

Internal Guidance on Reporting of Research Grants

This guidance explains how a research grant application, award, and ensuing grant income is recognised and reported within regular management reports. It is primarily aimed at Research Development Managers, Directors of Research and academic colleagues but may aid departmental conversations around application and award targets.

1. What can be reported as Research?

In order for external funding to count as research, the research scope should be agreed with the funder at the outset of the grant or contract, and the work should conform with the Frascati definition of research in that it should “aim to increase the stock of knowledge” (see Annex 1).

2. When can my research application be reported?

For an application to be included in the monthly application report, the Research Grants Team need all of the following items:

- A full copy of the submitted application.
- The Lucre Approval Form signed by the Principal Investigator and the Head of Department.
- Where an application involves more than one investigator, the reporting split should be included in the signed Lucre form and signed LUCRE approval forms are needed from all investigators/departments.

Once all the above items are received, the Research Grants Team will create a project account within SAP, of the format RxxG000.

3. When can my grant award be reported?

Assuming the application process above is complete, awards will appear in the monthly awards report when the actions below are completed:

- Where Leicester is the lead institution, the award offer from the funder, including the confirmed budget, should have been received and accepted by the Research Grants Team and the PI.
- Where we are required to pass funding to external co-investigators, agreement needs to have been reached on the distribution of the budget between partners (with signed collaboration agreements following soon after reporting).
- Where a collaborative project is led from elsewhere, an agreement needs to be negotiated and signed with the lead institution, by the Research Grants Team including details of the budget, before the award can be reported.

Awards may not be reported on the basis of an indication of award, such as Je-S offer email, as this does not constitute a binding commitment. As soon as the above is in place, the Research Grants Team will complete the award process in SAP, allowing award details to be captured in monthly reports.

4. When are the monthly applications and award reports generated?

The monthly reports are run between the 5th and 10th of each month, for the previous month. Applications or awards with incomplete paperwork would not normally be included. The data reported are similar for both applications and awards, including fEC, funding and contribution values.

Where there is more than one Leicester-based investigator, these sums are allocated between the investigators in line with the reporting split shown in the Lucre costing, so that each investigator is credited with their share of the application (£ and %). Details of applications and awards are automatically transferred to IRIS every month.

5. What if my award is coming from industry or through a commercial contract?

Just as for public sector applications, a completed and signed Lucre form is required from all departments, along with confirmation of reporting split. However, given the nature of these funders, where contract negotiation can determine award timing and value, application and award may be reported at the same or very similar times. These are reported alongside public sector awards, and the same details are included.

If commercially funded applications and awards are to be kept confidential, as is often the case, details of the project will not appear in the monthly lists, but the values and contribution will be included in the total figures. Details on non-confidential commercial research projects are transferred to IRIS each month but confidential ones are not.

6. What value of the application or award can be reported when in collaboration with other parties?

Where the University is delivering research, whether funded by a grant or commercial contract, only the portion which relates to Leicester's required or contracted deliverables to the funder can be reported as a University award and income - the University should carry both the benefits and risks of delivering the research.

Where Leicester is the lead applicant in collaboration with other external parties, and Leicester is devolving funds from the grant to these collaborators, then the collaborator's share cannot be included in Leicester's reported application, award or income figures. This applies equally to all funding including GCRF and ODA calls and is a requirement of standard financial accounting practice for reporting research income across the sector to avoid double-counting of income by several institutions.

Indicators of such collaboration include:

- The party is named as a collaborator/partner on the application (i.e. who does the funder believe they have engaged with to complete the work?)
- The collaborating party carries their own risks and controls their element of the work
- IP created by the collaborator is owned by the collaborator, and they can publish their own results from the research

Conversely, on a bid led by Leicester, if the external party is acting simply in the capacity of a subcontractor – where the balance of control, risk and responsibility remains with Leicester (such as buying in services on a grant), then the funding allocated to the subcontractor can be included as Leicester's income budget allocation. Note, the inclusion of subcontractors may attract VAT on

project costings, and this should be checked with the Grants or Contracts Officer in RED prior to submitting the proposal to the funder.

