for funding so that it can be funded from the research and enterprise project.
- Named researchers on applications for externally funded research and enterprise projects who have a research allocation must decide before the application for funding is submitted whether the project will be conducted within their existing research allocation or in addition to their existing research allocation (up to 1.0FTE).

Researchers who wish to undertake the project within their existing research allocation:

1. Funding received for their salary will be treated as overheads and will be dispersed as outlined below in the section 'allocation of overheads'.

Researchers who have an agreed, full research load and will be undertaking the externally funded research and enterprise project in addition to their research time allocation:

2. Funding received for their salary will be transferred to their School. The School must use the transferred funds as follows:
 - If the staff member is less than 1.0FTE and wishes to increase their FTE up to 1.0FTE:
 - the funding will be used to temporarily increase the FTE in the staff member's employment contract for the duration of the project.
 - The School is responsible for implementing the FTE variation of the staff member's employment contract.
 - Once this variation is confirmed, Tūāpapa Rangahau will support Line Managers on details, process and administration.
 - Once the variation is complete and work has commenced, Tūāpapa Rangahau will transfer the salary funding to the School in monthly instalments, from project commencement date. This payment schedule ensures the external funds are protected from Unitec's financial year end processes.
 - If the staff member is 1.0FTE (or less than 1.0FTE and not wanting to increase their FTE) and will deliver the project within additional research allocation time (i.e. current research allocation time has been fully allocated to other projects):
 - the funding will be used by the School for the teaching release/substitution costs associated with increasing the staff member's research time to deliver the project.
 - The School will secure and commit the staff member's research allocation time for the duration of the project and/or any necessary teaching release/substitution (e.g. via documentation in the staff member's Independent Research Planner, ADEP and workload allocation).
 - Funding will be withheld until confirmation is received from the Head of School that the required research time and/or teaching time has been committed.
 - Once confirmation is received, Tūāpapa Rangahau will transfer the agreed salary funding to the School in monthly instalments or processed directly from payroll.

- The School may use any surplus funds (e.g. the difference between the researcher's salary and the cost of the salary for the researcher's substitute) for research purposes only.

3. Calculation of overheads

Overheads can be calculated in one of three ways. Advice should be sought from Tūāpapa Rangahau as to which method should be employed.

1. The time of Unitec researchers named on the project is charged at an hourly rate that includes a portion for overheads (e.g. quoting \$120 p/hr for a staff member paid \$60 p/hr). This is a commercially acceptable way to include funding for overheads or;
2. The time of Unitec researchers named on the project is costed based on actual salaries and 110% is added as an overhead¹ (this is a standard approach for TEOs but is not considered commercially acceptable outside of large government agencies) or;
3. A fixed administration fee is charged (usually 10-20% of the project budget, depending on the anticipated effort required to administer the project. This is a commercially acceptable approach if the project is large enough to warrant administrative support and if costed modestly).

4. Where the amount of funding sought will not cover the full cost of delivering the project

There may be instances where:

- the maximum funding available or the price negotiated with a client will not meet the full cost of the service and;
- the deliverables cannot be negotiated down to ensure that the price covers the full cost.

This may be acceptable where other non-monetary or deferred benefits accrue to Unitec and the project has any one or more of the following characteristics:

- It adds directly to Unitec's reputation (e.g. related to charitable, public good purposes);
- There are clear, direct and stated educational benefits to students;
- It allows for Unitec to capture a significant share in the IP ownership or benefits arising from the contract.

Where this happens, the nature of these benefits will be recorded in a way that is connected with the contract and are readily retrievable for reporting and auditing purposes.

In instances where discounts are given, they must be reviewed and approved by the Director Research and Enterprise and the Head of School who also needs to confirm that the School will be subsidising the cost of fulfilling the contract.

¹ Full costs (direct and indirect) will be recovered from agencies that have been committed by the government to fully fund the research they sponsor (e.g. MBIE, HRC, Marsden Fund)

Tūāpapa Rangahau will record both the agreed price for the service and the full actual cost of the project in a manner that clearly identifies the extent of the subsidy against overheads, salaries, consumables, and other costs.

5. Allocation of overheads

Māori Research Centre – externally funded research

1. Unitec Indirect Costs

- 1.A maximum of 20% of the overheads on externally funded research and enterprise projects go to a Unitec central cost centre for the indirect costs associated with delivering research projects.

2. Ngā Wai a te Tūi

- 1.A maximum of 80% of the overheads on externally funded research and enterprise projects go to Ngā Wai a te Tūi.
- 2.This fee will be transferred monthly to a Ngā Wai a te Tūi administration project code in monthly instalments
- 3.These funds will be available during the project and will be held in this project code for one year after the project end date.
- 4.Any funds not spent before one year after the project end date will be surplus to Unitec and will go to a Unitec central cost centre for the indirect costs associated with delivering research projects.

