



Arts & Humanities
Research Council

Terms and Conditions of Research Council fEC grants

These terms and conditions relate to grants costed and funded on the basis of full economic costs (fEC), calculated in accordance with the TRAC methodology (universities and other higher education bodies) or by an equivalent methodology by other Research Organisations.

Grants awarded by the Research Councils are made to Research Organisations on the basis of this single set of core terms and conditions:

Arts and Humanities Research Council (AHRC)
Biotechnology and Biological Sciences Research Council (BBSRC)
Economic and Social Research Council (ESRC)
Engineering and Physical Sciences Research Council (EPSRC)
Medical Research Council (MRC)
Natural Environment Research Council (NERC)
Particle Physics and Astronomy Research Council (PPARC)

Individual Councils may add additional conditions to the grant to reflect the particular circumstances and requirements of their organisation, or the nature of a particular grant. Acceptance of a research grant constitutes acceptance of both the core conditions and any additional conditions.

References in these terms and conditions to statutory provisions and guidance include any subsequent amendments or re-enactments. It is acknowledged and agreed that the concept and operation of fEC is at an early stage and thus the Research Councils reserve the right to vary these terms and conditions as may be necessary or desirable to reflect the development or clarification of fEC or for other reasons.

Definitions

Full Economic Costs (fEC): a price which, if recovered across an organisation's full programme, would recover the total cost (direct, indirect and total overhead) including an adequate recurring investment in the organisation's infrastructure.

Directly Incurred Costs: costs that are explicitly identifiable as arising from the conduct of a project, are charged as the cash value actually spent and are supported by an audit record.

Directly Allocated Costs: the costs of resources used by a project that are shared by other activities. They are charged to projects on the basis of estimates rather than actual costs and do not represent actual costs on a project-by-project basis.

Indirect Costs: non-specific costs charged across all projects based on estimates that are not otherwise included as Directly Allocated Costs. They include the costs of the Research Organisation's administration such as personnel, finance, library and some departmental services.

Exceptions: Directly Incurred Costs that Research Councils fund at 100% of FEC, subject to actual expenditure incurred, or items that are outside FEC.

Dipstick Testing: a programme of visits and office-based tests to seek assurance that research grant funds are used for the purpose for which they are given and that grants are managed in accordance with the terms and conditions under which they are awarded.

Principal Investigator: the person to whom the research project is assigned. The Principal Investigator takes responsibility for the intellectual leadership of the research project and for the overall management of the research.

Co-Investigator: a person who assists the Principal Investigator in the management and leadership of a project.

Research Council: any of the bodies listed above.

Research Grant: a contribution to the costs of a stated research project which has been assessed as suitable for funding through the procedures established by the relevant Research Council. Research Grants provide a proportion of the full economic costs of a project.

Research Organisation: the organisation to which the research grant is awarded and which takes responsibility for the management of the research project and the accountability of funds provided.

Transparent Approach to Costing (TRAC): an agreed methodology used by universities and other higher education bodies for calculating full economic costs.

Data Protection Regulations

The Research Councils will use information provided on the grant proposal form for processing the proposal, the award of any consequential grant, and for the payment, maintenance and review of the grant. This may include:

- Registration of proposals;
- Operation of grants processing and management information systems;
- Preparation of material for use by referees and peer review panels;
- Administration, investigation and review of grant applications;
- Statistical analysis in relation to the evaluation of research and the study of trends;

- Policy and strategy studies.

To meet the Research Councils' obligations for public accountability and the dissemination of information, details of grants may also be made available on the

Research Councils' web sites and other publicly available databases, and in reports, documents and mailing lists.

Freedom of Information Act and Environmental Information Regulations

Attention is drawn to the provisions of the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations (EIRs). Research Councils have issued Publication Schemes which set out the types of information publicly available on their websites or published as documents. In addition, Research Councils have an obligation to respond to specific requests and may be required to disclose information about or provided by Research Organisations. In some cases the Research Council may consult the Research Organisation before disclosure, but it is under no obligation to do so. If a Research Organisation considers that any information it provides to a Research Council would be subject to an exemption under FOIA or the EIRs it should clearly mark the information as such and provide an explanation of why it considers the exemption applies and for how long. The Research Council will consider this explanation before disclosure, but it is not obliged to accept it as binding.

