

Research Contracts Policy

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Approval Authority	Deputy Vice-Chancellor (Research)
Contact Officer	Director Research Services – Office of the Deputy Vice-Chancellor (Research)

Introduction

This policy covers research funding provided by an external party for a specified research project, with specific requirements for activities or deliverables, as documented in a research contract.

Definitions

Consultancy – involves the application of existing knowledge, techniques or processes to known materials or situations. A fee is charged for providing the service, or it may be provided for free (unpaid consultancy) (see [Consulting Policy \(PDF, 317KB\) \(Staff Only\)](#) for full definition).

Contribution Margin (CM) – the annual budget surplus target that Colleges are required to generate to cover central costs, with an expectation that overall the University will make a surplus.

Depreciation – refers to the reduction in the value of an asset (i.e., capital equipment) over time, and the allocation of the cost of the asset over the expected lifetime of the asset. Within a budget, depreciation is an operational line item allocated to cover the costs associated with the depreciation of the asset over time.

Donation/s – includes all gifts, bequests, grants and sponsorships.

- for a specific purpose (which may include research) or for the general benefit of the University;
- in the form of property, goods and/or services; and
- whether or not the donor receives any consideration for the making of that donation.

This does not include property, goods and services acquired by the University through normal commercial transactions in the ordinary course of business.

See the [Fundraising Activities Policy \(PDF, 233KB\)](#) or contact [Alumni & UC Foundation \(University Alumni & UC Foundation website\)](#) for more information on donations.

Full-cost funders – funders who pay the full cost of funding, including direct and indirect costs.

Full-time Equivalent (FTE) – a unit of measure which is equal to one, full time, annual-salaried position.

Journal Transfers – the transfer of money between account codes or posting references via a journal (a detailed accounting record).

Overhead – the component of a budget allocated to cover the indirect costs incurred on a research project.

Principal Investigators (PIs) – the person primarily responsible for the research project itself, budget oversight (in conjunction with their Head of Department/School (HOD/S)), reporting and any other matters related to the research project.

Research – creative and systematic work undertaken in order to increase the stock of knowledge – including knowledge of humankind, culture and society – and to devise new applications of available knowledge.

(For more detail, refer to the [Frascati Manual 2015: Guidelines for Collecting and Reporting Data on Research and Experimental Development \(OECD website\)](#).)

Research Contract – an agreement between the University of Canterbury and an external party, outlining the funding to be provided and the research to be undertaken in return (including deliverables and other contract terms, such as the share of intellectual property). May result from a contestable research funding application process or be negotiated directly with the funder.

Salary Recovery – the component of a budget allocated to reimburse the salary of University staff member/s specified as contributing time in an external research contract.

Policy Statements

The purpose of this policy is to outline the University's approach to applying for and managing external research contracts and clarify the roles and responsibilities of those involved in these processes.

This policy relates primarily to academic departments, schools and research centres, but may also relate to some service departments on a case-by-case basis.

It does not cover donations (refer to the [Fundraising Activities Policy \(PDF, 233KB\)](#)) or consultancies (refer to the [Consulting Policy \(PDF, 317KB\) \(Staff Only\)](#)).

External Research Funding Via Research & Innovation or Alumni & UC Foundation

Funding to support research is managed by either Research & Innovation (R&I) or Alumni & UC Foundation, depending on the nature of the funding. Management of research funding via the appropriate University process ensures that the University can maximise its Performance Based Research Fund External Research Income funding. Research funding eligible to be included in the Performance Based Research Fund External Research Income return will be captured if it is managed via R&I (as research or consultancy) or Alumni & UC Foundation.

R&I manage external research funding, including all contestable research funding and negotiated research funding where there is a direct benefit to the funder. Direct benefits to the funder include: control over what research is undertaken, exclusive access to the research findings, control over the use of the findings, and rights to the intellectual property produced.

Alumni & UC Foundation only manage funding where there is no direct benefit to the funder and no GST payable, such as donations. For matters pertaining to donations, refer to the [Fundraising Activities Policy \(PDF, 233KB\)](#) or contact Alumni & UC Foundation.