It should be noted that the use of the terms collaborator, sub-contractor, partner, consortium member etc. within any project documentation do not in themselves dictate the classification of that party. We need to be able to justify and document our decision in line with the grant award/contract and the respective roles of each party. As a general rule, it would be unusual to include another HEI as a sub-contractor.

Where Leicester is not the lead applicant, then only the funding transferring to Leicester, for which Leicester carries both benefit and risk, is reported as research income for the same reasons as given above.

Refer to Annex 2 for supplementary guidance on reporting research funding in respect of joint work with the UHL NHS Trust.

Please note, that even though financial reporting of awards and income can only show the funds relating to Leicester's deliverables, academics are free to quote the total award values in any publicity material or CVs.

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Annex 1: Frascati Definition of Research

Research is to include research and experimental development. The definition of research, below, is taken from the 2015 Frascati Manual:

"Research and experimental development (R&D) comprise creative and systematic work undertaken in order to increase the stock of knowledge, including knowledge of humankind, culture and society, and to devise new applications of available knowledge."

The term R&D covers three types of activity: basic research, applied research and experimental development."

Basic research is experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any particular application or use in view. **Applied research** is original investigation undertaken in order to acquire new knowledge. It is, however, directed primarily towards a specific practical aim or objective. **Experimental development** is systematic work, drawing on knowledge gained from research, practical experience, and producing additional knowledge, which is directed to producing new products or processes or to improving existing products or processes.

Annex 2: Supplementary note on reporting research funding received by the University and UHL

This note has been agreed jointly by both institutions, and is intended to clarify the recognition of research funding received by the University of Leicester (the University) in collaboration with the UHL NHS Trust (UHL).

Where the research grant or contract has been awarded to the University, providing that the University carries both the risk and the benefits of delivering the research, then the UHL element may be reported as subcontracting costs and therefore included in University application, award and income totals. If, on the other hand, the risk and benefit are transferred to UHL, then, the University would only be able report the University's direct portion of the award value.

Where the grant has been awarded to UHL, there may be instances where it is appropriate to transfer the benefits and risks of the contract to the University through a collaboration agreement thereby allowing the University to report the grant award and associated income.

The decision as to whether the risk and benefits remain or transfer to the University would typically be influenced by the following factors:

- The academic leading the project is the substantive¹ employee of the University, and is named as the project leader in the grant award letter. The category of substantive employee does not include holders of honorary titles only.
- The University will take responsibility for overall management and delivery of the project.
- The funder has the right to terminate the contract in the absence of the named project lead or a suitable replacement.
- The University's academic lead will take responsibility for ensuring appropriate deployment of funds and budget control, as well as devolving of budgets to third parties where required.
- There will be a sharing of arising IP with the University.
- The University will be able to publish results of the research.
- The University will carry reputational risk and reward on the project delivery.
- Potential funder imposed sanctions will apply to the University.

For any commercial clinical trial contracted to UHL (i.e. Pharma sponsored and led) the risk and benefits would not typically transfer to University. Therefore, this research cannot be reported as University income. However, in cases where the academic has a separate contract research agreement with the company to carry out sample analysis and interpret results and are part of any resulting publication, payment for this activity will count as research income. Conversely, if researchers who are Chief Investigators of clinical trials receive income from consultancy for advising the company on experimental design, ethics etc, then this consultancy would not be eligible to be counted as research income, however it does count towards other metrics such as HEBCI.

The transfer of any research funds between the UHL and the University must be reflected in a collaboration agreement, executed by the relevant RED team and the R&I team at the UHL.

Individual cases should be referred to the relevant RED Grants or Contracts Officer prior to the submission of the application.

¹ A "Substantive employee" is defined as one employed on a permanent or fixed term employment contract with the University for which they are paid a remuneration.