

UNIVERSITY OF KWAZULU-NATAL

RESEARCH POLICY VI GRANTS AND CONTRACTS POLICY

Custodian:	DVC (Research)		
Policy approved by:	COUNCIL	Date:	
Policy effective date:		Date:	
Policy review structure & date:	Executive	Date:	17 September 2009
	Faculties		8 October 2009 3 November 2009
Implementation responsibility:	DVC (Research)		
* Revision recommended by: <small>Senate or Council committee</small>	University Research Committee	Date:	9 December 2009
* Revised policy approved by:	COUNCIL	Date:	
Implementation procedures approved by: ²		Date:	

* Delete if inapplicable

A: Policy statement

1. Purpose statement

The purpose of the Grants and Contracts Policy is to regularise the grants and contracts processes, including overhead cost recovery.

2. Introduction and background

The University of KwaZulu-Natal (“UKZN”) hereinafter referred to as “the University”, encourages researchers to apply for grants and contracts from prestigious national and international funders that support cutting-edge, blue-sky, basic, applied and strategic research. The University seeks to encourage research and collaborative research where appropriate, including the development of research capacity. This policy creates an enabling environment to encourage grants and contracts and has several incentives to encourage researchers to seek grants and contracts and to include the costs of personnel in the University’s employ, premium charges and indirect costs. It replaces the regulation of supplemental remuneration in terms of the University’s conditions of Service in the hands of Human Resources policies and management systems, and places University-based research under the auspices of research policies to be managed by the Research Offices. The policy provides incentives that will promote research activities undertaken through the University as a part of the normal activities of all academic staff with proper cost recovery. By adopting this cost recovery policy, the University could attract significant funds for a third stream of income.

Implementation of the policy will enable proper procedures to be applied by the institution for the recovery of costs related to the use of services and facilities.

3. Definition of terms

Grants: Researcher initiated protocols and proposals for presentation and/or submission to national and international funding agencies and grant makers. The results of the research contribute to scientific knowledge through publications, reports, innovation and technological development.

Contracts: Contract research is research that is commissioned by an external party and involves the application of knowledge and provision of services for the development of technologies, materials or testing to the client's specifications.

Donations: Is a gift, grant or contribution given typically for charitable purposes and/or to benefit a cause. Donations are given without return consideration. These funds must be unencumbered in order to comply with the tax regulations pertaining to the issuing of Section 18A tax certificates to the respective donors.

Project: Reference to "projects" implies synonymous with research grants, contracts and/or donor-funded research.

Sub-grants or Sub-contracts: A grant or contract perform part or all of the obligations on another's contract. It typically requires the sub-grantee or sub-contractor to perform a specific task or series of tasks as part of the overall project.

Grant or Contract-holder: The member of staff who is the principal investigator or leader of the work to be undertaken in the grant or contract.

4. Objectives of the Policy

- 4.1 To improve research productivity by increasing funding from external sources, particularly from grant makers, industry and commerce, government and statutory research agencies, especially for large projects that would not otherwise be possible.
- 4.2 To assist the Research Office to effectively manage funding proposals, contracts and intellectual property opportunities in the University.
- 4.3 To facilitate efforts by the University's researchers to seek and raise external funding for research and research training by providing regular information on grants and contracts opportunities.
- 4.4 To pro-actively support the development of researchers from designated groups in order to build future research capacity at the University through external grant mechanisms such as the Thuthuka programme.
- 4.5 To assist researchers in their attempts to write grant applications through the provision of grant writing, budgeting and legal support.
- 4.6 To utilise models for costing research and other services that:

- 4.6.1 are administratively efficient and that do not involve complex bureaucratic processes and;
 - 4.6.2 ensure that the full economic costs of undertaking contract work for external parties are included in grants and contracts.
- 4.7 To provide guidelines for the recovery of indirect costs and other overhead expenses incurred by or in respect of external grants and contracts.

5. Scope of the Policy

- 5.1 This policy covers all research grants and contracts entered into by the University, including those subject to sub-grant and sub-contract agreements.
- 5.2 Contracts and grants raised under this policy are regarded as part of the research activities normally expected of academic staff and not as Private Work which is covered in the condition of services (Section 20). The regulation of Private Work, therefore, is a management function covered under the Conditions of Service and administered by the Division of Human Resources & Equity.
- 5.3 Honoraria, bursaries and scholarships, royalties, sponsorships for conference attendance and payments received by University employees as members of any board or council are excluded from this policy.
- 5.4 This policy should be read and applied in conjunction with the University's policies on Intellectual Property (Currently in draft) and Commercialisation Initiatives.
- 5.5 This policy does not include donations, which should be channelled through UKZN Foundation but does cover research grants negotiated through the Foundation.
- 5.6 Grants from Statutory sources, for example, the National Research Foundation (NRF) and its associated Programmes, are not included in this policy for the calculation of costs. They are governed by a separate policy.

