

Document Information

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SFI Research Centres: Phase 2 Cost Share Reporting Requirements

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1. Introduction

SFI's strategy aims to position Ireland as a global knowledge leader. A key objective for SFI is to develop a set of world-leading, large-scale Research Centres that will provide major economic impact for Ireland. The SFI Research Centres Programme was first launched in 2012 to achieve this objective. Seventeen SFI Research Centres have been established to date through an investment of €450 million from Government through SFI, and a further €250 million committed by industry. [Project Ireland 2040](#), the Government's overarching policy initiative, seeks to achieve ten strategic outcomes, building around the overarching themes of wellbeing, equality and opportunity. Building on the *National Development Plan 2018-2027*, and the *National Planning Framework to 2040*, the strategy articulates the Government's mission to build and maintain a strong economy, supported by enterprise, innovation and skills, through initiatives such as the strengthening of SFI Research Centres and Enterprise Ireland Technology Centres.

In keeping with both SFI and the Government's strategic objectives, the SFI Research Centres model has evolved to further develop and scale the network of SFI Research Centres. SFI Research Centres funded through the Phase 2 programme will be expected to contribute significantly to achieving SFI's goal, in partnership with government agencies and departments, of developing a dynamic research ecosystem that can evolve to meet the changing needs of industry and society. Furthermore, for Phase 2 Centres, the cost share model now encompasses co-investment from industry and non-exchequer, non-commercial (NE-NC) funding sources.

2. Phase 2 Cost Share Model

The Phase 2 Research Centre Letter of Offer states the following:

The Centre Director(s) shall achieve, by year 6, not less than 67% of the overall Centre Budget (whereby the approved SFI contribution equals 33% of the Centre Budget) secured from both industry (cash plus in-kind) and non-exchequer, non-commercial (NE-NC) (cash only) sources. Of the 67%, 20% must come from industry sources (minimum of 16.5% cash) and 20% must come from NE-NC sources. The remaining 27% can comprise a mix of industry cash, industry in-kind and NE-NC contributions.

As such, the overall Centre budget (direct costs) for the Phase 2 awards is made up 4 components where the SFI contribution represents a maximum of 33% of the total Centre budget (Figure 1). The remaining 67% consists of the following components:

1. 20% must come from industry sources, of which a minimum of 16.5% must be cash.
2. 20% must come from NE-NC sources (cash only).
3. The remaining 27% can be industry cash, industry in-kind or NE-NC (cash only).

For the purpose of cost-share calculations, only the direct-costs associated with the SFI, NE-NC and industry funding are countable, i.e. any overheads associated with these contributions are excluded by default.

However, if the industry or NE-NC overhead paid to the Research Body is given directly to the Research Centre (or part thereof), then this amount can be counted as an industry cash or NE-NC contribution respectively. Where overhead return is being claimed against cost-share, the Centre must be in a position to provide supporting documentation on request, during the annual financial audit.

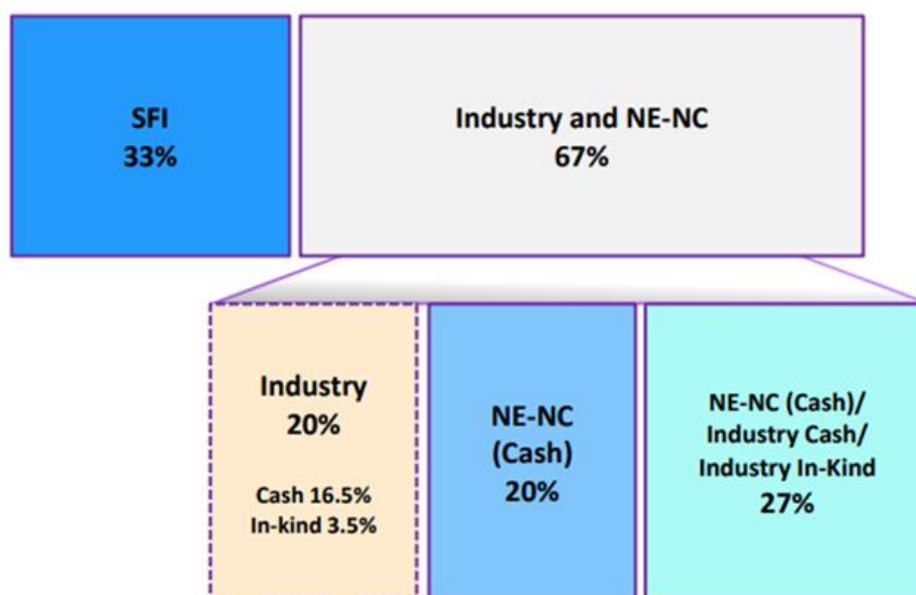


Figure 1: Research Centres Phase 2 Funding Model.

The 67% target for industry and NE-NC cost share within the total Centre budget must be achieved by the end of year 6 of the Phase 2 award (year 12 of the Centre). Each Centre has already set individual percentage targets for each year of the award which are appended to the Letter of Offer. This document provides a description of the Phase 2 Cost Share reporting requirements, and the reporting schedule to which Phase 2 Research Centres must adhere to. As stated in the Letter of Offer, maintaining success against the cost share targets is a condition of funding and so failure to achieve the cost-share as described above may result in a reduction in, or termination of, the SFI contribution to the Centre Budget (Section 6 below).

3. Definitions

In the context of the Research Centre Phase 2 cost share, the following definitions apply.

Industry partner

An industry partner is a registered company, corporation, or a consortium of registered companies and corporations making a contribution (through cash, in-kind contributions or both) to the budget of the Research Centre.

Non-Exchequer, Non-Commercial (NE-NC)

Funding (cash only) secured from sources which are neither Irish State bodies nor industry sources as defined in the *Industry Partner* definition above.

