

Full Economic Costing Grants: Proposed Internal Allocation of Funds.

Introduction

Many external grants to the Research Councils are now awarded under a full economic costing scheme which includes an element for the researchers own time. College has now agreed that the School will receive new flows of discretionary monies as a result.

Based on the previously circulated document (Exec 06:12, tabled at meeting held on 6 March 2007) and discussed at School Executive, School Research Committee and disciplinary meetings, this document proposes a School policy. The aim of this proposed policy is to attempt to strike a balance between the need to increase individual incentives for grant applications while ensuring we take into account overall school interests, ensuring transparency and equality of treatment across staff.

Note this is for FEC grants **only**. If accepted the policy would run for current FEC grants plus those awarded in the next 12 months. The operation of the policy would then be reviewed at the end of that period.

FEC: Example

Consider the following example of how FEC from the ESRC works and the College proposal. This is based on the example Peter Duff circulated on 30th April 2007.

A bid made to the ESRC for £125,000. (which is in turn successful)

Directly Incurred Costs (DIC)

RA 12 Months + Travel expenses 50 000

Directly Allocated Costs (DAC)

Senior Lecturer 1 day per week 18 months 25 000

Indirect Costs (IC)

Contribution to other overheads Heating,
lighting, pay-roll, telephones, accommodation. 50 000

Total Bid

125 000

Received by University (80% of bid)

100 000

Explicit Extra Costs incurred by University
as result of project RA (12 months plus travel)

50 000

Available "Surplus"

50 000

College Decision

- 1) 50% of the DAC amount specified in the bid will be put into a newly created General Business School Discretionary Account to fund the "appropriate amount of replacement teaching for the grant-holder". In the example 50% of £25,000 (*Senior Lecturer 1 day per week 18 months*) = **£12500**
- 2) Remaining "surplus" will contribute to the School's bottom line, i.e. reducing overall deficit or increasing overall surplus position. In example, the surplus above the extra directly incurred costs incurred = £50000. Contribution to discretionary = £12500. Remaining surplus = £50000-£12500=**£37500** = contribution to School's bottom line.

Proposal

- 1) Before the final submission of the grant, the applicant discusses with HoS, DoT&L, and Discipline convenor, the extent to which teaching/admin buyout might be possible. Any tentative agreement to be documented.
- 2) After the grant is awarded, HoS, Discipline convenor, DoT and Grant-holder determine the proportion of teaching and administration time which will be bought out and the proportion of the discretionary money which the grant-holder would have access to. Agreement to be documented.

Normally, there will be three options available

- a) Award holder's teaching and/or admin contribution reduced by a percentage on the system equivalent to the full amount in the bid plus access to 40% of the discretionary money available.
- b) Award holder's teaching and/or admin contribution reduced by a percentage on the system equivalent to half the amount in the bid plus access to 70% of the discretionary money available.
- c) Award holder's teaching and/or admin contribution not reduced but with access to 100% of the discretionary money available.

FEC: Example

Discretionary available £12500, Time allocated to researcher in bid = 1 day per week for 18 months. Equivalent full teaching reduction = 0.2 in year 1, 0.1 in year 2.

Outcomes

a) Teaching/admin load on system	0.8 (year 1), 0.9 (year 2)
Researcher Access to discretionary = $0.4 * £12\,500$	£5000*
Discretionary Available for School	£7500
Contribution to School's bottom line	£37500
b) Teaching/admin load on system	0.9 (year 1), 0.95 (year 2)
Researcher Access to discretionary = $0.7 * £12\,500$	£8800*
Discretionary Available for School	£3800
Contribution to School's bottom line	£37500
c) Teaching/admin load on system unchanged	1.0
Researcher Access to discretionary	£12 500*
Discretionary Available for School	£0
Contribution to School's bottom line	£37500

Notes

If desired the award holder may have the discretionary money to which access has been agreed transferred from the General Business discretionary to another School discretionary fund.

The researcher would not be permitted to use the discretionary funds made available by the School to fund additional teaching buy out.

Admin loads are not currently explicitly weighted in the system but HoS has indicated the intention that this be undertaken in the near future.