R&I and the Alumni & UC Foundation will determine what is a research contract, a consultancy, or a donation/sponsorship.

Ethical, Socially and Culturally Responsible Research

The University is committed to engaging only in ethical, socially and culturally responsible research, while preserving academic freedom. In respect of research funding, this means that funding will not be accepted where it would be unethical or socially or culturally irresponsible to do so (see also [Research Conduct Policy \(PDF, 532KB\)](#) for information on funding criteria).

1. Responsibilities

1.1 Responsibilities of the University

Research contracts are entered into by the University, on behalf of the researcher. As such, the University has a responsibility to ensure that the University is able to undertake the research project, any risks are identified and appropriately managed, the terms of the research contract are adhered to, and the funds are managed appropriately.

The research funding and any assets purchased with the research funding remain University property.

1.2 Responsibilities of Principal Investigators

Principal investigators (PI's)

- Must submit/manage any contestable research funding applications and research contracts (contestable and negotiated) via Research & Innovation;
- Must discuss research funding applications being developed and potential workload and resource implications with their HoD/S;
- Are responsible and accountable to the University to undertake the contracted research and manage the project and expenditure, to meet the contract obligations (including reporting) and budget;
- Must advise R&I, as early as possible, of any proposed changes in contract scope, budget, and personnel, any risks to the scheduled delivery of the contracted objectives, any breaches of the contract (e.g., of confidentiality provisions), or any other matters that might impact on the project's contracted terms;
- Must manage intellectual property in accordance with the provisions of the contract and the University's [Intellectual Property Policy \(PDF, 502KB\)](#) – new intellectual property that is required to be disclosed to the funder must be advised to R&I;
- Must ensure that any staff and students involved in the project sign any declarations required by the contract or University policies regarding confidentiality, publication, authorship and intellectual property rights; and
- Must ensure that the research is carried out in accordance with this policy, the [Research Conduct Policy \(PDF, 532KB\)](#) and all other relevant University policies.

1.3 Responsibilities of Research & Innovation

R&I supports researchers and the University to obtain research funding and manage research contracts. R&I's responsibilities include

- assisting researchers to obtain research funding, including promoting funding opportunities, reviewing and submitting applications, developing appropriate budgets, coordinating large application rounds, facilitating the application approval process;
- managing the University's relationship with funders and acting as the liaison with funders, especially where funders require a central point of contact for applications, contracting and reports;
- reviewing and negotiating research contracts, subcontracts and variations, including memoranda of understanding, non-disclosure agreements, confidentiality agreements and intellectual property protection;
- arranging for sign off of applications, research contracts, contract variations, subcontracts, and if required, reports;
- raising invoices for research contract funding;
- supporting contract reporting obligations to be met and tracking completion of contract deliverables; and
- resolving contract disputes and escalating any issues, as appropriate.

2 Applications and Contracting

A research funding application is the first step in the contracting process. An application promises the delivery of a certain scope of research, for a specified cost.

If the application is successful and receives funding, the application will form the basis of the research contract.

Being awarded research funding however, is not a guarantee of employment at the University.

Procedures regarding the research application and contracting process are available on the on the [Research & Innovation intranet site \(University Intranet\) \(Staff Only\)](#).

2.1 Who Can Apply and be Eligible for Funding.

A) - f) may submit research funding applications to external funding organisations, subject to the approval of the Head of Department/School (HOD/S) or research centre and relevant Pro-Vice-Chancellor (PVC) (or delegate), or Senior Leadership Team (SLT) member (for research staff outside of the Colleges):

- a) Continuing academic staff.
- b) General staff who have been employed under a contract that permits the individual to undertake research during the term of their employment, or other general staff with the additional approval of the relevant SLT member.
- c) Fixed-term academic staff who have been employed under the terms of a standard academic contract that requires the individual to undertake research during the term of their employment.
- d) Postdoctoral fellows who wish to apply for funding to support their current research programme, or to continue their research programme after the term of their current contract.
- e) Adjunct staff or Emeritus Professors, who wish to pursue a research programme on campus, with the additional approval of the Deputy Vice-Chancellor Research (DVC(R)).
- f) Others not currently employed by the University who wish to undertake research at the University, providing they have a department/school willing to host them and with the additional approval of the DVC(R).

