



**National Institute for
Health Research**

NIHR Research for Innovation and Global Health Transformation (RIGHT)

Finance Guidance for Applicants

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RIGHT Financial Guidance for Applicants

The finance section should provide a breakdown of costs associated with undertaking the research as described in the proposal.

1. Programme specific information

The programme is funded via the UK government's commitment to Official Development Assistance (ODA) and therefore the research should be for the primary benefit of the poorest individuals living in low and middle income countries (LMICs), as defined from time to time by the Organisation for Economic Cooperation and Development's (OECD) and listed on the Development Assistance Committee [\(DAC\) list](#).

The NIHR Research and Innovation for Global Health Transformation (RIGHT programme) will fund research projects in the range of £3-5 million (maximum £5m) over 3-4 years in areas of unmet need in LMICs as detailed in the guidance for applicants. Applicants should ensure they have considered existing advice on ODA eligibility and that information on how the proposed research will be ODA compliant is included in the application. Any queries about the ODA eligibility of projects should be raised with the relevant delivery partner as early as possible.

For more details about ODA see the OECD "What is ODA" page. Further information can be found at:

- a) <http://www.oecd.org/dac/stats/34086975.pdf>
- b) <https://data.oecd.org/oda/net-oda.htm#indicator-chart>
- c) <http://icai.independent.gov.uk/about-us/>
- d) <http://www.oecd.org/dac/>

2. General information

2.1a Stage 1 submission

Applicants are to provide a **total figure** for costs on the application form required to undertake the proposed research.

At Stage 1, applicants are also required to provide further details of the cost breakdown (in particular the anticipated split of funds between the UK, ODA-eligible countries and any other international parties by uploading a completed RIGHT Stage 1 Finance Summary Form.

The costing should be based on current prices.

These costs will be used to assess value for money. It is in your best interests to undertake a thorough, realistic and accurate costing. Eligible costs for this programme are described below (under Stage 2 submission).

Please note as detailed below, Higher Education Institutes (HEIs) are permitted to claim estate and other indirect costs up to 80% full economic costs (FEC). These costs are calculated on the basis of TRAC methodology. The total figure given at Stage 1 should include the 80% FEC value; i.e. the total funds being requested from NIHR.

2.1b Proposal and Partnership Development Award

Applicants that are successful at RIGHT Stage 1 and invited to submit a RIGHT Stage 2 application are eligible to apply for a Proposal and Partnership Development Award (PPDA). PPDA provides funding of up to £10,000 to support partnership development and the preparation of the full proposal to be submitted for RIGHT Stage 2.

To be considered for a PPDA, applicants must complete a separate PPDA application at the SAME time as completing their RIGHT Stage 1 application and must be submitted at the same time as the Stage 1 application in the RMS.

PPDA applications will be reviewed for those applicants that are successful at Stage 1. Those applicants that are rejected at Stage 1 will not be eligible for PPDA. Those applicants that are successful at Stage 1 will be notified of the outcome of their PPDA application at the same time as the RIGHT Call 2 Stage 1 applications.

Eligible costs for the proposal and partnership grant include:

1) travel and subsistence

2) partnership formation and development costs – i.e. costs associated with establishing any MOUs and governance policies with potential partners, undertaking due diligence, costs related to research plan/proposal development (i.e. funding needs analysis)

It should be noted that all other costs, including staff costs are NOT eligible under the Proposal and partnership grant.

Please Note: NIHR may challenge PPDA proposed costs that it does not consider appropriate or does not offer Value for Money, for example Business Class travel. Applicants will be required to provide an invoice for actual spend and evidence of spend at the time of

submitting the Stage 2 application. Lead Applicant organisations will need to pre-finance these activities once approved by NIHR.

2.2 Stage 2 submission

Stage 2 applications require a detailed financial plan.

Applicants will need to justify any significant material increase in costs from Stage 1 to Stage 2 application.

You must provide a clear justification for all costs, including all costs required to secure risk management and assurance appropriate to ODA funding.

- **Guidance on how to complete the finance form is embedded within the finance form.**
- Costs must be provided at current prices. An adjustment for inflation will be made annually thereafter at rates set by the Department of Health and Social Care (DHSC). Whilst allowances for incremental increases should be included on the form, nationally or locally agreed pay increases should be excluded.
- Years should be calculated starting from the anticipated start date of the proposed research. For example, if your research is expected to start on 01 June 2020 then its second year starts 01 June 2021.
- Further itemisation of costs and methods of calculation may be requested at a later date to support the application.
- Payments will be made to the contracted organisation only and the contracted organisation will be responsible for passing on any money due to their partner organisation(s) including those in LMICs.
- Appropriate sub-contracts **must** be put in place for any element of the research which is to be paid to another organisation.
- All applications are expected to have appropriate HEI, NHS, commercial and other partner organisation input into the finance section of the application form.
- Once an award has been made, the DHSC will require Contractors to provide regular financial statements regarding the use of funds. As this funding must be Official Development Assistance (ODA) compliant, applicants will also be required to forecast their expenditure on a cash basis by calendar years on a quarterly basis. The DHSC also reserves the right to send independent auditors to the Host Organisation and to partners involved in the research programme to confirm the actual use of funds.