6. The Policy

6.1. Principles

- 6.1.1 The University of KwaZulu-Natal (UKZN) undertakes to provide a supportive and enabling environment that encourages staff to raise grants and contracts to support their research work.
- 6.1.2 The primary motivation for such grants and contracts should be to promote scholarship at UKZN and not for income generation for the benefit of individuals, schools, faculties, colleges or the University.

6.1.3 Nonetheless, this policy recognises that there are opportunities for supplemental remuneration through the research grants and contracts, and hence this policy should be read and applied in conjunction with the University's Condition of Service on Private Remunerative Work.

6.1.4 It is the University's policy to recover the full costs incurred by or associated with all research grants or contracts that are raised. Exceptions, however, may be permitted in the light of the requirements of grant-making institutions, provided that the strategic values of the research contract/grant can be demonstrated to the University.

6.1.5 All applications for grants and contracts by University researchers must be submitted to the Grants and Contracts Cluster of the Research Office for review and approval prior to their submission to funders. The Research Office shall endeavour to process all the applications timeously so as not to disadvantage the researchers.

6.1.6 The Research Office will be responsible for assessing the scope of the project, the related legal and administrative conditions, publication and intellectual property limitations, ethical considerations and the University's exposure to risk¹. The legal aspects of grants and contracts such as liability, warranties and ownership of intellectual property must be negotiated with funders or the contracting party by the Research Office and not by individual University staff.

6.1.7 In all cases, budgets included in proposals and applications must be approved by the Research Office prior to submission to funders. It is a requirement that the University's costing and pricing model be used in developing the full budget submitted to funders, except where the funders' policies set out the terms for the budget, overhead cost recovery and/or administration fees.

6.1.8 Detailed working rules for the implementation of this policy, including the indirect overhead recovery calculation, collection and disbursement, will be subject to University Research and Ethics Committee approval and will be continually adjusted to meet the dynamic and changing research funding environment.

7. Calculation of costs

7.1 Cost recovery will typically require the calculation of three components: Operating Costs, Personnel Costs and Indirect (or Overhead) Costs where applicable. Value Added Taxation (VAT) will be calculated on the total of these costs. When VAT is not charged, the grant or contract must be registered in advance with the Finance Division as a VAT exempt Cost Centre, as advised by the Chief Finance Officer on the basis of prevailing legislation.

7.2 The University will endeavour to recover full operating, personnel and indirect costs from all research grants or contracts that are raised.

¹ For example, grants in which payments are made in arrears, that limit opportunities for publication or other forms of dissemination, or that expose UKZN to unmanageable risks may be discouraged.

- 7.2.1 The DVC (Research) may, in rare circumstances, authorize exceptions to this principle and shall report all such cases to the University Research and Ethics Committee.
- 7.2.2 Grounds for a project to be granted an exception include the following:
- substantial funds for student scholarships, and scope for enrolling and graduating postgraduate students;
 - substantial funds for research equipment to be purchased;
 - significant scope to advance the University's strategic research initiatives;
- 7.3 Operating costs must be budgeted at the full anticipated cost.
- 7.3.1 Unless stipulated otherwise by the funder, any equipment, data or publications that are purchased remain the property of the University and not the individual researcher, and will require registration as UKZN assets where appropriate. The Research Office will assist the grant or contract-holder to ensure that all such property is insured appropriately through the University.
- 7.4 Personnel costs shall be based on the full cost of employment defined in the prevailing schedule of salaries.
- 7.4.1 The time spent on specified research contracts/grants by technical and administrative staff must, likewise, be accurately costed and included, and should also be based on the full cost of employment as determined by the relevant Peromnes grade.
- 7.4.2 Full-time academic must cost their time on the project. Academics can use an average total package cost as determined by the relevant rank for the Academic sector. This schedule should be used for personnel costing except where funders require each staff member's actual salary which will be included as the full cost of employment appropriately prorated.
- 7.5 Indirect overhead costs are intended to be recovered at the full cost of UKZN infrastructure utilised in the project, e.g Utilities, Rental, Internet and e-mail usage, costs which cannot be accurately calculated and/or directly costed to a project.
- 7.5.1 Indirect costs will be calculated as an overhead charge based on a percentage, as determined from time to time by the University Research and Ethics Committee and as published by notice to the University Community periodically, of the total value of the contract/grant minus the value of bursaries/scholarships and of equipment that will become the property of the University.
- 7.6 In addition to the operating, personnel, and indirect costs, researchers are encouraged to charge an additional fee based on the prevailing market rate for the activity being undertaken, limited to 8 hours per normal week as per the provisions regulating Private Remunerative work (Section 20) of the Conditions of Service. .