However, for c) - f) if the funding is awarded, the University will only accept the funding if that individual has an employment agreement with the University covering the term of the research contract.

With the approval of the host department/school, successful applicants in categories c) - f) will be employed if the research contract includes sufficient budget for the salary and related costs or if the host department/school employs the PI through its normal employment processes. Any employment arrangements will be at an appropriate salary range determined through HR processes.

2.1.1 Restrictions

Students cannot be a lead PI within the University's research management systems. Students wishing to apply for external research funds should do so through their current or proposed academic supervisor.

2.1.2 Dispute

Any disputes regarding the submission of a research application will be referred to the DVC(R).

2.2 Preparation and Submission of Research Funding Applications

Research is an integral part of the role of all academics at the University. Some or all research time may be externally funded.

Wherever possible, efforts should be made to secure external funding to support the costs of research and recover the University's salary costs.

All University applications for external research funding must be submitted via R&I. Budgets must be developed in consultation with R&I to ensure projects are costed appropriately.

If the funder allows overhead charges to be included in budgets, an overhead should be included to recover the University's support costs. The overhead rate used in applications to full-cost funders is determined by a government mandated policy and is not negotiable. The overhead rate used in applications to other funders may vary and the appropriate rate should be discussed with R&I.

Research projects often have an impact on long-term departmental/school and college planning for infrastructure and support services. If the funder will fund these types of expenditure, appropriate provision for these must be made in the funding application and the research contract.

Applications (including budget, full-time equivalent (FTE) commitment, space, resourcing, additional funding requirements, ethics, and health and safety matters) should be discussed with the relevant HOD/S prior to a draft application being submitted to R&I. The PI must discuss issues of workload management, and the possible need for workload relief from other duties, with their HOD/S when the application is being developed. Any requirements for workload relief should be agreed in writing prior to signing the research contract. Note: some funders require the HOD/S to sign a document confirming the key researcher/s have sufficient workload relief to be able to meet the obligations in the research contract.

Researchers are encouraged to engage with R&I well in advance of funding application deadlines. Researchers must submit applications to R&I by the internal application deadline.

The internal application deadline for New Zealand funders, is at least 5 working days in advance of the funder deadline. For funding schemes where many applications are expected, or in the case of overseas funds, the internal application deadline is at least 10 working days in advance of the funder deadline.

R&I will publicise the internal process and application deadline for these funds. Applications received after the internal deadline will only be submitted to the funder for consideration at the discretion of the DVC(R), in consultation with R&I.

All research applications should be considered for relevance, impact and potential benefit to Māori. Any Māori relevant research must be discussed with the Māori Research Kaiārahi, to ensure appropriate consultation is undertaken.

Applications that are relevant to Māori, but have not undergone appropriate consultation, may not be submitted to the funder for consideration. The DVC(R), in consultation with the AVC Māori, Pasifika and Equity, will adjudicate on such cases.

Applications that are not of sufficient standard and do not meet the funder criteria may not be submitted to the funder for consideration. In such cases, R&I will discuss non-submission with the PI, Head and if necessary, the PVC. If required, the DVC(R) will adjudicate on such cases.

2.3 Application Approval

Successful research funding applications form the basis of the research contract. Because applications commit the University, all applications for external research funding must be approved by the relevant Department/School and College, and the University, prior to submission. R&I will obtain the necessary approvals once the required information (application scope, budget, project team) is available.

2.4 Contracting

All research contracts (including subcontracts, contract variations, memoranda of understanding (MOU), non-disclosure agreements, confidentiality agreements, and intellectual property protection) are managed through R&I. This ensures that contract terms are appropriate and protect the interests of the University, PIs, and where relevant, students.

R&I will review the contract to assess the reasonableness of the terms, compliance with relevant legislation, alignment with University policies, and the clarity of the work programme and expected deliverables.