All other Externally Funded Research

3. Unitec Indirect Costs

- 1.A maximum of 20% of the overheads on externally funded research and enterprise projects go to a Unitec central cost centre for the indirect costs associated with delivering research projects.

4. Research Management Fee:

- 1.A maximum of 40% of the overheads on externally funded research and enterprise projects go to Tūāpapa Rangahau for the costs of administering the project and for Unitec research infrastructure costs.
- 2.This fee will be transferred monthly to a Tūāpapa Rangahau administration project code in monthly instalments.
- 3.These funds will grow Unitec's capacity to service and grow its research and enterprise activity.
- 4.These funds will be available during the project and will be held in this project code for one year after the project end date.
- 5.Any funds not spent by to one year after the project's year of completion will be considered surplus to Unitec.

5. Host Fee:

1. A maximum of 20% of the overheads on externally funded research and enterprise projects go to the Principal Investigator's School or Research Centre.
2. This fee will be transferred to the Principal Investigator's School's cost center or relevant Research Centre's project code in monthly instalments.
3. The fee will be used by the School or Research Centre for research purposes.
4. If the project is delivered or led substantively across multiple Schools, Research Centres and/or Strategic Foci, a split of the Host fee will be negotiated by Tūāpapa Rangahau.
5. These funds will be available during the project and will be held in this project code for one year after the project end date.
6. Any funds not spent before one year after the project end date will be surplus to Unitec and will go to a Unitec central cost centre for the indirect costs associated with delivering research projects.

6. Project Contingency:

1. A maximum of 10% of the overheads is ring-fenced as contingency for the project.
2. Funds will be retained in the project code until the project is completed. After the project end date they can be used for research and enterprise related expenditure by Tūāpapa Rangahau.
3. The funds are available to Tūāpapa Rangahau for research and enterprise related expenditure up to one year after the project end date.
4. Any funds not spent before one year after the project end date will be surplus to Unitec and will go to a Unitec central cost centre for the indirect costs associated with delivering research projects.

7. Principal Investigator's External Research Incentive Fund:

1. A maximum of 10% of the overheads goes to the Principal Investigator as an incentive for generating the external research and enterprise funding.
2. The funds are available to the Principal Investigator for research and enterprise related expenditure up to one year after the project's year of completion.
3. The funding is managed and administered by Tūāpapa Rangahau and can be accessed by the submission of a request to Tūāpapa Rangahau.
4. The funds can be shared with other project team members at the Principal Investigator's discretion and on submission of a request to Tūāpapa Rangahau.
5. These funds will be available during the project and will be held in this project code for one year after the project end date.
6. Any funds not spent before one year after the project end date will be surplus to Unitec and will go to a Unitec central cost centre for the indirect costs associated with delivering research projects.

6. Tracking and spending overheads

- Tūāpapa Rangahau maintains a spreadsheet of income and expenditure which Principal Investigators, Research Centre Directors and Heads of School can view anytime.
- All requests to spend overheads, irrespective of where they are housed, must be made through Tūāpapa Rangahau who will action the expenditure request and initiate the required approvals. This is to ensure Unitec's HR, procurement, delegations and finance policies are adhered to in all cases.

- The Tūāpapa Rangahau administration team are highly experienced at navigating Unitec's policies, processes and approvals. Do not hesitate to ask for help if needed.

7. Direct project costs

All direct project costs will be budgeted for in the application for external research and enterprise funding.

- Examples of direct project costs include:
 - Unnamed staff such as research assistants, statisticians, programmers, technicians etc. Such staff are typically employed on fixed term or casual employment agreements specifically for the project.
 - Subcontractors (e.g. staff from other institutions who are working on the project).
 - Materials and consumables such as transcription, specialist software licenses, data sequencing, water testing, vouchers for research participants, koha, etc.
 - Project related travel such as mileage and accommodation.
 - Project dissemination such as hui, conference registration and open access publications.
- All requests to set up a contract or spend against the project budget must be made through Tūāpapa Rangahau's administration team who will initiate the required approvals on behalf of the Principal Investigator.
- All items of expenditure will be paid for directly from the project code.
- Tūāpapa Rangahau's research administrators actively support Principal Investigators to track and manage their budgets as needed.

8. Project surpluses and deficits

Research by nature has a tendency to evolve and so too do the project plans and project budgets. The important thing is to communicate any change with Tūāpapa Rangahau in a timely manner, particularly if there are any concerns about the project delivery, timeframes or budget.

