

Coordinated by:



In partnership with:



Private Enterprise Development in Low-Income Countries

A CEPR / DFID Research Initiative

MAJOR RESEARCH GRANT BUDGET GUIDELINES

2017-2020

Contents

1	Introduction	2
2	General rules	2
3	Definition of Costs.....	2
3.1	Direct Costs	3
3.1.1	Personnel Costs.....	3
3.1.2	External Consultants	4
3.1.3	Travel, Accommodation and Subsistence	5
3.1.4	Data Acquisition	5
3.1.5	Dissemination.....	6
3.1.6	Other.....	6
3.2	Indirect Costs.....	7
4	Partner Organisations.....	7
5	Value for Money.....	7
6	Conflict of Interest:.....	8

1 Introduction

Applicants for Major Grants are required to submit a detailed budget together with their project proposal. The Major Grant budget template can be downloaded [here](#).

Separate supplementary budgets must be provided for all partner organisations who may be included in the Major Grant project proposal. More information on partner organisations can be found below.

2 General rules

- Please ensure you only fill in those categories that are relevant to your project.
- The examples in the budget justification template are for guidance only. Item descriptions and justifications should be specifically tailored to your project and the examples given should be deleted from the final budget version.
- All expenditure should be listed in UK Pounds Sterling (£). When you submit your financial reports, you will be required to use the exchange rate of the day the cost was incurred, i.e. the date on your receipts. Therefore, if an item requires a currency conversion, please apply the appropriate rate based on data obtainable from www.oanda.com/currency/converter.
- All costs must be broken down (i.e. per day/month, per item). Details can be included in the 'Description of Item' section, as well as in the budget narrative section of the proposal.
- Applicants are advised to be mindful when preparing their budget of how to demonstrate value for money. Some brief guidance on this issue is provided below.
- No additional funds will be made available to grantees to cover currency exchange losses over the course of the grant.
- When submitting financial reports, grantees will be required to submit all documents and receipts proving expenditure. Any costs found to be ineligible will be rejected.
- CEPR reserve the right to request changes to or seek further clarification of the project budget after the grantee's proposal has been accepted by the PEDL Scientific Committee.

3 Definition of Costs

A PEDL Major Grant may cover up to 100% of the total eligible direct costs. Direct costs are those costs that can be directly attributed to the project. These include research personnel costs, travel and subsistence, data acquisition and meetings and publications. The beneficiaries must be able to justify these (with records and supporting evidence) by demonstrating any link to the project.

A PEDL Major Grant may provide a contribution towards indirect costs (overheads). This contribution will be reimbursed at a maximum flat rate of 20% of the total eligible direct costs.

The costs that can be covered by a PEDL grant are summarised in the box below.

Type of cost	Example
<p><i>Direct eligible costs</i> are those which support all aspects of the research, training and dissemination activities of the project that are borne by the applicant during the project duration.</p>	<ul style="list-style-type: none"> • Research personnel (directly employed research staff and external consultants) • Travel and subsistence • Data acquisition • Dissemination activities (meetings and publications)
<p><i>Indirect eligible costs</i> are those which cannot be identified as being directly attributable to the project, but which are incurred under the project. These will be included in the 20% maximum rate contribution.</p>	<ul style="list-style-type: none"> • Management and administration (i.e. salary costs of project support staff, meetings staff and office administration staff) • Costs of office space, including rent, depreciation of buildings, equipment, electricity, water, gas, maintenance, insurance • Communication costs such as postage, and network connection charges • Project audit
<p><i>Non eligible costs</i> are those which cannot be reimbursed by PEDL</p>	<ul style="list-style-type: none"> • Any identifiable indirect taxes • Interest owed • Provisions for potential future losses • Exchange losses • Indirect costs incurred by external consultants' main institution • Excessive expenditure • Transaction fees • Recruitment costs • 20% indirect costs on external consultant budget category

3.1 Direct Costs

3.1.1 Personnel Costs

This category includes:

- Time of Principal Investigators/Senior Experts/Co-Investigator
Salary costs (e.g. salary 'buy out' or 'summer months' etc.) for lead researchers and collaborators on the project. These amounts must not include the cost of offices or other 'estates' costs, which are covered by the indirect costs.
- Other experienced research staff
- Research assistants (who provide scientific input to the project)

Research Personnel are eligible costs under PEDL to the extent that the research staff are directly involved in providing services to the project.

The daily rate for each employee should be entered for each category under “rate” and the total costs (rate x number of days) for each category should be entered under “Cost”.

Only actual days worked by eligible personnel exclusively on the project may be charged. If the person does not work exclusively on the project, is working part time or working only part of the year on the project, a *pro rata* calculation must be made based on the days worked on the project.

