

# RESEARCH BUDGETS

GUIDANCE ON RESEARCH BUDGET COSTS



## 01 Staff costs

Staffing costs should be completed for each member of staff employed on the project to be funded by the Trust. If daily rates are to be used then please indicate the number of days, the daily rate and, where relevant, the annual salary from which this derives for each individual. These daily rates should not include any non-salary costs such as overheads.

Where staff are working on projects intermittently and for very short periods of time, the calculation of staff costs in the manner outlined above may be difficult. In these cases (and only in these cases) the Foundation will consider using daily rates to calculate salary costs. There should, however, be a demonstrable relationship between an individual's annual salary and the daily rate charged for their time.

## 02 Fieldwork, Surveys, Consultancy fees

If work is to be carried out by a survey company or if advice is needed outside the project team on a consultancy, please ensure an up-to-date quotation is used, and check that it includes all expected costs.

The following details should be provided:

- Proposed number of days/interviews
- Cost per day/interview
- Total cost (including VAT)

## 03 Equipment

The Trust does not normally fund capital costs. However, it is prepared to meet the cost of equipment, or a contribution towards this, if it is specifically required for a project.

## 04 Travel and subsistence

Details should be given if the cost of travel exceeds £1,000. The Trust does not normally fund overseas travel, but if this is planned as a key feature of the project, full details should be given.

## 05 Final publication and dissemination

Towards the end of the project, we will discuss the most appropriate form of dissemination activity with the project team. If this involves additional costs (such as for digital publishing, events or further educational resources) agreed costs will be covered by the Trust and therefore they do not need to be included in the budget.

We expect all of the research and materials we fund to be made available free of charge on the Trust's website in pdf format. The design costs are covered separately by the Trust and will usually be undertaken by the Trust.

## 06 Guidance for universities

We will meet all direct costs related to the management and delivery of the project. We do not pay indirect costs for projects funded at universities.

The Government has recognised that it is not appropriate or desirable for all funding bodies to fund research in the same way as the Research Councils. As part of the Funding Councils' block grant to universities, there is a stream of funding - the Charity Support Fund - which can be used to support funding from charities. It is for each university to decide how it wishes to cost and price a project, and this is one source of support that universities could use to underpin applications to the Trust for those costs which are outside of the Trust's remit. A requirement of using the block grant is that the funder has a published research strategy. This is in accordance with the Trust's commitment to publish, either electronically or in print, all of the research that it funds; the only exception to this is if the research is methodologically flawed or of poor quality.

**Directly Incurred Costs:** are those costs that are explicitly identifiable as arising from the conduct of the research, are charged on the basis of the actual amount spent, and are verifiable and auditable from accounting records.

The Trust is able to contribute towards the full costs that are directly associated with the project. This includes the costs of researchers for the time they spend on the project. The Trust can also contribute for the actual time spent by other staff such as administrative or IT support staff on the project. The Trust will pay for other items that are directly associated with the project.

**Directly Allocated Costs:** are costs which can be directly related to a project but do not relate solely to it, such as the use of computing services. They are shared with other projects. Costs can be included based on the estimated share of use.

**Indirect Costs:** are costs which cannot be directly allocated to a project. They represent expenditure which would be incurred irrespective of the project such as use of buildings, general maintenance, central services and other infra-structure costs. The Trust does not expect to meet these costs.

## 07 VAT

Under current regulations, most research work undertaken by universities does not attract VAT. Other organisations may also be exempt from charging VAT if two conditions are satisfied:

- a) the research is of a similar nature to that which a university would carry out;
- b) the research is undertaken otherwise than for profit.

The decision on whether VAT is incurred is the responsibility of the organisation undertaking the research. If VAT will be incurred it should be included in the budget.

What is research?

Although there is no legal definition of “research” in VAT law it is generally considered that research means original investigation undertaken in order to enhance knowledge and understanding.

It is the intention of the parties at the beginning of a project that will determine whether the services supplied qualify as research for VAT purposes. If the intention is to advance knowledge and understanding, HMRC accept that the supply is one of research.

Research does not include supplies such as merely confirming existing knowledge or understanding, consultancy, business efficiency advice, market research or opinion polling.

## 08 Advisory Groups

For some research the Trust may appoint an Advisory Group for a project to support those carrying out the work. In these circumstances, the Foundation will pay expenses in addition to the agreed budget, so Advisory Group costs should not be included in the budget. However, it is expected that the costs of staff time spent preparing for and attending Advisory Groups should be included in the budget. If an Advisory Group is anticipated this will be noted in the request for proposals.

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The Trust acknowledges the guidance provided by the Joseph Rowntree Foundation to organisations applying to it for funding, from which this guidance is adapted. All errors and omissions are abrdn Financial Fairness Trust's responsibility alone.