- The Principal Investigator is responsible for keeping the project to budget and will work with Tūāpapa Rangahau to seek any help or advice required to do this.
- At year end, Tūāpapa Rangahau will assess the projects due for closure and review any project surpluses and deficits with the relevant Principal Investigators.

Surpluses

- 20% of any surplus will go to a Unitec central cost centre for the indirect costs associated with delivering research projects.
- The Principal Investigator can negotiate with Tūāpapa Rangahau to use up to 80% of the surplus funds for related project dissemination or research purposes, until project closure, depending on the specific details of the contract with the external funder.

1. These funds will be held in a Tūāpapa Rangahau administration project code for one year after the project end date.
2. Any funds not spent before one year after the project end date will be surplus to Unitec and will go to a Unitec central cost centre for the indirect costs associated with delivering research projects.

Deficits

- If at any stage it appears possible that the project could go into deficit, the Principal Investigator will arrange to meet with Tūāpapa Rangahau promptly to find a solution.
- If there remains a deficit at project closure, Tūāpapa Rangahau and the relevant Head of School will reach agreement on how the deficit will be covered.

Responsibilities

Role	Responsibilities
Principal Investigator	<ul style="list-style-type: none"> • Obtains approval from their Line Manager to submit and participate in the externally funded research and enterprise project. • Ensures other Unitec staff named on the proposal have permission from their Line Manager/s to participate. • Works with the Senior Grants Advisor and Research Operations Manager to accurately calculate the cost of the research project. • Advises Tūāpapa Rangahau whether they will participate in the project within or in addition to their research time allocation (if applicable). • Submits all requests to spend against the project budget through Tūāpapa Rangahau. • Communicates promptly any changes to the project plan, timeframes or deliverables to the Research Operations Manager. • Keeps the project to budget, working with Tūāpapa Rangahau to seek any help or advice required to do this and alerting the Research Operations Manager promptly if a budget deficit is possible. • Utilises their External Research overheads appropriately.
Director Research and Enterprise	<ul style="list-style-type: none"> • Reviews and approves any instances where discounts are given, e.g. on overheads charged. • Negotiates the split of overheads with Heads of Schools, Directors of Research Centres and/or Principal Investigators.
Research Contract Specialist	<ul style="list-style-type: none"> • Works with Principal Investigators and the Senior Grants Advisor to calculate the cost of the research project, including salary costs and overheads.

	<ul style="list-style-type: none"> Seeks approval from the Director Research and Enterprise in any instance where discounts are given, e.g. on overheads charged. Addresses any project surpluses or deficits with the relevant Principal Investigator. Oversees expenditure from the Project overheads. Assesses projects due for closure.
Senior Grants Advisor	<ul style="list-style-type: none"> Works with the Principal Investigator and Research Contract Specialist to calculate the cost of the research project, including salary costs and overheads.
Tūāpapa Rangahau administration team	<ul style="list-style-type: none"> Actively support Principal Investigators to track and manage their budgets as needed. Action contract or expenditure requests and initiate the required approvals on behalf of the Principal Investigator.
Heads of School	<ul style="list-style-type: none"> Negotiate any necessary teaching buy-out arrangements Confirm whether the School will subsidise the cost of fulfilling contracts where discounts are given. Negotiate the split of overheads with Tūāpapa Rangahau.
Line Managers	<ul style="list-style-type: none"> Confirm to the Research Contract Specialist that staff named on externally funded research and enterprise projects are approved to participate and whether their participation will be within or in addition to their research time allocation

Definitions

Term	Means
Overheads (indirect costs)	Costs that are incurred that cannot be readily attributed to any one project or programme. These include central administrative costs (e.g. financial services, HR services), central facilities like libraries, rooms and laboratories and utilities such as power and ICT.
Principal Investigator	The Principal Investigator has the responsibility for the design, conduct, leadership and delivery of a research project.
Research Centre	A formally-constituted grouping of researchers who work together to collectively achieve defined research aims. Research Centres have formal institutional standing and recognition.

Term	Means
Individual Research Planner	All staff with time allocations for research must complete an Individual Research Planner (IRP). The IRP outlines a researcher's main goals for the year ahead, provides a description of activities that will take up a significant amount of their time, and outlines any assistance they will need to achieve their research goals.
Research allocation	Time allocated to a staff member to undertake research (Research Leaders and Heads of School negotiate with the Director Research & Enterprise a proportion of time that is commensurate with the productivity of that staff member, with IRPs considered).

Reference Documents

- [AC 4.0 Conduct of Research Policy](#)
- [AC 4.1 Research Centre Procedure](#)
- [Guidelines for Applying for and Managing External Research Funding](#)
- [Outside Work Policy](#)
- [Outside Work of Activity Disclosure and Approval Form](#)
- Unitec Research Strategy 2020-2024

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