8. Allocation of funds derived from Contracts and Grants

The funds received will be allocated as follows:

- 8.1 All funds in the Project Budget for operating and personnel costs, will revert to a Cost Centre code established for the Project. Such codes can only be established

with approval from the Research Office and Finance Division. The Grant or Contract-holder will be directly responsible for the financial management of this cost centre and for ensuring that funds are spent according to the budget and the funder's requirements.

- 8.2 If a consultancy is included in the Project Budget, the monetary equivalent thereof may, on due application to and approval by the Research Office, be transferred to the Grant or Contract-holder's research productivity award code or as a salary via the University payroll.
- 8.3 All Indirect overhead costs as determined in (7.5.1) above, will be apportioned to the University Main Fund, the Principal Investigator's School or Division and the Research Office, in proportions determined periodically by the Executive Management Committee in consultation with the University Research and Ethics Committee.
- 8.3.1 Research Office's portion will be used to cover research capacity development, project management, assistance with project costing and legal review.
- 8.3.2 In the event that the Grant or Contract-holder is not part of an identifiable school or faculty, these funds will be allocated to the equivalent organisational level associated with the Principal Investigator.
- 8.4 Subject to the provisions of the prevailing Financial Regulations and, specifically, the Authorisation of Expenditure Policy, funds accruing to each of the above cost centres may be used as follows:
- 8.4.1 Funds in the Project cost centre for direct expenses are to be utilised to meet the objectives of the Project and should be spent according to the Project budget or if applicable, in accordance with any conditions specified by the relevant external funder.
- 8.4.2 Funds in a research productivity award code may be used for any bona fide research expense, including but not restricted to, replacement teaching, research assistants, conference attendance and post-graduate students. Payments in terms of the University's Private Remunerative Work conditions, are expressly prohibited from this code.
- 8.4.3 Funds accruing to the School will fall under the jurisdiction of the relevant budget holder and/or budget controller in accordance with the management procedures applicable at the School.
- 8.4.4 Funds accruing to the Research Office are to be used as seed funding to support future applications for grants/contracts, capacity development and to support young researchers from designated groups.
- 8.4.5 Funds accruing to the University's indirect cost recovery code will be used as a third revenue stream to partially finance the University's Main Fund operating budget and will be reported as part of sundry income in the University's annual financial statements.

9. Conclusion

Evidence comparing output with research grants does not support the notion that there is necessarily a trade-off between grants and productivity. In fact grants foster both output and follow from output. This policy creates an enabling environment to

encourage grants and contracts and has several incentives to encourage researchers to seek grants and contracts and to include the costs of personnel in the University's employ, premium charges and indirect costs. The policy provides incentives that will promote research activities undertaken through the University as a part of the normal activities of all academic staff with proper cost recovery. By adopting this cost recovery policy, the University could attract significant funds for a third stream of income.

B: Procedures and guidelines for implementation²

The following procedures will apply:

The Grants and Contracts Section of the Research Office

1. To achieve this goal, the Grants and Contracts section of the Research Office will assist with regard to legal, grant-writing and costing aspects.

2. The Research Office will provide technical support and institutional information to researchers applying for funding from the statutory South African research agencies, the National Research Foundation(NRF), the Technology Human Resources for Industry Programme (THRIP), the Innovation Fund, the Water Research Commission (WRC), the Medical Research Council (MRC), and international funders such as the United States Agency for International Development(USAID), the National Institute for Health (NIH)(USA), United Nations agencies, the Department for International Development (DFID)(UK), the Danish Agency for International Development(DANIDA), the European Union(EU), and foundations such as Ford, Rockefeller, Kellogg, Carnegie Foundation, Bill & Melinda Gates, Howard Hughes Medical Institute (HHMI), Mott Foundation and Spencer Foundation.