R&I will also assess the risk associated with the research to be undertaken and will check whether the liability and indemnity terms of the contract will be covered by the University's insurance policy. Researchers are only eligible for cover by the University's liability insurance when the research is being undertaken as part of their work for the University.

2.5 Interests or Conflicts

In accordance with the [Conflicts Policy Principles and Guidelines \(PDF, 693KB\)](#), any real or perceived interests or conflicts should be recorded on the R&I register of interests and/or conflicts of interest register. R&I will inform the relevant HoD/s and PVC that this has occurred.

Researchers should record any possible interests or conflicts during the contracting process or when they arise. Any circumstance that may influence the operation of a research grant should be recorded, for example, personal relationships with a subcontractor or industry partner. Where necessary, additional processes may be put in place to manage the conflict of interest.

3 Operation of Research Contracts

3.1 Workload Management

It is the responsibility of the PVC and the HOD/S to monitor the workload of the PI and, if required, to arrange for sufficient workload relief to enable the staff member to meet the University's research contract obligations. The [My Research Grants & Consultancy intranet site \(University intranet\)](#) (log in required) includes a researcher FTE report for to assist the PVCs and HOD/Ss to track the research contract FTE commitments of their staff.

Workload relief can be achieved by using staff salary recoveries in a research contract to hire fixed term staff to cover some of the PIs other duties. Duties might include teaching and related activities such as marking, other research activities, or administration activities. Wherever possible, researchers should be relieved of administrative duties ahead of teaching duties.

3.2 Associated Performance Based Research Fund External Research Income

All Performance Based Research Fund (PBRF) External Research Income (ERI) associated with a grant will be allocated to the host department of the research account (as specified in the "*Application to Open a Research Grant Account*"), unless a specific arrangement is agreed and advised to R&I. The PBRF ERI derived from research contracts hosted by a University Research Institute will be shared between the Research Institute and the PI's employing department.

Host department changes require approval from the former and proposed host Department/School and College and should be advised to R&I as soon as possible, in order for any required changes in financial processing to be actioned as soon as possible.

Refer to the [Performance-Based Research Fund \(PBRF\) – Funding and Allocation Procedures \(452KB\)](#) for further details.

3.3 Publications Purchased from Research Accounts

Please discuss proposed expensive purchases of information resources (books, journals or data) using research funds with the Library before proceeding.

3.4 Financial Administration of Research Accounts

The University needs to take all reasonable steps to ensure that external funds are received and expended in a manner that leaves a clear audit trail through the University's systems. This means a research grant account can only receive funding from one funder and ensures funds are managed in line with accounting standards, University policy and the research contract conditions. It also ensures that external research income is included in the PBRF ERI return.

Occasionally, a research contract with one statement of work may be managed via several research grant accounts. In these cases, although each grant account will be set up with its own budget, the full contract budget must be managed across all related grant accounts. A surplus in one grant account must be used to offset an overspend in any other grant account for that contract; this is achieved by the re-coding of specific expenditure transactions from one grant to the other.

Research contracts are subject to the University's internal audit processes. Additionally, a number of contracts will be selected at random each year by external auditors for financial audit.

Research accounts cannot operate without a specific contractual arrangement with the funder, with start and termination dates and funder/funding source details. In the unusual circumstance that expenditure needs to be incurred before the contract is in place, and the funder is a New Zealand governmental contestable research funder, a research grant account may be established ahead of contract signing with the approval of the host department (with the host department agreeing to underwrite any expenses incurred) and Financial Services.

All research accounts are to be administered through the University Finance System. An "*Application to Open a Research Grant Account*" form must be completed. R&I will generate this once a research contract has been executed and the budget finalised. R&I will assign the appropriate research account code.

Procedures regarding the financial management of research accounts are available on the *Research Grants intranet pages* on the [Financial Services Research Grants intranet site \(University Staff Intranet\) \(Staff only\)](#).

3.4.1 Direct Costs

All funds for direct costs are credited to the grant account. It is the responsibility of the PI to ensure these are expended in accordance with the budget submitted, and in compliance with the relevant policies of the University and terms of the research contract. All expenditure is to be approved by the HOD/S.