Targeted Project

A targeted project is a collaborative research effort between academic researchers in the Research Centre and one or more industry partners. Industry partners are required to make a material contribution to the targeted project (in terms of cash and in-kind contributions discussed in more detail in Section 4), as well as an intellectual contribution to the goals, objectives, deliverables and execution of the targeted project, and will share the targeted project risks, as well as its results. The details of the collaboration must be documented in a Collaborative Research Agreement (CRA) between the Centre and the industry partner(s). (see *State Aid* section below).

Philanthropy

Within the Phase 2 model, philanthropy is a source of NE-NC funding and is defined as cash funding from sources such as personal donors, charitable trusts, and foundations which can be used to fund the activities within the Centre.

State Aid

As per SFI's Grant Conditions (inclusive of SFI's General Terms & Conditions, Letters of Offer and SFI Policy documents), all SFI funding granted is subject to, and must be compliant with, State aid legislation based on Article 107(1) of the Treaty of the Functioning of the European Union (TFEU).

Where a proposed programme of research involves a collaboration with an "undertaking" or industry party, the activities must comply with the definition of "effective collaboration" and the conditions relating to the allocation between the parties of the results and/or intellectual property rights arising from the collaboration, as per the Framework for State aid for research, development and innovation (2014/C 198/01) (the "Framework"). SFI has set out guidance to support how the programme of research or project is developed and undertaken in accordance with these conditions. Centres are strongly advised to refer to the Letter of Offer and the [SFI website](#) ('Guidance on State aid for applicants to, and recipients of, SFI Grant funding') for further guidance to ensure collaborations with an Industry Partner are structured appropriately.

Recipients of Grant funding under SFI's Research Centres Phase 2 programme are required to demonstrate compliance with the conditions of "effective collaboration" and to support this, SFI has developed an 'Industry Collaboration Form' (ICF). The ICF is to assist grant recipients in defining the relationship with the relevant industry partners in order to comply with the conditions of "effective collaboration" and the conditions relating to the allocation between the parties of the results and/or intellectual property rights arising from the collaboration.

The ICF should be completed by Grant recipients¹, in conjunction with their Research Office/Technology Transfer Office, for each collaborative research agreement attributed to the Grant and counted against industry cost share targets. Completed forms must be submitted² to SFI on or before the date that the Collaborative Research (or Intellectual Property Rights) Agreement (CRA) has been ‘agreed’, or signed by, the relevant partner(s). For the Research Centres Phase 2 programme, completed ICFs should be uploaded on SESAME as part of the monthly CRA reporting process. A download of the ICF and related guidance, inclusive of an FAQ document, can be found on the [SFI website](#). Please note that from 17 February 2021, on or before the signing of a CRA, Centres are required to submit to SFI a completed "Industry Collaboration Form".

A copy of each CRA attributed to the Grant must be held on file by the relevant Research Body. SFI may request a copy of the signed CRA (as advised in the Grant General Terms & Conditions) for audit purposes. Further information on the purpose of the ICF and SFI’s ex-post audit process (State aid verification checklist) can be found [here](#).

4. Eligible Sources of Cost Share

4.1. Industry Cost Share

For the purpose of Phase 2 cost share, Figure 2 details the eligible sources of industry cost share with the associated conditions and supporting documentation required.

Phase 2 (P2) Countable Industry Cost-Share				
	Cash	In-Kind	Support	Conditions
P2 Target Project with Industry Partner	Yes	Yes	CRA	CRA Conditions
P2 Targeted Project with Non-Industry Partner	Yes	Yes	CRA	CRA + Assurance of Commercial Funds*
Donation/Gift from Industry Partner	Yes	No	Doc†	Unencumbered Donation/Gift
Industry Partner Participation in EPE activities	Yes	Yes	Doc†	Unencumbered & Centre-Specific
Income from Licenses	Yes	No	Doc†	Centre-specific Licenses
Income from Membership Schemes	Yes	No	Doc†	Centre-specific Schemes
P1 Centre Targeted Project with Cash Received in P2	Yes	Yes	CRA	CRA Conditions

*CRA-backed targeted project co-funding from a non-Industry Partner where that Partner provides written assurances to SFI that the targeted project co-funding comes exclusively from commercial revenue streams without any exchequer contributions

†Documentation in support of the industry cost-share contribution, licence revenue or membership scheme income

Figure 2: Eligible industry cost share for Phase 2 Research Centres.

More detail is provided below for each industry cost share source. Contributions, cash or in-kind, from Irish State sources will not count toward industry cost share targets.

¹ Please see [ICF FAQ](#) document for further details on required signatures available at <https://www.sfi.ie/funding/sfi-policies-and-guidance/state-aid/ICF-FAQs-V2-FINAL.pdf>

² For Research Centres, completed ICFs should be uploaded on SESAME as part of the monthly CRA reporting process.

4.1.1. Industry Targeted Projects

Cash and in-kind contributions paid by an industry partner(s), engaging in collaboration³ with the Research Centre on a Targeted Project (as defined above), are eligible sources of industry cost share. For the avoidance of doubt, contract research on behalf of, or the provision of research services to, an industry partner by a research performing organisation (RPO) does not constitute collaboration and revenues from same cannot be counted towards the industry cost share. For further details, see 4.1.1.2 below.

In all cases, the Research Centre Director must be satisfied (or warrants) that any projected cash contributions from each industry partner are free and unencumbered and have not been used to secure a support grant from Enterprise Ireland, the IDA or any other State agency as described in the Grant conditions.

4.1.1.1. Partially Funded Collaborative Research

In partially funded collaborative research projects, the costs are shared by the Research Centre and the industry partner. The cash (directs costs plus any overhead returned to the Centre) and in-kind contributions from the industry partner can be counted towards the industry cost share. In the case of a partially funded collaborative research project, the foreground IP normally resides with the Research Body and the industry partner will typically have access to this IP through a licence agreement. The IP negotiations are the responsibility of the Research Body and the industry partner(s) and any arrangements agreed must be compliant with State aid law (see Section 3 under 'State aid').