Please note that whilst the applicable percentages will be used to calculate the maximum grant payable, the programme reserves the right to award a grant for less than this maximum where it is considered appropriate.

3. Information on different types of organisations

3.1. Higher Education Institutions (HEIs), UK based

Higher Education Institutions (HEIs) should determine the Full Economic Cost (FEC) of their research using the Transparent Approach to Costing (TRAC) methodology. **For HEIs in the UK, up to 80% of FEC will be paid, provided that TRAC methodology has been used.**

3.2. Institutions based in LMICs

All costs including direct and indirect will be supported at 100%.

3.3. Commercial/other partner organisations (not based in LMICs)

If you are a commercial organisation/consultancy, please fill in direct costs and indirect costs. Indirect costs should be charged in proportion to the amount of research staff effort requested on the funding application form. Up to 100% of direct costs will be paid. The NIHR reserves the right to set limits on indirect costs charged.

If you are another partner organisation (e.g. charity or NGO), please fill in direct costs and indirect costs. Indirect costs should be charged in proportion to the amount of research staff effort requested on the funding application form. Up to 100% of direct costs will be paid. The NIHR reserves the right to set limits on indirect costs charged.

4. Direct costs

These are costs that are specific to the research that will be incurred by the Contractor (and any partners) in carrying out the proposed plans, which will be charged as the amount actually spent and can be supported by an audit record.

They should comprise:

4.1. Details of posts and salaries (posts and salaries summary)

This section of the financial form presents an overview of all salary costs for staff members/roles (known or unknown) and relevant on-costs (i.e. pay increment dates, geographic weighting, superannuation, national insurance).

All staff funded through the NIHR RIGHT award should be listed and their annual salaries must be stated. Where staff are to be recruited as part of the proposed NIHR RIGHT award, please provide the expected average annual salary. Use current rates of pay and build in any known annual increments. Nationally or locally agreed pay increases should be excluded. Salaries may be sought at a level appropriate to the skills, responsibilities and expertise necessary to carry out the role required, and to reflect the experience of a known individual, where this is in accordance with the salary scales and terms and conditions of service applying to the employing organisation.

In addition:

- If there are any applicant(s) whose costs are not being claimed you should still include their details within this section, but don't include any actual costs.
- Where applicants are already in receipt of NIHR funding for any part of their salaries (e.g. NIHR Fellowships), these should not be additionally charged to the project.
- Where applicants are already receiving salaries funded by NIHR, these should be declared in the application.
- The Apprenticeship Levy can be included in the salary costs from 1 April 2017 where relevant.

4.2. Travel, subsistence and conference costs.

This section includes travel costs, subsistence and conference fees. Where applicable, you will need to include the travel and subsistence costs of your project advisory group, steering committee and/or data monitoring & ethics committee. Travel and subsistence costs relating to dissemination should also be included here, as should costs relating to overseas travel.

4.2.1. Travel costs

Enter the total cost of transport for all journeys for destination/purpose.

For UK Only: If travel is by car, apply your institution's mileage rates (however, this should not exceed HMRC approved mileage allowance payments, which is 45p per mile for the first 10,000 miles and 25p thereafter).

For LMIC based travel, local journeys must be charged according to the most appropriate (basic or standard) local rate.

Travel by the most economic means possible is expected. NIHR programmes do not fund first class travel.

4.2.2. Subsistence

Subsistence covers accommodation (if necessary) and meals associated with the travel, excluding any alcoholic beverages

4.2.3. Conferences

Where national or international conference costs are included, a statement naming the conference or purpose of travel and the benefit to the research must also be made; failure to adequately justify your attendance at a conference will mean the programme will not fund this cost.

4.3. Equipment

Essential items of equipment plus maintenance and related costs not included as part of estates should be input in this section. These can be lease or purchase costs

When considering equipment purchase also consider the requirements for, and availability of maintenance and servicing contracts for the equipment in the LMIC. It is essential that the costs are justified and the contribution this expenditure will make to the infrastructure is made clear.