Where a Research Council determines that a Research Organisation is holding information on its behalf that it requires in order to comply with its obligations under FOIA or EIRs, the Research Organisation undertakes to provide access to such information as soon as reasonably practicable on request of the Research Council and in any event within 5 working days.

In some cases Research Organisations may be directly responsible for complying with FOIA and the EIRs; in such cases the Research Councils accept no responsibility for any failure to comply by the Research Organisations.

RG 1 Responsibilities of the Research Organisation

- The Research Organisation must ensure that any part of the Full Economic Cost of the project not funded by the Research Council grant is committed to the project before it starts.
- The Research Organisation must ensure that Principal and Co-Investigators are made aware of their responsibilities and that they observe the terms and conditions of research grants.
- The Research Organisation must ensure that the research supported by the grant complies with all relevant legislation and Government regulation, including that introduced while work is in progress. This requirement includes approval or licence from any

regulatory body that may be required before the research can commence.

- The Research Organisation is expected to adopt the principles, standards and good practice for the management of research staff set out in the 1996 Concordat for the Career Management of Contract Research Staff, and subsequent amendments. Research staff should be appointed on terms that are no less favourable than those of comparable posts in the Research Organisation.
- The Research Organisation must notify the Research Council of any change in its status, or that of any of the Investigators, that might affect the eligibility to hold a research grant.
- The Research Organisation must ensure that the requirements of the Employing Organisation under the Department of Health's Research Governance Framework for Health and Social Care (or equivalent) are met for research involving NHS patients, their organs, tissues or data, and that the necessary arrangements are in place with partner organisations. Where it also accepts the responsibilities of a Sponsor (as defined in the Governance Framework), it must also ensure that the requirements for Sponsors are met.
- The Research Organisation must ensure proper financial management of research grants and accountability for the use of public funds.

RG 2 Research Governance

It is the responsibility of the Research Organisation to ensure that the research is organised and undertaken within a framework of best practice that recognises the various factors that may influence or impact on a research project. Particular requirements are to ensure that all necessary permissions are obtained before the research begins, and that there is clarity of role and responsibility among the research team and with any collaborators. The Research Councils expect research to be conducted in accordance with the highest standards of scientific integrity and research methodology.

Research Ethics

The Research Organisation is responsible for ensuring that ethical issues relating to the research project are identified and brought to the attention of the relevant approval or regulatory body. Approval to undertake the research must be granted before any work requiring approval begins. Ethical issues should be interpreted broadly and may encompass, among other things, relevant codes of practice, the involvement of human participants, tissue or data in research, the use of animals, research that may result in damage to the environment and the use of sensitive economic, social or personal data.

Use of Animals in Research

Wherever possible, researchers must adopt procedures and techniques that avoid the use of animals. Where this is not possible, the research should be designed so that:

- The least sentient species with the appropriate physiology is used;
- The number of animals used is the minimum sufficient to provide adequate statistical power to answer the question posed;
- The severity of procedures performed on animals is kept to a minimum. Experiments should be kept as short as possible. Appropriate anaesthesia, analgesia and humane end points should be used to minimise any pain and suffering.

The provisions of the Animals (Scientific Procedures) Act 1986, and any amendments, must be observed and all necessary licences must have been received before any work requiring approval takes place.

Medical and Health Research

The Research Organisation is responsible for managing and monitoring the conduct of medical and health research in a manner consistent with the Department of Health's Research Governance Framework for Health and Social Care (or equivalent). There must be effective and verifiable systems in place for managing research quality, progress and the safety and well-being of patients and other research participants. These systems must promote and maintain the relevant codes of practice and all relevant statutory review, authorisation and reporting requirements.

Research involving human participants or data within the social sciences that falls outside the Department of Health's Research Governance Framework must meet the provisions and guidelines of the ESRC's Research Ethics Framework. While this research may involve patients, NHS staff or organisations, it is defined as research that poses no clinical risk or harm to those who are the subjects of research. Research Organisations must ensure that appropriate arrangements are in place for independent ethics review of social science research that meets local research ethics committee standards.