4.1.1.2. Wholly Funded Collaborative Research

Where an industry partner bears the full costs of a collaborative research project (see National IP Protocol 2019⁴), the project is still required to satisfy the conditions of an effective collaboration and an ICF must be completed (see guidance on the ICF previously referred to in Section 3). Further, a CRA must be negotiated and signed by the parties before the research project commences and must include a clause describing how the results (including IPR) arising from the project will be disseminated and / or managed. The IP negotiations are the responsibility of the Research Body and the industry partner(s) and any arrangements agreed must be compliant with State aid law.³

A wholly funded collaborative research project should not be confused with contract research, which in general involves the Research Centre performing contract research or providing a research service to an industry partner, where the industry partner typically specifies the terms and conditions of the contract, owns the results of the research activities and carries the risk of failure of the project. **Cash from contract research or the provision of research services cannot be counted towards the industry cost share.** For additional information on best practice please consult with the National IP Protocol. Although SFI recognises that these are important activities in which the Research Centre can engage with industry partners, they are

³ Each Letter of Offer will set out any conditions which must be complied with in respect of such collaborations with industry, including regarding compliance with relevant State aid rules set out in the European Commission's Framework for State aid for research and development and innovation (2014/C 198/01) ([https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014XC0627\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014XC0627(01)&from=EN))

⁴ <https://www.knowledgetransferireland.com/Reports-Publications/Ireland-s-National-IP-Protocol-2019-.pdf>

not viewed as Collaborative Research Projects in which the industry partner is sharing risk, making an intellectual contribution to scoping and implementing the project, the research results can be disseminated, and new IP can be generated.

4.1.1.3. Industry Cash

Industry cash is defined as cash contributions paid by an industry partner collaborating with the Research Centre on a Targeted Project throughout the lifetime of the Phase 2 award. Industry cash received (in bank) during Phase 2 as a result of a Centre CRA signed in the Phase 1 lifetime will count towards the Phase 2 industry cost share targets (for CRAs originating from a separate SFI Spokes award, see Section 6). For the purpose of cost share, eligible industry cash is the industry contribution net of any VAT or overhead which is paid to the RPO. If any of said overheads are returned to the Research Centre, these can be counted toward the Centre’s industry cash cost share target and should be presented to SFI as a direct cost.

4.1.1.4. Industry In-Kind

Industry in-kind is defined as non-cash contributions from an industry partner to the Centre, such as personnel, materials etc. Industry in-kind contributions include, but are not necessarily limited to, the following items:

- Personnel
 - Time contributed by industry partner personnel as part of a collaborate research project can count as industry in-kind cost share. The industry partner shall submit an Industry Cost Share Report every 6 months setting out the hours and value of the time contributed to the research project. This form shall be signed by the industry partner (further details on this form are provided in section 7.2.1).
 - Either (i) the individual’s verifiable salary or (ii) the midpoint of the individual’s salary scale, plus a 50% overhead (in either case) will be permitted as in-kind cost share. Part-time personnel may be included on a pro rata basis.
 - Alternatively, the annual salary guideline by role can be used in determining in-kind staff charges which is set out in table below:

Staff Charge Out Guide (includes basic salary + pension + PRSI + overhead)	
Technician	€55,000
Researcher	€55,000
Engineer	€85,000
Senior Researcher	€90,000
Scientist	€95,000
Senior Management	€140,000

- Equipment donations
- Use of proprietary software programmes
- Access to specialist facilities
- Access to proprietary materials or corporate knowledge
- Provision of specialised accessories
- Provision of samples, materials or consumables

In-kind contributions from industry sources received as part of an NE-NC agreement can be counted toward industry cost share targets if acceptable supporting evidence is provided. This could be, for instance, a consortium agreement or a letter from an industry partner in a recognised NE-NC consortium. This supporting document/evidence should inform SFI on the value of the in-kind, the categories that it falls under (staff, equipment, etc.), and demonstrate that the in-kind is being provided for the direct benefit/use of the Research Centre.

4.1.2. Industry Cash Donations

Cash gifts/donations in the form of an unencumbered research grant from a company which are used to support the activities of the Research Centre can be counted toward the industry cash cost share target.

A letter (on headed paper) should be submitted to verify details pertaining to the donation.

At a minimum the letter should include the following details:

- Title of Grant and SFI Grant reference to which the donation is to be applied.
- Value (cash a) of donation
- The letter should confirm that the funds are unencumbered
- The letter should outline how the donation complies with State aid law⁵ i.e. does not give rise to the granting of unlawful State aid.
- Any other details the parties deem relevant should also be included
- The letter should be signed by an approved representative of the donor.

4.1.3. Industry Funding for Education and Public Engagement (EPE) Activities

SFI Research Centres can count both cash and in-kind contributions that are explicitly made by industry to fund Research Centre EPE activities, toward the industry cost share targets. These EPE activities must be Centre-branded and Centre-led, and not industry-led events or activities.

4.1.4. Licence Revenue and Equity Realisation⁶

For revenue from licensing or equity realisation to be counted toward the industry cash cost share target, the licence or equity in question must have arisen from IP which can be directly attributed to the Centre's research activities (in Phase 1 or Phase 2). Revenue recognition of licence income must comply with the International Financial Reporting Standard 15. The stream of funds from such income should be recorded for verification purposes like any other cash receipt. The funds should be ring fenced/earmarked for Research Centre specific purposes. Please note evaluation licenses will **not** be counted towards the industry cash cost share target.

⁵ See SFI Guidance <https://www.sfi.ie/funding/sfi-policies-and-guidance/state-aid/>. SFI strongly encourages the Research Centre and industry providing the donation to engage with legal advisors, where necessary.

⁶ Again, each Letter of Offer will set out any conditions which must be complied with in respect of the RPOs management of IP attributed to the Research Centre Grant and compliance with State aid law as set out in the European Commission's Framework for State aid for research and development and innovation.

4.2. Non-Exchequer, Non-Commercial (NE-NC) Cost Share

For the purpose of Phase 2 cost share, Figure 3 details the eligible sources of NE-NC cost share and the associated conditions and supporting documentation required.