The daily rate for any eligible research personnel must be calculated using the actual gross annual salary cost divided by the number of annual working days. By multiplying the daily rate by the number of days worked by the person on the project, the applicant determines the amount it can declare as personnel cost.

Research personnel costs should be recorded through timesheets for all employees working on the project. Once declared, the personnel costs cannot be adjusted/changed due to a re-calculation of the daily rate.

Recruitment costs cannot be regarded as eligible direct personnel costs because the applicant is required to have the necessary human resources to implement the project. If you need to recruit additional personnel during the project duration, the related costs would be considered part of the project’s normal indirect costs, which are covered by the maximum rate of 20% of eligible direct costs.

All Research Personnel Costs will be evaluated for its value for money and may require further justification or amendment before being approved by CEPR. Some brief guidance on this issue is provided below.

Research Personnel Costs does not include:
<ul style="list-style-type: none">• Fees paid to External Consultants• Expenses for Research Personnel (i.e. travel, meals, etc.)• Recruitment costs

3.1.2 External Consultants

Consultants are natural (physical) persons who may be either self-employed or working for a third party. Due to this indirect costs cannot be claimed on the amount budgeted in this category. They must be used during the duration of the project and their work necessary and linked to the project. The use of consultants must be restricted to work that cannot ordinarily be carried out by the applicant’s organisation or if it is the organisation’s normal practice and/or standard policy to engage them (for which evidence must be provided).

The daily rate for external consultants should be recorded under “rate”. The total cost (rate x number of days) should be recorded under “Cost”. Consultants should not be remunerated at a significantly different rate from personnel performing similar tasks.

The remuneration must be based on days worked, rather than on delivering specific outputs/products. This implies that the applicant must keep records of the hours worked for the action, e.g. through timesheets.

The consultant must report to the applicant. It must be the applicant who decides on, designs and supervises all work.

The applicant must appoint an external consultant ensuring best value for money and avoiding any conflicts of interest. Some brief guidance on these issues are provided below.

3.1.3 Travel, Accommodation and Subsistence

This category should contain all items that relate to travel, accommodation and meals that are incurred during the project duration and that are necessary to the project, including visas. These can be linked to different parts of the project and should be split accordingly (e.g. travel to the field location, visits between partners, travel to conferences and workshops, etc.). Applicants should actively seek value for money where it is practical and feasible, or if appropriate, the lowest price. All travel, accommodation and subsistence claims must be supported by receipts and/or tickets.

Please note that CEPR will only reimburse economy class flights and second class train travel. CEPR requests that participants electing to travel by train must take advantage of early booking fares where this is cheaper than purchasing tickets near to departure. Where travel by public transport is impossible or impractical, applicants may request funding for travelling by car. Note that funding is limited to renting costs of the vehicle, expenses for fuel and parking.

Expenses should be recorded including the start and end points of the journey (addresses or landmarks) and the number of miles travelled. Miles can be reimbursed at 45p per mile up to 10,000 miles. Above 10,000 miles are reimbursed at 25p a mile. More information on mileage allowance can be found [here](#).

When overnight accommodation is required it is expected that applicants will obtain accommodation at the most economical rate available. Applicants may claim the cost of meals when it is necessary for them to stay in overnight accommodation provided they are of a reasonable cost.

Please note that the prices entered for accommodation and subsistence should not exceed reasonable values. [Here](#) is a guide on what such reasonable values are in each country.

3.1.4 Data Acquisition

Costs incurred for the acquisition or collection of data as well as the handling and secure storage of data are considered eligible under PEDL.

These may include costs of purchasing data, survey running costs (materials, communication tools etc.), subscription costs for databases, data entry or data analysis tools (e.g. software). Survey costs should be justified and the method of selecting the firm conducting the survey should be described in the 'Description of Item.' If possible, the firm conducting the survey should provide a cost per survey. CEPR reserves the right to request copies of any institutional policy on procurement of any such services.

A detailed description of data acquisition and handling should be included in the project proposal.

Data Acquisition does not include:

- Travel, accommodation and subsistence costs even if the expenditure is incurred while collecting data. These items should instead be listed under the 'Travel and Subsistence' section.
- Equipment costs (e.g. phones, laptops, etc.) should not be charged to this category.
- Salaries for Principal Investigators and Co-Principal Investigators and Research Assistants should be listed under Personnel Costs

3.1.5 Dissemination

Costs associated with the organisation of workshops and conferences are considered eligible under PEDL. These costs include expenses for the hiring of venues, catering, speakers' honoraria (where applicable), travel and accommodation of participants (when absolutely necessary).