3. Research Office support may include seed and counter-part funding for specific strategically important research programmes, particularly for:

- researchers who demonstrate excellence in the quality of their publications;
- young researchers, especially those from designated groups, who have demonstrated their research potential;
- researchers who are applying for grants and contracts which will increase collaboration within the University, especially in areas approved as Strategic Research Initiatives
- approved research units, centres and institutes applying for grants and contracts, which increase collaboration with other University researchers.

4. The Research Office will advise researchers on funding opportunities regularly through up to date notification on calls for proposals from national and international funders.

5. The Research Office will provide advice and assistance with grant-writing, project costing, pricing and budgeting, legal and contractual requirements and intellectual property protection at both the proposal and acceptance stages.

² Procedures for implementation must be included with the policy document.

6. The Research Office has an establish database with tracking facilities that allow staff to monitor reporting requirements, and researchers will receive timely reminders for submission of reports and other deliverables.

7. The establishment of clear undertakings with respect to ownership of intellectual property rights, confidentiality, and commercialization of inventions by staff who have developed intellectual property are particularly important in grants and contracts. The IPTTO[Intellectual Property and Technology Transfer Office] within the Research Office is committed to assisting the creators of innovations to protect their intellectual property, the University's interests in this intellectual property, and to explore commercialization options.

Requirements for Grants and Contracts

1. Irrespective of the requirements of the funder, a Project Proposal and budget (Costing Analysis) (**Form 2**)– must be prepared for all contracts or grants and this document must be scrutinized by the relevant line manager (usually a Head of School), and then submitted to the Research Office for authorisation. This process shall apply to all contracts, whether initiated by University researchers or sub-contracted by them, or initiated by the University.

1.1 The Project Proposal document must, amongst others, indicate who the Grant or Contract-holder will be, state the objectives/deliverables expected from the project, deadlines, a list of establishment staff and contract staff who are involved and their hours of involvement in the project, the budget (showing, amongst others, the operating, personnel and indirect costs), the payment schedule and any special conditions.

1.2 The final version of this proposal must be submitted to the Research Office which will monitor the progress and completion of the contract.

2. Only the officers of the University designated by Council shall have the authority to enter into any such contract or grant.

3. The Grant or Contract-holder is accountable for adherence to all the relevant University's research, academic, financial and human resource policies in the implementation of all projects undertaken under this policy. The Grant or Contract-holder's Line Manager is responsible for monitoring and ensuring adherence to University policies. To this effect, **Form 1** must be completed by the Grant-Holder and signed by the relevant line manager

4. All contracts or grants must indicate a Grant or Contract-holder, who is both suitably qualified and eligible to hold a grant or contract at the University.

4.1 The following individuals are eligible to be Grant or Contract-holder for University grants and contracts:

- Permanent members of academic staff
- Long-term contract staff members whose existing contracts cover the period of the grant/contract
- Senior Research Associates
- With the approval of the Head of the College, part-time College staff members whose contracts end before the period of the grant/contract.

- With the approval of the DVC (Research), contract and part-time staff (who are not employed in a College) whose contracts end before the period of the grant/contract.
- 4.2 Those with Visiting appointments, Honorary appointments, Secondments from the University and Secondments to the University are not eligible to be Principal Investigators on University grant/contract applications. In rare circumstances, the DVC (Research), may approve an individual with an honorary appointment in the University being listed as a Grant or Contract-holder. Such approvals must be reported to the University Research Committee and the Chief Finance Officer.
 - 4.3 An individual in his/her own capacity must be designated as the Grant or Contract-holder, notwithstanding that there may be more than one person leading the project. This individual will be directly responsible for ensuring that the activities required for the grant or contract are carried out in accordance with the deadlines, content, scientific and other quality criteria specified in the contract or grant, as well as in accordance with UKZN's policies, including adherence to ethical requirements.
 - 4.4 The Grant or Contract-holder is also responsible for ensuring that his/her Line Manager (who will often be a Head of School) is provided with the information required to judge whether these requirements have been met.
5. Any contract or grant must list all permanent and contract staff who will participate in the project. The list should also clearly indicate if any of the members intend receiving supplemental remuneration through the grant or contract. A copy of the approved application for supplemental remuneration must be attached, for the Research Office records.

Other comments

The **DVC (Research)** is responsible for implementing and monitoring the implementation of, the policy

There is no conflict between this policy and current rules or policies.

The policy is being submitted for approval and immediate implementation.

Forms 1 and 2 need to be completed as part of this process (attached)