Significant developments must be assessed as the research proceeds, especially those that affect safety and well-being, which should be reported to the appropriate authorities and to the Research Council. The Research Organisation must take appropriate and timely action when significant problems are identified. This may include temporarily suspending or terminating the research.

The Research Organisation is responsible for managing and monitoring statutory requirements for which it accepts responsibility, for example, in relation to legislation on clinical trials, use of human organs, tissues and data.

Guidance by the MRC on the conduct of medical research, and by ESRC on the conduct of social science research, provided on behalf of all Research Councils, must be observed.

Health and Safety

The Research Organisation is responsible for ensuring that a safe working environment is provided for all individuals associated with a research project. Its approach and policy on health and safety matters must meet all regulatory and legislative requirements and be consistent with best practice recommended by the Health & Safety Executive. Appropriate care must be taken where researchers are working off-site. The Research Organisation must satisfy itself that all reasonable health and safety factors are addressed. The Research Councils reserve the right to require the Research Organisation to undertake a safety risk assessment in individual cases where health and safety is an issue, and to monitor and audit the actual arrangements made.

Misconduct and Conflicts of Interest

The Research Organisation is required to have in place procedures for governing good research practice that meet the requirements of the Research Councils' guidance on good practice. The Research Organisation must ensure that there are reliable systems and processes in place for the prevention of research misconduct e.g. plagiarism, falsification of data, together with well-defined and clearly-publicised arrangements for investigating and resolving allegations of misconduct. Where an allegation of misconduct arises in respect of a researcher supported by a research grant, the Research Council must be informed immediately and notified of the outcome of any investigation.

The Research Organisation must ensure that potential conflicts of interest in research are declared and subsequently managed.

RG 3 Use of Funds

Subject to the following conditions, grant funds may be used, without reference to the Research Council, in such a manner as to best carry out the research. Research grant funds are cash limited and the grant is made on the understanding that its value will not be increased, except as stated in these terms and conditions. Research grant funds are provided for a specific research project. Under no circumstances may Directly Incurred and Exceptions funds be used to meet costs on any other project or activity.

RG 4 Starting Procedures

The start date shown on the starting certificate will be regarded as the start date of the grant. Submission of the starting certificate will also constitute acceptance of the grant, if no other acceptance procedure exists. The start of research may be delayed by up to 6 months (AHRC and ESRC 3 months) from the start date shown in the award letter, the

duration of the grant remaining unchanged. The grant may lapse if it is not started within this period. Submission of the starting certificate is required not more 42 days after the start date.

Where there are staff funded by the grant who were intended to be appointed from the start date, payments will take effect from the date when the first such staff start work. Otherwise, payments will take effect from the start date given on the starting certificate.

Expenditure may be incurred prior to the start of research and subsequently charged to the grant, provided that it does not precede the date of the award letter.

RG 5 Changes in Research Project

The Research Council must be consulted in the event of any major change in the proposed research, including failure to gain access to research facilities and services, or to gain ethical committee approval for the research, particularly those which make it unlikely that the objectives of the research can be achieved. If appropriate, revised proposals may be required. The Research Council reserves the right to make a new grant in place of the existing grant, or to revise, retain or terminate the existing grant.

RG 6 Transfers of Funds between Fund Headings

Transfers of funds between fund headings are permitted only within and between Directly Incurred costs and Exceptions. Transfers will be at the rate applicable for the heading, as set out in the offer letter.

RG 7 Extensions

After a research grant has started, the duration may be extended by a total of up to 6 months, subject to prior written approval. Extensions may cover breaks or delays in the appointment of staff, periods of maternity leave or paid sick leave exceeding 3 months for staff funded by the grant, or other exceptional circumstances with the agreement of the Research Council. Requests for extensions should be made as soon as the requirement is identified and confirmed when the period required is known. All requests for extensions must be made before the grant ends.

RG 8 Staff

The Research Organisation must assume full responsibility for staff funded from the grant and, in consequence, accept all duties owed to and responsibilities for these staff, including, without limitation, their terms and conditions of employment and their training and supervision, arising from the employer/employee relationship.

The Research Organisation must provide research staff with a statement, at the outset of their employment, setting out the provisions for career

management and development, including personal skills training, and ensure that they have access to appropriate training opportunities.