	<u>Cash</u>	<u>In Kind</u>	<u>Support</u>	<u>Conditions</u>
Competitively Awarded NE-NC Funding <i>(e.g. H2020, Horizon Europe, Wellcome Trust, ESA, NIH, NSF, ESA, etc.)</i>	Yes	No	Grant Agreement	Thematically aligned to Centre; Awarded to FI/Co-PI; Centre involved at proposal stage
Non-Competitively Awarded NE-NC Funding: Direct Non-Exchequer Philanthropy <i>(e.g. Registered Charities, Donations from Individuals, etc.)</i>	Yes	No	Letter from Source	Unencumbered Philanthropy
In-Direct Non-Exchequer Philanthropy <i>(e.g. Philanthropy to Research Body that Research Body makes available to Centre)</i>	Yes	No	Letter from Research Body	Unencumbered Philanthropy
NE-NC Funding for EPE Activities: Competitively Awarded NE-NC Funding	Yes	No	Grant Agreement	Thematically aligned to Centre; Awarded to FI/Co-PI
Non-Competitively Awarded NE-NC Funding	Yes	No	Letter from Source	Unencumbered Philanthropy

Figure 3: Eligible NE-NC cost share for Phase 2 Research Centres.

In-kind contributions from NE-NC sources will **not** count toward NE-NC cost share targets, while industry in-kind contributions as part of NE-NC projects can potentially be counted (please see section 4.1.1.4). Contributions, cash or in-kind, from Irish State sources will **not** count toward NE-NC cost share targets.

4.2.1. Competitively Awarded NE-NC (cash only)

Competitively awarded NE-NC cost share will be monitored based on the grant commitments, as opposed to a “cost share received” basis, which is in place for monitoring of industry cost share and non-competitive NE-NC (see Section 7.3.1). Please note that only the portion of competitively awarded NE-NC that remains available to fund activities within the Research Centre (e.g., in the case of cascade funding) can be counted towards NE-NC cost share targets.

4.2.2. Non-Competitive NE-NC (cash only)

Philanthropic and/or charitable donations (cash only), which are available to fund activities within the Centre, can be counted toward the Research Centre’s NE-NC cost share targets. Please note that non-competitively awarded NE-NC funding, such as philanthropic or charitable funding, will be based on the cash received in bank and will not be monitored on a commitments-basis. The funds should be ring fenced/earmarked for a Research Centre specific purpose.

A letter (on headed paper) should be submitted to verify details pertaining to the donation.

At a minimum the letter should include the following details:

- Title of Grant and SFI Grant reference to which the donation is to be applied.
- Value (cash) of donation.
- The letter should confirm that the funds are unencumbered.
- The letter should outline how the donation complies with State aid law⁷ i.e. does not give rise to the granting of unlawful State aid.
- Any other details the parties deem relevant should also be included.
- The letter should be signed by an approved representative of the donor.

4.2.3. NE-NC Funding for Education and Public Engagement (EPE) Activities

Cash contributions, that are explicitly made by NE-NC sources to fund Research Centre EPE activities, can count toward a Research Centre's NE-NC cost share targets. These EPE activities must be Centre-branded and Centre-led activities.

5. Overheads

For the purpose of cost-share calculations, only the direct-costs associated with the SFI, NE-NC and industry funding are countable, i.e. any overheads associated with these contributions are excluded by default. However, if the industry or NE-NC overhead paid to the Research Body is given directly to the Research Centre (or part thereof), then this amount can be counted as an industry cash or NE-NC contribution respectively. Where overhead return is being claimed against cost-share, the Centre must be in a position to provide supporting documentation on request, during the annual financial audit.

6. SFI Spokes Awards and Phase 2 Cost Share Targets

The process for how the cost share from SFI Spokes awards will be handled in Phase 2 is detailed in Figure 4. Spokes approved for funding during Phase 1, and for which the term of the award extends beyond the end date of the Phase 1 Research Centre award, will have their cost share contributions financially monitored independent from the Phase 2 award. Therefore, the industry cash received as part of a Spoke *awarded during Phase 1* will not count toward the Centre's Phase 2 cost share targets.

⁷ See SFI Guidance <https://www.sfi.ie/funding/sfi-policies-and-guidance/state-aid/>. SFI strongly encourages the Research Centre and industry providing the donation to engage with legal advisors, where necessary.

Phase 1	Phase 2	
Spoke start date within Phase 1 Lifetime	Spoke lifetime spanning across Phase 1 and Phase 2 of the RC lifetime	Standard & Hybrid Spokes start date after RC Phase 2 award start date
<p>Phase 1 Centre cost share targets adjusted based on Spoke SFI budget (pro-rata).</p> <p>Industry funding received during Phase 1 will count towards Phase 1 Centre cost share.</p>	<p>Phase 1 Centre cost share targets adjusted based on Spoke SFI budget (pro-rata); Phase 2 Centre cost share targets not affected.</p> <p>Industry funding received during Phase 1 will count towards Phase 1 Centre cost share. Industry funding received during Phase 2 will not count towards Phase 2 Centre cost share.</p>	<p>Phase 2 Centre cost share targets not affected. Spoke cost share is monitored to ensure Spoke targets are met.</p> <p>Industry cash co-funding received leveraged against supplementary funding will not count towards Phase 2 Centre cost share.</p> <p>Industry cash co-funding received leveraged against existing RC budget is countable towards Phase 2 Centre cash cost share.</p> <p>All Industry in-kind realised is countable towards Phase 2 Centre in-kind cost share.</p>

Figure 4: Management of SFI Spokes awards in Phase 1 and Phase 2.

Examples are provided here to illustrate the Industry Cash and In-Kind cost-share that is countable under Phase 2 Research Centre Cost Share Budgets, once all other requirements are met.