Costs related to workshops and conferences should be included in the "Events" section of the budget template.

Publication costs also fall under the dissemination category. These include the cost of printing workshop/conference materials (leaflets, invitations, etc.) as well as the costs related to the publication of the research results (working papers, articles, etc.). If the Co-ordinating Institution expect to incur any costs associated with open access they should contact the PEDL Research Officer (pedl@cepr.org).

Any other dissemination costs may be included under the row titled "Other".

3.1.6 Other

Costs which do not fit into any of the above categories may be included in the "Other" section. They must be clearly defined and described.

Only five lines have been provided as most costs relevant to the project should fit into the above mentioned categories.

All direct expenses must be justified and explained in more detail in the budget narrative section of the proposal template. All direct expenses during or at the end of the project will also require appropriate verification.

Laptop and tablet costs are limited to £500. Should this be exceeded a justification will be required in the budget.

Other does not include:

- Indirect costs (overheads, institutional fees etc.)
- Contingency costs

3.2 Indirect Costs

Indirect costs are those eligible costs which cannot be directly attributed to the project, but which are incurred under the project. **Indirect costs will be automatically calculated as a 20% maximum flat rate of the total eligible direct costs.**

These costs include building costs, electricity/gas/water, maintenance, insurance, office equipment, communication costs, postage, etc. as well as costs of general management and administration of the grants and project audit.

The portion of funds requested should be proportionate to the value of the project in relation to the partners' other income.

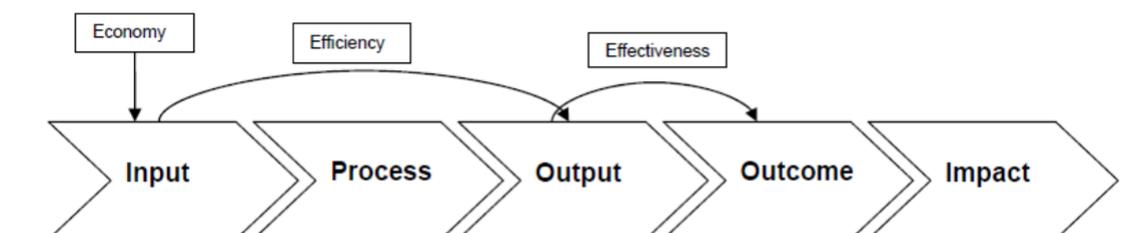
4 Partner Organisations

Lead Institutions are permitted to subcontract activities to other organisations. If this amounts to less than 30% of the total budget, this organisation will be considered a subcontractor and funds can remain in the Lead Institution's budget.

If the Lead Institution subcontracts over 30% of the total budget to another organisation, this organisation will be considered a partner and will require a separate supplementary budget. The Lead Institution's budget and partner's budget will be combined and linked to the overall budget summary as presented in the budget template. The Lead Institution may not include indirect costs related to the partner's work in their budget, however, the partner may include indirect costs of up to 20% of their total budget.

5 Value for Money

Value for money (VFM) in this programme means that we maximise the impact of each pound spent to improve poor people's lives. VFM does not simply mean minimising the cost of the project but also involves making judgements about the results we expect to achieve. In this regard, the 3Es framework may be helpful:



- **Economy:** Does the proposal plan to buy inputs of the appropriate quality at the right price? (i.e. cost-minimisation)
- **Efficiency:** How well does the proposal plan to convert inputs into outputs? (i.e. is the value of the final research output high relative to the cost)
- **Effectiveness:** How well are the outputs from an intervention achieving the desired policy outcome and, ultimately, poverty reduction? (i.e. is the value of the final outcome high relative to the cost)

The VFM of proposals will be assessed on these three criteria. It's important to note that while the research output is substantially under the control of the research team, it is recognised that the policy outcome and its ultimate impact on poverty reduction are subject to many other factors. Nevertheless, evaluators will assess the quality and credibility of the policy impact plan to judge whether the project is likely to be effective in the sense of achieving policy change.

6 Conflict of Interest:

Applicants (as well as subcontractors and partner organisations) must take all measures to prevent any situation where the impartial and objective implementation of the project is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest ('conflict of interests').

A 'conflict of interests' exists if shared interests:

- influenced the consultants/subcontractor/partner organisation's selection/award procedure
- influenced the consultants/subcontractor price and this does not correspond to the market price or
- affected the project's performance, as measured by the appropriate quality standards.

If there is a (risk of) a conflict of interests, the applicant must inform CEPR so that steps can be taken to resolve or avoid it.

If you have any queries when completing your Major Grants budget, please contact pedl@cepr.org.