Research staff may undertake teaching and demonstrating work for up to 6 hours a week (pro rata for part-time staff) during normal working hours provided that this work is related to the research project to which they were appointed.

RG 9 Maternity and Paternity Pay and Leave

Grant funds may be used for paid maternity or paternity leave for staff within the Directly Incurred and Exceptions fund headings (excluding the Principal and Co-Investigators, unless they are also Research Fellows or Research Assistants funded by the grant), if staff fulfill the qualifying conditions of the Research Organisation. Funding may be sought by the Research Organisation at the end of a grant to cover the additional costs of either a substitute appointment or an extension of the grant. The salary of any substitute appointment must not exceed that of the individual on leave.

Grant funds may be used to provide paid maternity and paternity leave only to the extent that it is taken during the original period of the grant. The Research Organisation will be responsible for any liability for maternity and paternity pay for staff supported by the research grant outside the original period of the grant. If, for example, a research grant ends while a member of research staff is part-way through her maternity leave, the Research Organisation will be responsible for that part of the maternity leave which is taken after the research grant has ended.

RG 10 Sick Leave

Grant funds may be used for paid sick leave for staff within the Directly Incurred and Exceptions fund headings (excluding the Principal and Co-Investigators, unless they are also Research Fellows or Research Assistants funded by the grant) who fulfill the qualifying conditions of the Research Organisation. Where there is a continuous period of sick leave in excess of 3 months, the Research Organisation may apply to the Research Council to discuss the possibility of a substitute appointment to safeguard progress on the project, or an extension to the duration of the project, if the period of leave can be predicted.

For the purposes of the provisions of RG 9 and RG 10, the Research Organisation will be compensated at the end of the grant for any additional costs or time resulting from maternity leave, paternity leave or sick leave, falling within the original period of the grant. The duration of a grant will be extended only if the period can be accommodated within the maximum period allowed for extensions. Directly Allocated and Indirect funds will not be increased as a result of such extensions.

Maternity, paternity and sick pay is not payable by the Research Council for staff acting as Principal and Co-Investigators (unless they are also Research Fellows or Research

Assistants funded by the grant), nor to other staff not dedicated to the project nor paid from Directly Incurred or Exceptions funds.

RG 11 Procurement of Equipment

The procurement of equipment, consumables and services, including maintenance, must comply with all relevant national and EU legislation and the Research Organisation's own financial policy and procedures. Accepted procurement best practice in the higher education sector must be observed. For all equipment and services where the contract value is more than £25,000, excluding VAT, professionally qualified procurement staff must be consulted before the procurement process begins, and, where appropriate, at the market research stage, and must approve the order/contract before it is placed with a supplier.

RG 12 Ownership and Use of Equipment

Equipment purchased from grant funds is primarily for use on the research project for which the research grant was awarded, and belongs to the Research Organisation. In certain circumstances the Research Council may wish to retain ownership throughout the period of the grant and possibly beyond. In such cases, the grant will be subject to an additional condition.

The Research Council must be informed if, during the life of the research grant, the need for the equipment diminishes substantially or it is not used for the purpose for which it was funded. The Research Council reserves the right to determine the disposal of such equipment and to claim the proceeds of any sale.

Any proposal to transfer ownership of the equipment during the period of the grant is subject to prior approval by the Research Council. After the research has ended, the Research Organisation is free to use the equipment without reference to the Research Council, but it is nevertheless expected to maintain it for research purposes as long as is practicable.

Where there is spare capacity in the use of the equipment, the Research Council expects this to be made available to other users. Priority should be given to research supported by any of the Research Councils and to Research Council-funded students.

The total fEC charged to a project for the use of equipment must not include any element of depreciation for equipment purchased from Research Council funds.

RG 13 Transfer of a Grant

The Research Organisation must notify the Research Council if the Principal Investigator intends to transfer to another organisation. If this

organisation is eligible to hold research grants, and is able to provide a suitable environment to enable the project to be

successfully completed, the expectation is that the grant would be transferred with the investigator. Written agreement to this is required from both the relinquishing and receiving organisations.

The Research Council will wish to be assured that satisfactory arrangements have been agreed that will enable the project to be undertaken, or to continue, in accordance with its research objectives. If suitable arrangements cannot be agreed, the Research Council will consider withdrawing its support or terminating the grant.

