

Research Centres - Cost Share Reporting Guidance



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1. Scope

The Research Ireland cost share reporting guidance has been developed to provide Research Ireland Centre grant awardees with information regarding the models, eligibilities and reporting requirements related to cost sharing for their awards.

2. Research Centres Cost Share Model

The Centre budget¹ is defined as comprising five parts:

- 1) **Research Ireland direct costs:** This is the funding provided directly by Research Ireland.
- 2) **Industry cash:** This is the cash funding provided by industry partners.
- 3) **Industry in-kind:** This includes non-cash contributions from industry partners, such as equipment, services, or personnel.
- 4) **Non-exchequer non-commercial (NE-NC):** This is cash funding from non-governmental and non-commercial sources.
- 5) **Eligible sources of other exchequer funding:** This includes other government funding sources that are eligible.

By the end of their award period, all Research Centres must secure at least 60% of their overall budget from a combination of industry (both cash and in-kind), exchequer, and NE-NC² (cash only) funding sources. The remaining 40% of the budget is covered by the approved Research Ireland contribution. Each Centre will have targets set according to the following proportions:

1. Research Ireland direct costs: Defined as 40% of the total budget.
2. Industry cash target: 10% of the total budget, i.e. $\frac{1}{4}$ of the Research Ireland direct costs.
3. NE-NC target (cash only): 30% of the total budget.
4. Flexible target: 20% of the total budget, with eligible exchequer funding up to a maximum of 10% of the total budget.

¹ Expenditure of cost share must follow Research Ireland Grant Budget Policy rules for eligible costs. This specifically disallows salary contributions for the Director, Co-PIs or Funded Investigators, except where specific exceptions are listed in the Research Ireland Grant Budget Policy.

² Non-exchequer non-commercial (NE-NC) funding is funding secured from sources which are neither Irish State bodies nor industry sources. See section 4.2 for more details.



Please see Figure 1 for a graphical breakdown of the cost share requirements.