Equipment purchase for use in the UK host organisation would not typically be supported. If equipment for the UK host organisation is required, a clear justification must be provided (including demonstrating that the use of the equipment will be of principal benefit to the LMIC community). On completion of the project it is expected that all purchased equipment shall become the property of the Contractor or relevant Collaborator based in the UK or low/middle income country as appropriate".

The purchase cost of pieces of equipment, valued up to £5,000 excluding VAT, will be considered.

- Lease to buy / hire purchase type arrangements are permitted **where appropriate**.

- Items of equipment valued at £250 or more must be itemised separately; however grouping same type equipment is permitted.
- Costs of computers are normally restricted to a maximum of £650 each excluding VAT and a statement of justification must be included, in the relevant 'Justification of Costs' section for any purchase above this limit.
- Equipment must exclude VAT, but if the host organisation is unable to reclaim/recover the VAT on a piece of equipment, you should check the box 'VAT cannot be reclaimed'.
- You will need to seek expert advice from the organisation purchasing the equipment regarding its VAT status. If you check the 'VAT cannot be reclaimed' column, VAT at 20% will automatically be calculated into the overall cost of that item.
- Please note that equipment bought within the NHS cannot be funded by the NIHR. Please ensure no NHS equipment costs are included in your application.

4.4. Consumables

This section includes non-reusable items specific to the research. Please itemise and describe the requirements fully (e.g. postage, stationery, photocopying). These items should be research specific, not just general office costs which should be covered by indirect costs.

4.5. Community and public involvement (if applicable)

Please itemise and describe fully the costs associated with community and public involvement. These are likely to include out of pocket expenses, payment for time and any relevant training and support costs.

INVOLVE have produced a number of useful payment-related resources, including the 'Budgeting for Involvement' guide and the INVOLVE cost calculator, which can be found at the following link:

<http://www.invo.org.uk/resource-centre/payment-and-recognition-for-public-involvement/>

4.6 Dissemination

Any costs associated with publication, presentation or dissemination of findings (except related travel and subsistence or consumables costs) should be included here.

Any large costs should be further detailed with a breakdown of constituent parts or a timescale profile of the costs. Meetings to share best practice, training events and events to disseminate research findings must be run at the lowest possible cost with minimal catering. 'Conferences' which are described as such are not eligible for funding.

During the course of your project and throughout the review and publishing phase, you may choose to submit an article based on your research to an open access publication. Depending on the publication, you may be subject to an Article Processing Charge (APC). APC rates vary but are usually within the range of £300 and £3000. Open access publications usually list their APC rates on their websites.

Where possible, you should include an estimate for any APC in your funding application, since NIHR expects that APCs will be covered by the funding award.

See the NIHR gold approach to publication of research and open access policy

<https://www.nihr.ac.uk/about-us/our-purpose/principles/nihr-open-access-policy.htm>

4.7 Risk Management & Assurance

Any costs associated with provision of appropriate risk management and assurance should be included here.

There are specific requirements for monitoring and financial assurance relating to the distribution and use of ODA funding. We would expect to see appropriate financial resources allocated to cover the costs of due diligence checks, audits and financial capacity building in the LMIC. These include, where appropriate, the cost of auditors or compliance monitoring provided by sub-contractors, and consultants.

To make effective arrangements for risk management and assurance, you should consider the financial systems and financial management capacity of your LMIC partner and the level of risk within the country, and tailor your assurance and monitoring processes appropriately. We strongly recommend The Good Finance Grant Practice (GFGP) standard online assessment tool as a resource to support this process - <https://www.goodfinancialgrantpractice.org/>.

Costs for specific safeguarding activities are also permitted.

4.8 Other direct costs

These are costs, not identified elsewhere, that are specifically attributed to the research. For example, costs associated with the use of research facilities, external consultancy costs, software licensing, recruitment and advertising costs.

Please note that for organisations claiming indirect/overhead costs, costs such as recruitment of staff, and general training (e.g. in common IT packages) are costs that should be covered by the indirect costs element of the award being sought and should not appear in this section.

If external consultancy costs are included in this section they must be fully justified in the 'Justification of Costs' section. Please specify the hourly rate and the number of hours and note that consultants must not be people who are already employed by the applicant's institution. If they are, any costs should be entered as direct costs in the 'Details of Posts and Salaries' and 'Annual Costs of Posts' sections.

5. Overseas costs – Direct & Indirect

For Stage 2, all costs associated with collaborating partners based in any of the countries on the [Development Assistance Committee List](#) should be included here. Any costs relating to overseas users of the research must also be contained within this section. You will need to ensure you clearly indicate how the funds will be spent. Please use the justification of costs section to provide further information if necessary. All Costs must be at current prices and no inflationary uplifts should be incorporated into any overseas costs.