Where there is a basis for continuing involvement by the relinquishing organisation, agreement should be reached between both organisations on the apportionment of work and the distribution of related funding.

Research Grants will not be re-costed following transfer. The unspent balance of Directly Incurred and Exceptions, together with a pro rata share of Directly Allocated and Indirect costs, will be transferred to the new Research Organisation. The receiving organisation will be required to confirm, by return of a starting certificate, that it will provide any balance of resources needed to complete the project.

RG 14 Change of Principal Investigator

The Research Organisation must consult the Research Council if it is proposed to change the Principal Investigator, for example, following retirement or resignation. Where the Principal Investigator is transferring to another organisation eligible to hold a research grant, the provisions of RG 13 will apply. In other circumstances, the Research Organisation may nominate a replacement Principal Investigator. The Research Council will wish to be assured that the replacement meets the eligibility criteria for Principal Investigators and has the expertise and experience to lead the project to a successful conclusion, in accordance with its research objectives.

RG 15 Annual Statement

The Research Organisation may be required to return a statement each year showing payments made by the Research Council during the previous financial year for all the research grants it holds. Where a statement is required, the Research Organisation must certify, by signing and returning the statement, that:

- Expenditure has been incurred in accordance with the grant conditions, and
- those grants shown as current are continuing.

No further payments will be made until the signed annual statement has been received by the Research Council.

RG 16 Expenditure Statements

The Research Organisation must complete and return an expenditure statement within 3 months of the end date of a research grant. Once an expenditure statement has been received and the expenditure incurred has been reconciled against payments made, it will be considered as final.

Expenditure shown in the Directly Incurred and Exceptions headings must show the actual expenditure incurred by the project. Settlement by the Research Council will reflect the proportion of fEC stated in the award letter applied to actual expenditure, within the cash limit.

For the Directly Allocated and Indirect Costs headings, the Research Council will pay the amount shown as spent, within the cash limit, provided that the grant ran its full course. Where a grant is terminated more than 6 months before the planned end date, a pro rata share will be paid. Where a grant terminates within 6 months of the planned end date, estates and Indirect Costs will be paid in full, but Investigators' costs and Other Directly Allocated Costs will be paid pro rata.

Costs arising from maternity, paternity or sick leave should be identified in the Absence heading of the statement.

The Research Council reserves the right to require the Research Organisation to complete and submit a statement of expenditure at any time during the course of a research grant, or to provide supplementary information in support of an interim or final expenditure statement.

RG 17 Inspection

The Research Council reserves the right to have reasonable access to inspect the records and financial procedures associated with research grants or to appoint any other body or individual for the purpose of such inspection.

The Research Organisation must, if required by the Research Council, provide a statement of account for the grant, independently examined by an auditor who is a member of a recognised professional body, certifying that the expenditure has been incurred in accordance with the research grant terms and conditions.

Research Councils will undertake periodic reviews of Research Organisations within the Dipstick Testing programme to seek assurance that research grants are managed in accordance with the terms and conditions under which they are awarded.

RG 18 Final Report

A report on the conduct and outcome of the project must be submitted by the Research Organisation within three months of the end of the research

grant, on the form provided. No further application from a Principal Investigator will be considered while a final report is overdue.

If there are exceptional reasons that will prevent submission of the final report within the period allowed, a written request may be made, before the due date passes, for the submission period to be extended.

RG 19 Sanctions

If the final report or the final expenditure statement is not received within the period allowed, the Research Council may recover 20% of expenditure incurred on the grant. All payments may be recovered if the report or statement is not received within 6 months of the end of the grant.

RG 20 Public Engagement

It is the responsibility of the Research Organisation and the Principal and Co-Investigators to actively communicate the research to the public at both local and national level, and to raise awareness of the role of science and research in any related issues of public interest. Special schemes exist in some Research Councils providing additional support for these activities.

RG 21 Commercial Exploitation

Unless stated otherwise, the ownership of intellectual property, and responsibility for its exploitation, rests with the Research Organisation. The Research Council may, in individual cases, reserve the right to retain ownership of intellectual property and to arrange for it to be exploited for the national benefit and that of the Research Organisation involved. This right, if exercised, will be set out in an additional condition.