Standard Spoke Example		
Spoke budget component	Funding and minimum cost share targets (direct costs only) €	Countable towards RC Phase 2 Cost Share Targets
SFI Spoke Grant* (i.e. supplementary RC funding)	1,000,000	
Industry Spoke Target as per LoO (Cash Only)	1,000,000	
<i>Industry Cash Received - Portion leveraged against the SFI Spoke Grant</i>	<i>1,000,000</i>	<i>Not Countable</i>
<i>Industry Cash Received - Portion in excess of Spoke cash target</i>	<i>200,000</i>	<i>Countable (Cash)</i>
<i>Industry In-Kind Realised</i>	<i>1,300,000</i>	<i>Countable (In-Kind)</i>

Hybrid Spoke Example

Spoke budget component	Funding and minimum cost share targets (direct costs only) €	Countable as RC Cost Share
SFI Spoke Grant* (i.e. supplementary RC funding)	1,000,000	
Research Centres Phase 2 budget allocation	1,500,000	
Industry Spoke Target (Cash Only)	2,500,000	
<i>Industry Cash Received - Portion leveraged against SFI Spoke Grant</i>	<i>1,000,000</i>	<i>Not Countable</i>
<i>Industry Cash Received - Portion matched to Research Centres Phase 2 budget allocation</i>	<i>1,500,000</i>	<i>Countable (Cash)</i>
<i>Industry Cash Received - Portion in excess of spoke target</i>	<i>200,000</i>	<i>Countable (Cash)</i>
<i>Industry In-Kind Realised</i>	<i>1,300,000</i>	<i>Countable (In-Kind)</i>

Centres should continue to report on the Spokes cost share commitments, using SESAME. Guidelines for Completion of Monthly Reports on Industry Collaborative Research Agreements (CRAs) can be found on the SFI Research Centres Award Management Web Page: <https://www.sfi.ie/funding/award-management/research-centres-award-management/>, and to report on the Spokes cost share cash in-bank and in-kind realised, using the “Spokes Award” specific worksheets within the consolidated industry cost share report (a new template is available to report hybrid Spokes).

7. Reports and Submission Schedule

Within the final approved Research Centre Phase 2 budgets, the Centres have set annual financial targets for both industry and NE-NC cost share. The Centres will be required to report on their cost share performance as per the reporting frequency shown in Figure 5.

Industry and NE-NC cost share will be monitored on a 6-monthly basis, with a 67% cost share requirement to be met by the end of year 6 of the Phase 2 award.



Figure 5: Cost share reporting requirements and frequency of reporting for the Phase 2 Research Centres.

Commitments are recorded in Sesame, the Biannual Phase 2 Cost Share report templates (for both industry and non-competitively secured NE-NC) are issued by the SFI Finance team upon request, and the annual / progress report templates can be found on the SFI Research Centres Award Management website (<https://www.sfi.ie/funding/award-management/research-centres-award-management/>).

7.1. Industry Cost-Share (Commitments)

Research Centres are required to update SFI on a monthly basis on the status of CRAs with industry partners (Figure 6). Updates to CRAs are to be made directly on SESAME before COB on **the second Friday of each month**. Further, from 17 February 2021, SFI requires that an Industry Collaboration Form (ICF) is completed and returned to SFI on or before the date that the Collaborative Research (or Intellectual Property Rights) Agreement has been 'agreed' with, or signed by, the relevant industry partner(s). More information on the completion of the monthly CRA update process can be found on the SFI website at <https://www.sfi.ie/funding/award-management/research-centres-award-management/> - Guidelines for Completion of Monthly Reports on Industry Collaborative Research Agreements (CRAs).

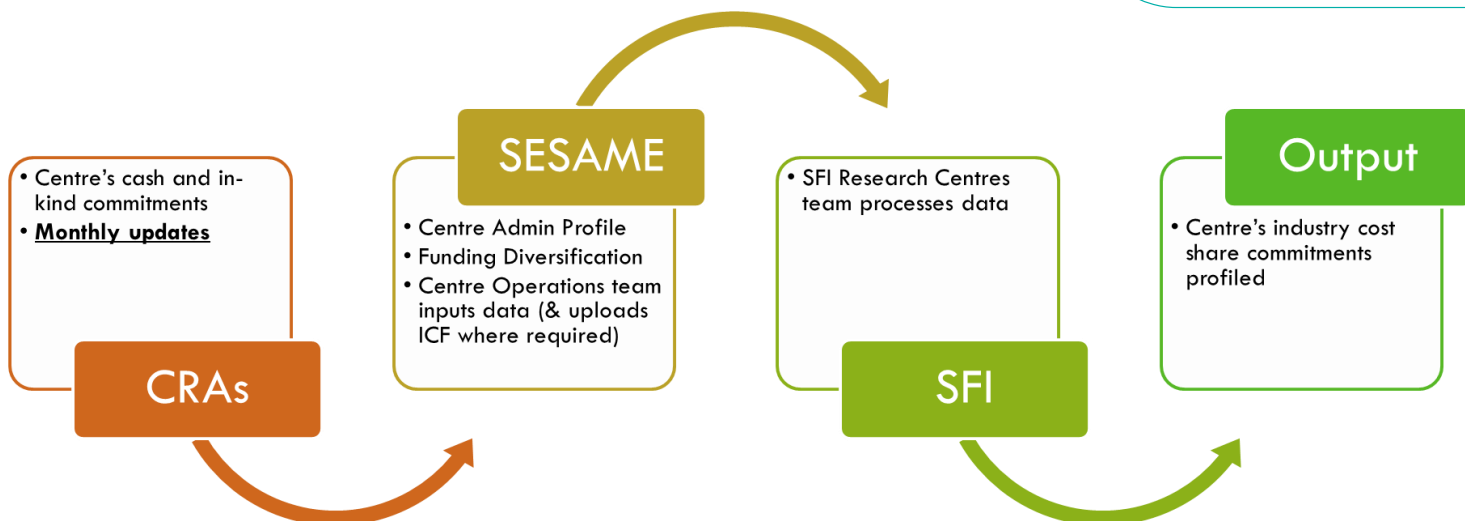


Figure 6: Monthly submission of industry cost share commitments through the SFI SESAME system.