All costs should be split per institution and a comprehensive breakdown must be provided for all costs.

Please include all LMICs studentships within Salary Costs and Studentships section of "Overseas costs".

Overseas organisations are encouraged to include the financial resource necessary to support financial reporting requirements.

It is also necessary to provide details of the exchange rate used when calculating the overseas costs.

6. Indirect costs/overheads

Indirect costs will be charged in proportion to the amount of research staff effort requested on the award.

They comprise:

- General office and basic laboratory consumables
- Premises costs
- Library services/learning resources
- Secretarial
- Finance, personnel, public relations and departmental services
- Usage costs of major research facilities
- Central and distributed computing
- Charge out rates for shared equipment
- Cost of capital employed

6.1 HEI indirect costs

Total HEI indirect costs must be fully justified as to why these costs are being requested and how they will contribute to the overall research. HEIs are permitted to claim estate and other indirect costs up to 80% FEC. These costs are calculated on the basis of TRAC methodology. HEI indirect costs are based on the number of full-time equivalent research staff working on the research and the indirect/estates charges set by an institution.

- Where staff from more than one HEI are working on the research there may be different indirect/estates charges for each one. Please list each institution on a separate line.
- Please note HEI indirect costs cannot be claimed on shared staff costs.

The applicant(s) should consult their HEI finance departments for the appropriate figures to include in the estate charges and other indirect cost sections.

6.2 LMIC based organisations indirect costs

LMIC based organisations indirect costs must be fully justified as to why these costs are being requested and how they will contribute to the overall research.

6.3 NHS bodies or other providers of NHS services indirect costs

NHS indirect costs cannot be claimed through NIHR/DHSC programme funding. NHS bodies or other providers of NHS services have been allocated NIHR Research Capability Funding (RCF) to contribute to the cost of hosting NIHR/DHSC-supported research. For more information please click on the link below:

<https://www.nihr.ac.uk/research-and-impact/nhs-research-performance/research-capability-funding.htm>

6.4 Commercial/other partner organisation (not based in LMICs) indirect costs

Commercial/other partner organisations indirect costs must be fully justified as to why these costs are being requested and how they will contribute to the overall research.

7. External intervention costs

If you are conducting research that requires an intervention to be delivered in the LMIC you are permitted to claim for External Intervention Costs (EIC). These are the costs that are additional to routine clinical treatment in the local setting. For comparison, in the UK these would be similar to NHS support or excess treatment costs.

If the research involves an intervention being delivered in the UK NHS standard AcoRD regulations in respect of NHS Support Costs and NHS Treatment costs apply. See <https://www.gov.uk/government/publications/guidance-on-attributing-the-costs-of-health-and-social-care-research>

8. Ineligible Costs

The following costs are not eligible under the NIHR Right Programme:

- Any costs that cannot be categorised as ODA as defined by the OECD from time to time (<http://www.oecd.org/dac/stats/34086975.pdf>);
- Paid for lobbying, which means using funds to fund lobbying (via an external firm or in-house staff) in order to undertake activities intended to influence or attempt to influence Parliament, Government or political activity; or attempting to influence legislative or regulatory action.
- Input VAT reclaimable by the contractor from HMRC.
- Payments for activities of a political or exclusively religious nature.
- Payments reimbursed or to be reimbursed by other public or private sector funding.
- Contributions in kind (i.e. a contribution in goods or services, as opposed to money).
- The acquisition or improvement of fixed assets by FIND unless specifically agreed between the parties.
- Entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations).
- Statutory fines, criminal fines or penalties.
- Liabilities incurred before the issue of this funding agreement unless agreed in writing by DHSC.
- The NIHR RIGHT Programme is not intended to meet the Treatment and Support costs associated with the research programme if it will be incurred in the UK. For these costs to be eligible they must be incurred overseas in DAC listed countries.
- Funding will not be provided to meet the costs of basic research or work involving animals or their tissues, or work which is not predominantly and directly relevant to the needs of developing countries.
- NHS Equipment costs will not be funded by NIHR GHRG funding.

9. Justification of Costs

- Please provide a breakdown of how the costs included in your application provide value for money. Justification for the resources requested should be provided.
- Please ensure you describe clearly how your application will support Global Health Research training and capacity building.
- For Stage 2, please ensure that it is clear as to how exactly the costs have been calculated and allocated. For example if you plan to spend £100k on consumables please ensure you provide further information as to the price, type and numbers of items that will be purchased. Please provide a full justification for indirect costs requested clearly stating the methodology used to calculate these costs and how they represent a good value for money.