It is the responsibility of the Research Organisation, and all engaged in the research, to make every effort to ensure that any potentially valuable results obtained in the course of the research are exploited, and that there is a suitable return to the Research Organisation and the researchers from any such exploitation. The Research Organisation must ensure that all those associated with the research are aware of, and accept, the arrangements for exploitation.

Collaborative arrangements are expected to be put on a formal basis through an agreement covering the contributions and rights of the organisations and individuals concerning exploitation. Such agreements must be in place before the research begins.

The terms of collaboration agreements must not conflict with the Research Councils' terms and conditions of research grants.

RG 22 Research Monitoring and Evaluation

While it is the responsibility of the Research Organisation to manage the research, the Research Council reserves the right to call for periodic

information on progress or to visit the project team. The Principal Investigator may also be asked to attend meetings to exchange information and ideas with others undertaking research in the same or similar fields.

The Principal Investigator must make all reasonable efforts, if so invited, to attend events or activities organised by the Research Council concerning the research undertaken. Such events may be held after a grant has finished.

RG 23 Publication and Acknowledgement of Support

The Principal Investigator should, subject to the procedures laid down by the Research Organisation, publish the results of the research in accordance with normal academic practice. Publications and other forms of media communication, including media appearances, press releases and conferences, must acknowledge the support received from the Research Council, quoting the grant reference number.

RG 24 Disclaimer

The Research Councils accept no liability, financial or otherwise, for expenditure or liability arising from the research funded by the research grant, except as set out in these terms and conditions, or otherwise agreed in writing.

Where studies are carried out in an NHS Trust, the Trust has a duty of care to its patients. The Research Council does not accept liability for any failure in the Trust's duty of care, or any negligence on the part of its employees.

The Research Councils reserve the right to terminate the grant at any time, subject to reasonable notice and to any payment that may be necessary to cover outstanding and unavoidable commitments.

If a grant is terminated, no liability for payment or redundancy or any other compensatory payment for the dismissal of staff funded by the grant will be accepted, but, subject to the provisions of RG 16, negotiations will be held with regard to other contractual commitments and concerning the disposal of assets acquired under the research grant.

RG 25 Status

These terms and conditions will be governed by the laws of England and Wales; all matters relating to the terms and conditions will be subject to the exclusive jurisdiction of the courts of England and Wales.

If any provision of these terms and conditions is found by a court or other legitimate body to be illegal, invalid or unreasonable, it will not affect the remaining terms and conditions which will continue in force.

These terms and conditions, together with any additional conditions set out in the grant, contain the whole agreement between the Research Council and the Research Organisation in relation to the stated research grant. The Research Council and the Research Organisation do not intend that any of these terms and conditions should be enforceable by any third party.

AHRC Research Networks and Workshops awards

*The following are additional terms and conditions applicable to AHRC **Research Networks and Workshops scheme** awards and as such reflect the particular nature of the scheme. They should be read in conjunction with the Terms and Conditions of Research Council Grants (above).*

RG3 In addition to Use of Funds

In addition to the conditions outlined in Terms and Conditions of Research Council Grants (RG3 Use of Funds), payment will be made direct to the Research Organisation by the AHRC and will be individually identified. The AHRC will not accept responsibility, financial or otherwise, for:

- Any financial commitment incurred before an award is formally announced.
- Retrospective payments for work undertaken before the approved start date of the AHRC award.
- Any redundancy, severance or compensation payments, for which the Research Organisation may become liable as an employer, unless expressly agreed in writing by the Chief Executive of the Research Council.

Any funds that are unused must be reported to the AHRC. An invoice will be raised for their return.

RG18 in addition to Final Report

The minimum output required from a network/workshops award is a report submitted to the AHRC within 3 months of the end of the award period. The report should be a minimum length of 5,000 words and should contain a comprehensive account of the activities and outcomes of the network or workshop. Further details are available from the 'Guidance Notes for the Research Networks and Workshops scheme'.

The report is the responsibility of the principal applicant. The report should be attached as an annex to the standard end-of-award report, but it should be borne in mind that the report will also be made publicly available and therefore should be in a format suitable for immediate publication on the AHRC website.