7.2. Industry Cost Share (Received)

As per the Letter of Offer, a minimum of 16.5% of the Centre Budget for Phase 2 must come in the form of industry cash. This industry income must be clearly divisible from other forms of Centre income and will be monitored twice a year (Figure 7) and independently reviewed once a year by SFI Finance. The annual review will consist of tracing figures reported on the consolidated industry partner report to physical bank statements.

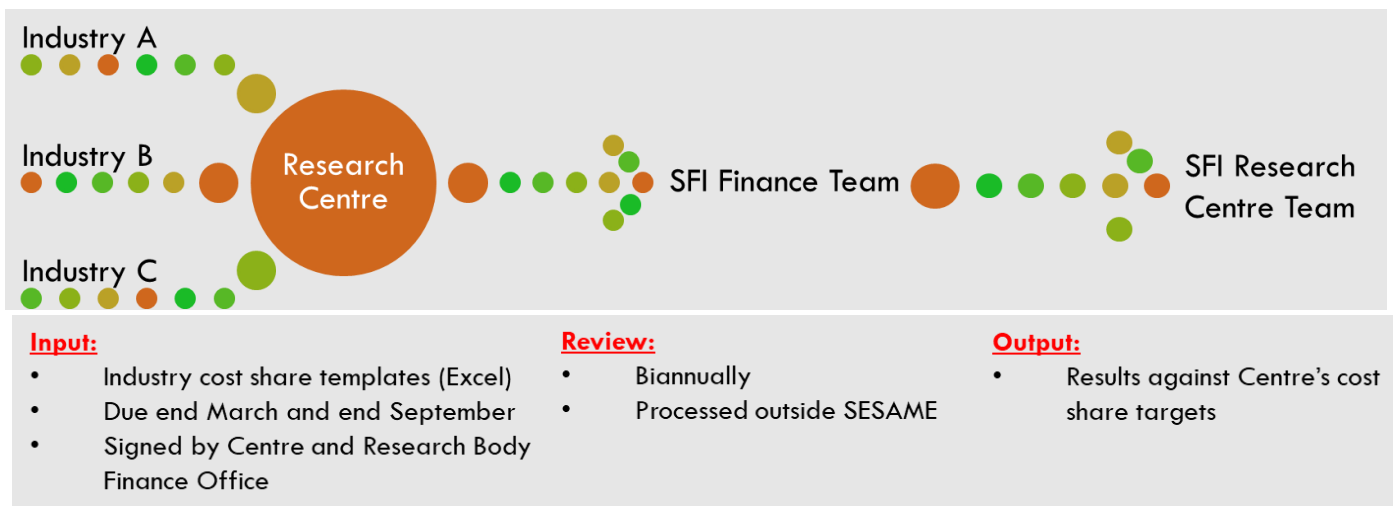


Figure 7: Biannual submission of industry cost share received.

7.2.1. Industry Cost Share Report Templates

The Industry Cost Share reports sit outside SESAME. There are three types of industry cost share reports which require completion twice a year and these are referred to as:

- *Phase 2 Individual Industry Cost Share Report*
- *Phase 2 Consolidated Industry Cost Share Report*
- *Phase 2 Summary Cost Share Report*

These three reports document the industry cost share (cash and in-kind) received by the Research Centre from the industry partner(s). The cost share received must be in accordance with the cash and in-kind definitions as outlined in Section 4 above. These reports are submitted to the SFI Finance team (along with the detailed *SFI Expenditure Excel Report* and the *Phase 2 Non-Comp NE-NC Cost Share* report (Section 7.3.2)) via email or other encrypted means through the Research Body Finance Offices. The Centre is required to report twice a year on the industry cost share received as per the following deadlines:

- **1st April** (based on cost share received up to December the previous year) and
- **1st October** (based on cost share received up to June)

The Industry Cost Share report must be completed by each industry partner who engages in a project with the Research Centre and needs the signature of an “approved person” (an “approved person” does not necessarily mean the person who approved the original Collaborative Research Agreement). SFI requires that the signature should be someone from the Industry Partner firm who can independently verify what is reported on the Cost Share report. Ideally the form should be signed by the Manager from the Industry Partner firm who has the relationship with the Research Body and who is familiar with what has been delivered by the firm to the Research Centre.

Only the actual cash paid to the Research Centre by their industry partners during the reporting period counts toward the industry cash cost share target. Committed cash, invoiced cash or pro-rata cash amounts are not counted toward the cash cost share target. The cash figures reported should not include any overhead paid to the Research Body or any VAT charged. If any overheads are returned to the Centre, these can be counted toward the Centre’s industry cash cost share target and should be presented to SFI as a direct cost.

Within the *Phase 2 Consolidated Industry Cost Share* report, the in-kind values must be signed by the Centre Finance Manager (or equivalent) and the Centre Manager (or equivalent). The two sets of signatures should complement each other in that the Centre Manager is approving that the in-kind has actually occurred – i.e., that person X from an industry partner has engaged with the researchers for the number of hours stated on the form. If the in-kind relates to a piece of equipment provided to the Research Centre for use, the Centre Manager is approving that the piece of equipment has been provided for the research. The Centre Finance Manager is reviewing the value given to the equipment to ensure reasonableness with the Collaborative Research Agreement. The Centre Finance Manager can use his/her professional judgement to review the valuation given (the values should be consistent with an arm’s length transaction between two knowledgeable parties).

The *Phase 2 Consolidated Industry Cost Share Report* provides a summary of all the individual Industry Partner Cost Share reports received by the Centre with the cost share categorised as follows:

- (i) Partially funded collaborative research
- (ii) Wholly funded collaborative research
- (iii) Donations
- (iv) Separate Spokes awards.