3.4.2 *Financial Monitoring*

PI's, HOD/S's and College Finance Managers can monitor the status of their individual grant accounts, or all the grant accounts in their department/school or college respectively, via the [My Research Grants & Consultancy intranet site](#) (log-in access required). *My Research Grants & Consultancy* includes a simple transaction report which PIs can use to help track their spending. A monthly transaction analysis report is available via College Finance Managers or Departmental Administrators.

Note: all official financial reporting should use financial data reported from Oracle.

R&I are not responsible for financial monitoring of research accounts. However, R&I will schedule checks (quarterly, biannual or annual) on accounts that may require additional support, such as accounts operated by new PIs, contracts of significant value (such as Marsden and MBIE grants), or accounts/contracts where a potential risk has been identified.

If any issues are identified (by any party in the research account operation and management process), such as use of funds in violation of the contract terms or outside of the agreed budget, these should be advised to R&I. R&I will escalate the issue to the Head, PVC, DVC(R), or Financial Services to address (as appropriate).

3.4.3 *Deficit Balances*

It is not permissible to operate research accounts with a deficit balance without express approval of the DVC(R) and a documented contractual arrangement.

3.4.4 *Journal Transfers to Research Accounts*

Journal transfers of income from other University accounts (including research accounts) into a research account are not permitted. This is to ensure a clear audit trail of funds.

Journal transfers from/to research accounts are only acceptable when they reflect the sharing of costs between research accounts or are required to correct entries made in error.

3.4.5 *Overhead Recoveries*

All overhead funds are paid into the research account and then transferred to the either the host College (in the College of Business & Law) or host Department/School (in all other Colleges), unless other arrangements are agreed and documented. The overheads for research accounts hosted by research institutes are split between the research institute and the PI's department.

Any overhead funds associated with fixed term staff will only be disbursed once the fixed term staff member is employed.

3.4.6 *Depreciation Recoveries*

Depreciation costs (if applicable) are credited to the Department/School hosting the relevant piece of equipment used in the research project. All specific depreciation funds are paid into the grant account and then transferred into an account specifically for depreciation funds at Departmental/School level.

For research contracts from full-cost funders, depreciation is usually included in the general overhead component.

3.4.7 Staff Salary Recoveries

All staff salary recovery funds (if applicable) are paid into the grant account and then transferred to the staff member's Department/School, to reimburse the salary costs paid by the Department/School.

3.4.8 Budget Changes

The budget agreed as part of the contracting process forms part of the contract. If changes to how the budget will be used are required, these should be discussed with R&I as early as possible. In some cases the contract terms may limit what changes can be made.

Depending on the nature of the budget change, the funder may need to be advised and give their approval for the change, and a variation may be required. The University may also need to approve the budget change. In these cases, the funds cannot be redirected to the proposed use until the approvals are given and the variation is in place.

Within the University, the budget change will need to be approved internally (as per the approval process for the original application/contract) when it impacts on the host Department and/or College, or changes factors that may have been influential in approving the original application. For example, the following budget changes require re-approval:

- Staff changes which impact on the overhead recovery or salary recovery (as these may already be factored into ongoing budgets).
- Changes to fixed term staff (as these will affect the contribution margin cost and may (depending on the funder) require a change in the overhead recovery, affecting the project budget).
- Adding capital equipment (as this will incur depreciation costs).
- Removing/amending a student stipend (as this may impact on anticipated future income or other anticipated benefits).

Any change in the funding value is also a budget change and a variation will be required.

3.4.9 Closure of Research Accounts

Research accounts will be closed once the contract has finished and the following criteria have been met:

- The end date of the contract has passed,
- All reporting requirements have been met and accepted by the funder, and

- All outstanding financial obligations have been transacted.

Where a research contract is terminated, the research account will be closed in accordance with the contract terms.

Financial reconciliation of expenditure will be required at the conclusion of the research account.

Closure will occur as soon as is administratively feasible (usually within 1-2 months). In the case of contracts that finish on 31 December, best endeavours will be made to ensure the grant is closed before the end of the financial year's transactions.