Contributions, whether cash or in-kind, from Irish Exchequer sources such as other funding agencies, Government Departments or other Agencies of the State cannot be counted as an industry contribution. Once the financial reports are completed and validated, the SFI Scientific Programme Managers will report the “Cash in Bank” figures to the Research Centre Directors for sign off.

7.3. Non-Exchequer, Non-Commercial (NE-NC) Reporting

SFI will monitor progress against the Centres’ NE-NC cost share targets using two different mechanisms for

- Competitively awarded NE-NC
- Non-competitively secured NE-NC

As per the Letter of Offer, the NE-NC cost share must be reported as direct costs and **cash only**. If any NE-NC overhead paid to the Research Body is given directly to the Research Centre (or part thereof), then this amount can be counted as an NE-NC contribution. Where overhead return is being claimed against cost-share, the Centre must be in a position to provide supporting documentation on request, during the annual financial audit.

7.4. Competitively Awarded NE-NC

The Centre will report on competitively awarded NE-NC funding (i.e. the committed NE-NC funding) through the Centre’s Funding Diversification section on the Centre’s Admin profile on SESAME, as is the current process for reporting progress against the Phase 1 *Funding from Non-Exchequer, Non-Commercial* KPI (Figure 8). The Centre will continue to report this **twice a year as per the Centre’s KPI reporting deadlines** (early February and end August – the exact dates are available in the ‘Research Centres Reporting Requirements’ document on the SFI website (<https://www.sfi.ie/funding/award-management/research-centres-award-management/>)).

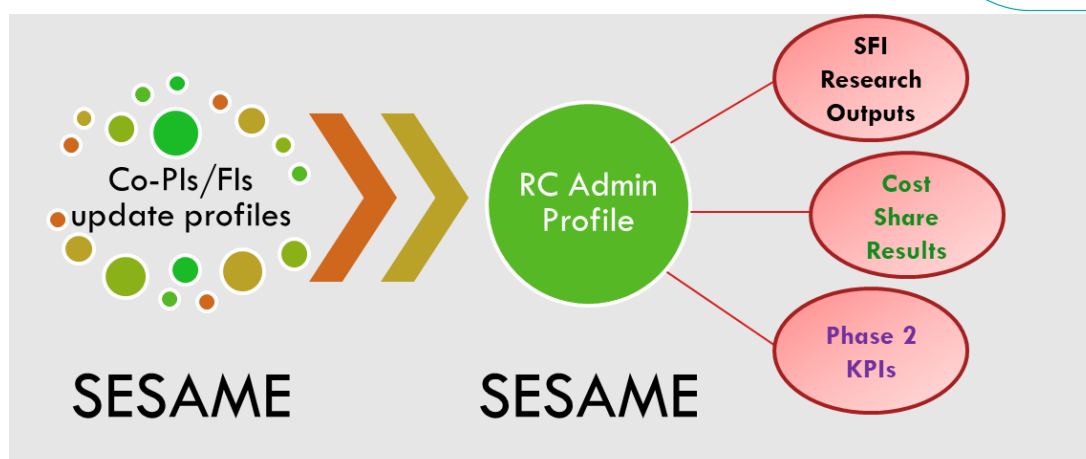


Figure 8: Reporting of competitively awarded NE-NC cost share.

The Centre will report the full commitment of the competitively awarded NE-NC transaction in the relevant period corresponding to the NE-NC award start date.

For example, if a Centre is awarded a €1,500,000 (direct costs) ERC award which has a start date of 1st March 2020, the Centre should report the full €1,500,000 commitment as part of the H1 2020 NE-NC cost share progress update which will be submitted on 31st August 2020.

If an NE-NC award is a collaboration between multiple Centres, the information should be logged as follows:

- [Total Amount of Funding for the Project] field should contain the total amount associated with the NE-NC award.
- [Amount of Funding Allocated to PI in Euro] field should contain only the associated split amount for each Centre sharing the award, e.g. if the total amount of funding is €100,000 and the split is 20% Centre 1 and 80% Centre 2, the amount entered in this field should be “€20,000” for Centre 1 and “€80,000” for Centre 2.
- [Comments] field should indicate the verified information on the split of the award and those involved in the collaboration, e.g. “Verified with the award holder that the award is split 20% Centre 1 and 80% Centre 2”.

Within each Funding Diversification transaction, the Centre must ensure to complete the [Research Body Associated] field as this is necessary in order to provide sign-off on the combined competitive and non-competitive NE-NC progress report (Section 7.3.3).

The Centre must ensure that the [Team Member Name] field is filled in and should match the Team Member list of the Centre Administration SESAME profile. This is necessary to identify the Co-PI or FI or other Centre Team Member associated with the NE-NC award.

There are several options for the [Funding Body] field on SESAME. The following options below can be selected when reporting on ‘Competitively Awarded’ NE-NC transactions. The [Status] field selected should only be either ‘Pending’, ‘Current’ or ‘Expired’ and must be updated as the status changes.

1	Charity/Non-profit Organisation (International) (Please describe)
2	Charity/Non-profit Organisation (Irish) (Please describe)
3	European Union - Framework Programme
4	European Union - Horizon 2020 (ERC)
5	European Union - Horizon 2020 (FET)
6	European Union - Horizon 2020 (Industrial Leadership)
7	European Union - Horizon 2020 (Marie Curie)
8	European Union - Horizon 2020 (Other) (Please describe)
9	European Union - Horizon 2020 (Research Infrastructure)
10	European Union - Horizon 2020 (Societal Challenges)
11	European Union - Other (Please describe)
12	Horizon Europe – EIC
13	Horizon Europe – ERC
14	Horizon Europe – MSCA
15	Horizon Europe – Research Infrastructure
16	Horizon Europe – Clusters
17	Horizon Europe – Other
18	National Institute of Health USA (NIH)
19	National Science Foundation US (NSF)
20	Other International Government Source (Please describe)
21	Other International Interest Organisation
22	Wellcome Trust

7.4.1. Non-Competitively Secured NE-NC

The non-competitive NE-NC cost share will be reported by the Centre on an *as received*, rather than a commitment basis and will be monitored through cost share reports (*'Phase 2 Non-Comp NE-NC Cost Share'*)

Excel template) in a similar process as is currently employed for the industry cost share. The non-competitive NE-NC report sits outside SESAME and documents the NE-NC cost share (cash only) secured by the Research Centre from non-competitive sources (see Section 4.2). As with the industry cost share *received*, the Centre is required to report twice a year on the non-competitive NE-NC cost share *received*. These reports are submitted to the SFI Finance team via email or other encrypted means through the Research Body Finance Offices. The deadlines for reporting non-competitive NE-NC cost share are as follows:

- **1st April** (based on cost share received up to December the previous year) and
- **1st October** (based on cost share received up to June)

The Centre should report the non-competitive NE-NC transaction in the period in which the cash is received in bank.