3.5 Use of Unspent Funds

Any unspent funds that do not need to be returned to the funder may be made available to the researcher to undertake further research.

Where the unspent funding is less than \$2,500, it will be managed via a departmental account and tracked with an analysis code to ensure use of the research funding is auditable. The researcher can use the funds to support research linked to the original project, with the HOD/S approval, before the end of the current financial year.

Where the unspent funding is \$2,500 or greater, it will be managed via a G account and can be used by the researcher to support research linked to the original project only. A G account can only receive funds from a single research grant account. The researcher needs to prepare a plan for the use of the unspent funds within a specified period (typically the end of the next financial year), which needs to be approved by the HOD/S and College before the researcher can access the G account. Any funds remaining at the end of the additional project will be transferred to the host department for use by the HOD/S to support research within the financial year.

3.6 On Resignation

As early as possible, PIs must liaise with R&I regarding any current research contracts they hold to ensure a plan to manage the completion of all contractual requirements is in place. This may include the transfer of contracts to another PI within the University, transfer to another entity, or the termination of existing contracts.

PIs should also meet with R&I to discuss the treatment of intellectual property of any work undertaken while at the University.

All items purchased with research contract funds are the property of the University and must remain with the appropriate University department.

Related Documents and Information

UC Policy Library

- [Allocation of Academic Activities and Establishing Academic Staff Workload Policy \(PDF, 166KB\)](#)
- [Animal Ethics Committee \(AEC\) Code of Ethical Conduct \(PDF, 146KB\)](#)
- [Conflicts of Interest Policy Principles and Guidelines \(PDF, 693KB\)](#)
- [Consulting Policy \(PDF, 317KB\) \(Staff Only\)](#)
- [Fundraising Activities Policy \(PDF, 233KB\)](#)
- [Human Ethics Policy – Research Involving Human Participants \(PDF, 272KB\)](#)
- [Intellectual Property Policy \(PDF, 534KB\)](#)
- [Performance-Based Research Fund \(PBRF\) – Funding and Allocation Procedures \(452KB\)](#)
- [Purchasing Card \(P-Card\) Policy \(PDF, 797KB\)](#)
- [Research Conduct Policy \(PDF, 523KB\)](#)
- [Travel Policy \(PDF, 721KB\)](#)

UC Website and Intranet

- [Alumni & UC Foundation \(University Alumni & UC Foundation website\)](#)
- [Research & Innovation intranet site \(University Intranet\)](#)
- [Financial Services Research Grants intranet site \(University Intranet\) \(Staff only\)](#)

External

- [Frascati Manual 2015: Guidelines for Collecting and Reporting Data on Research and Experimental Development \(OECD website\)](#)

For further information, contact [Research & Innovation \(University research website\)](#), Level 2 Geography, Ilam, Christchurch, ph 369 5858, email research@canterbury.ac.nz.

Document History and Version Control Table			
Version	Action	Approval Authority	Action Date
<i>For document history and versioning prior to 2013 contact ucpolicy@canterbury.ac.nz</i>			
1.00	<ul style="list-style-type: none"> Converted document onto new template. AVC(R) changed to DVC(R) in line with current title. Updated hyperlinks 	Policy Unit	Sep 2013
2.00	Scheduled review by Contact Officer.	DVC(R)	May 2015
2.01	Minor formatting review.	Policy Unit	April 2016
2.02	<ul style="list-style-type: none"> Approval Authority title changed to DVC(R and I). Added unspent research grants following Research Grants Report – July 2016. 	Approval Authority	Sep 2016
3.00	DVC(R and I) changed to DVC, major changes, substantial rewrite, name change from <i>Research Grants Policy</i> .	DVC	May 2018
3.01	New subheading added under policy statement for ethical research.	Policy Unit	May 2018
3.02	Numbering re-formatted.	Policy Unit	May 2018
3.03	New definition of “Research” inserted for consistency with other related policies. Updated hyperlinks.	Policy Unit	May 2019
4.00	Scheduled review by Contact Officer, minor changes, additional content added to bring in line with PWC audit report.	DVC(R)	July 2020

This policy remains in force until it is updated