Please note: any non-competitive NE-NC secured should also be reported by the co-PIs and FIs (and indeed the Centre if the funding is secured directly by the Centre) on an annual basis through their SESAME Research Profiles as per the process of reporting research outputs required for the SFI portfolio-wide analysis of research outputs. The submission dates for these data are in January, for individual researchers' submissions, and in February for Research Centre level submissions. The specific dates are communicated externally to SFI's portfolio of awardees each year in advance of the reporting deadlines.

7.4.2. Consolidation, Sign-Off and Review of NE-NC Cost Share Progress Reports

The process for reporting and sign-off of the NE-NC cost share is shown in Figure 9. SFI will consolidate both the competitively awarded NE-NC and non-competitively secured NE-NC (following data cleaning). The consolidated itemised report will then be issued to the host Research Body Finance Office, the Centre Manager and Centre Director who will be responsible for signing off on the twice-yearly NE-NC cost share results.

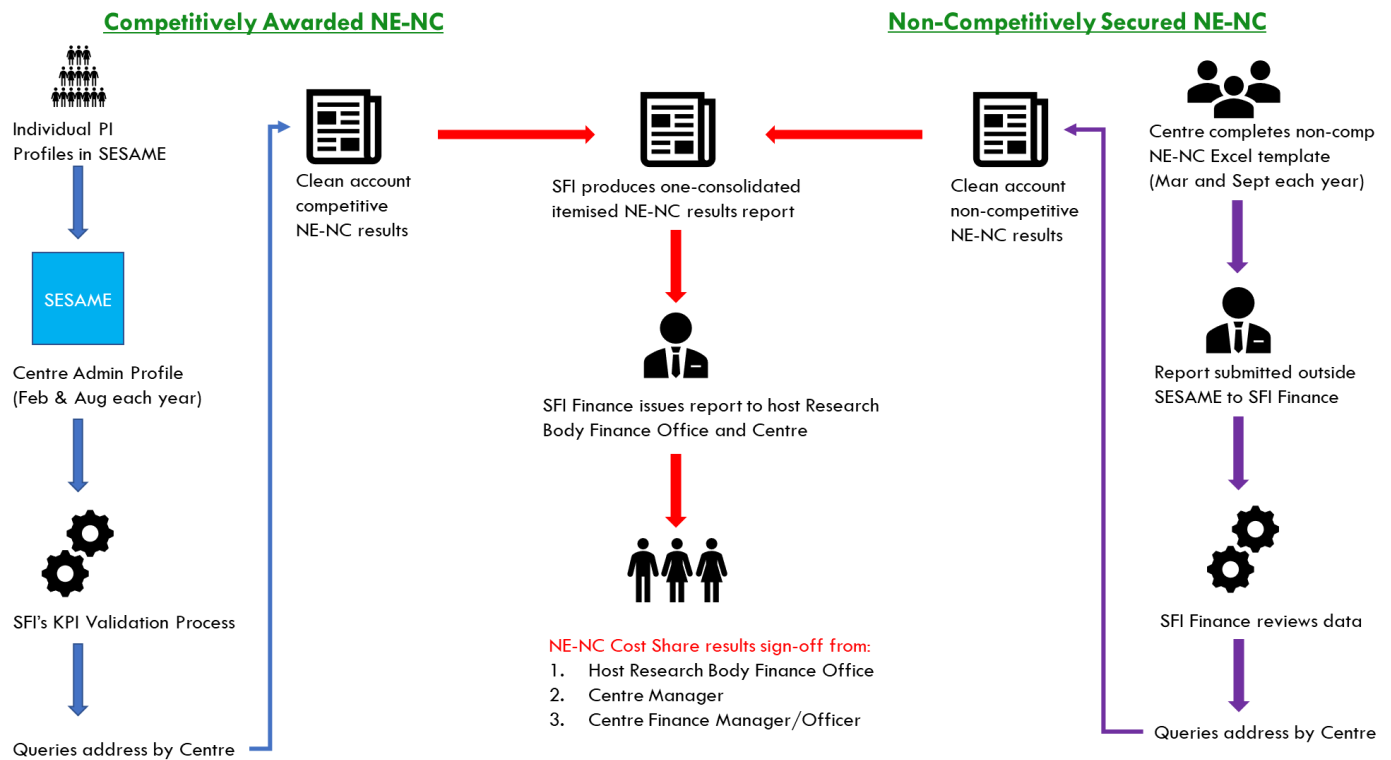


Figure 9: Reporting and sign-off of competitive and non-competitive NE-NC cost share results.

The SFI Finance team will periodically arrange to meet with both the Research Centre manager and Research Accountant of the host (and partner) Research Body to review the NE-NC commitments and cash amounts received.

Non-competitive NE-NC received will be verified by tracing these transactions to the Research Body bank account and reviewing the associated supporting documentation.

For Competitive NE-NC commitments, the SFI Finance team may review the reported commitments on a sample basis against the appropriate audit evidence (e.g. relevant grant agreements) to verify that the awarded grants are live and that overheads received from these sources, which have been diverted directly to the Research Centre activity, have been correctly accounted for.