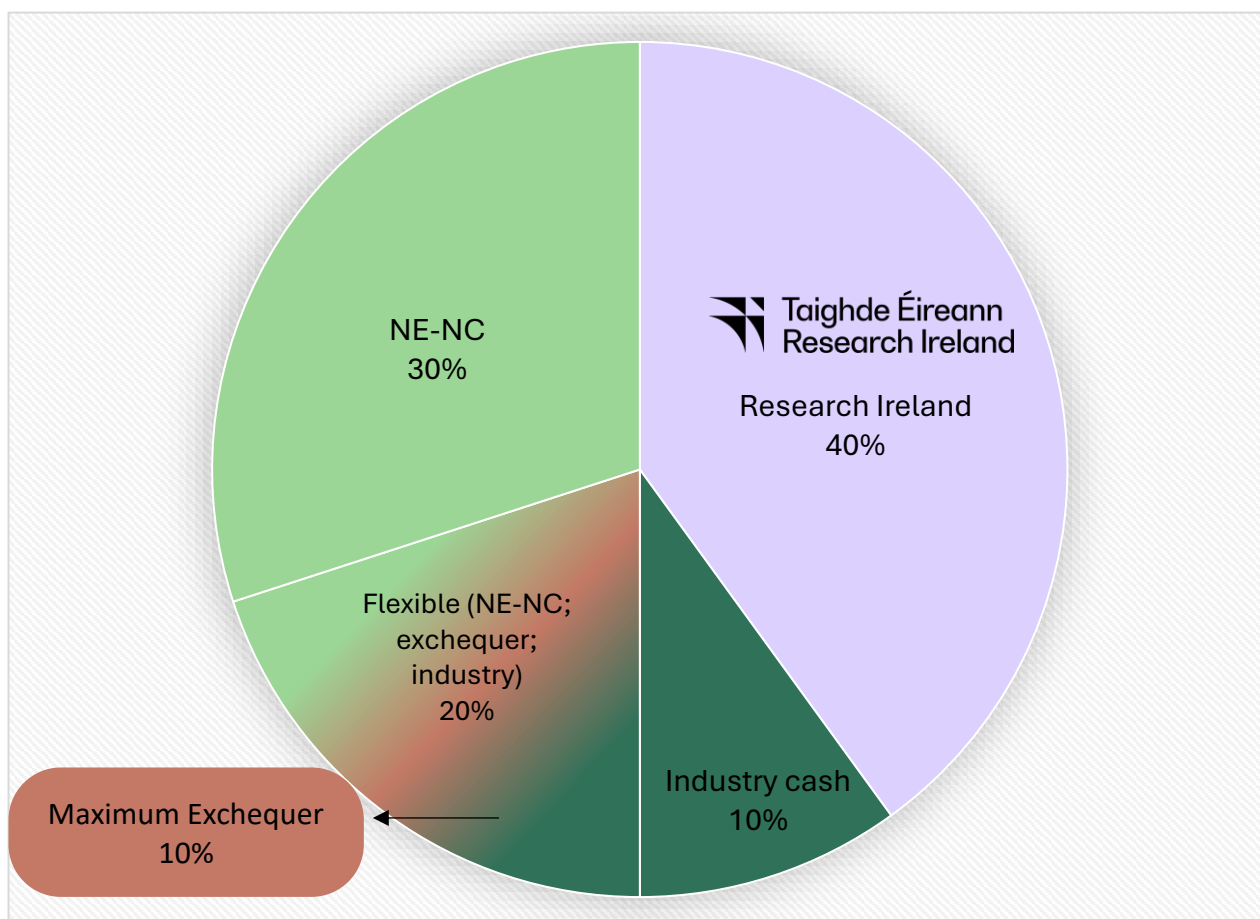


Figure 1: Research Centres Cost Share Model.

This document provides a description of the grant cost share reporting requirements, and the reporting schedule to which Research Centres must adhere. 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 Research Ireland contribution to the Centre budget (Section 6 below).

3. State Aid Considerations

As per Research Ireland's Grant Conditions (inclusive of Research Ireland's General Terms & Conditions, Letters of Offer and Research Ireland Policy documents), all Research Ireland funding granted is subject to, and must be



compliant with, State aid legislation based on Article 107(1) of the Treaty on the Functioning of the European Union (TFEU). Research Ireland has set out guidance to support how collaborations with industry partners are developed and undertaken in accordance with these conditions, and Research Centres are strongly advised to refer to the Letter of Offer and the [Research Ireland website](#).

Research Ireland has developed an 'Industry Collaboration Form' (ICF) to assist grant recipients in defining the relationship with the relevant industry partners in order to ensure compliance with the conditions of "effective collaboration"³ 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 recipients⁴, 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 signed 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) prior to being submitted⁵ to Research Ireland. If the ICF is not signed on or before the date of CRA completion, cost share from that CRA will **never** be countable by the Research Centre.

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

The costs of the proposed programme of research activities should be calculated on the basis of generally accepted accounting principles.⁶ Research Ireland Centres are required to put in place a full economic costing model for all

3 As defined in paragraph 28 of the European Commission's Framework for State aid for research and development and innovation (2022/C 414/01)

4 Please see ICF FAQ document for further details on required signatures available at <https://www.researchireland.ie/about/policies/>.

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

6 <https://www.sfi.ie/funding/sfi-policies-and-guidance/state-aid> and <https://www.researchireland.ie/about/policies/state-aid/>



activities of the Research Centre. Where Research Ireland funded Research Centres carry out activities of both economic and non-economic nature, the costs, funding and revenues of each of the two activities must be clearly accounted for separately^{7,8}. Research Centres are advised to seek independent legal advice where further clarification is sought.

Exchequer Funding

In order for exchequer funding to be counted as cost share, direct collaborations with public sector bodies and collaborations with industry through exchequer-funded programmes must be based on a CRA. Please note also that an ICF is not required to be submitted to Research Ireland for these collaborations.

4. Eligible Sources of Cost Share

4.1 Industry Cost Share

For the purpose of Research Centre award cost share, Figure 2 details the eligible sources of industry cost share with the associated conditions and supporting documentation required. More detail is provided below for each industry cost share source.

<u>Countable Industry Cost-Share</u>				
	Cash	In Kind	Support	Conditions
Targeted Project with Industry Partner	Yes	Yes	CRA	CRA Conditions
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

* Documentation in support of the Industry cost share contribution, license revenue or membership income

Figure 2: Eligible industry cost share for Research Centres

7 Where Research Ireland funded Research Centres engage in both economic and non-economic activities, the economic uses must consume exactly the same inputs (such as material, equipment, labour and fixed capital) as the non-economic activities and the capacity allocated each year to such economic activities does not exceed 20 % of the Research Centre's overall annual capacity.

8 Please see paragraph 21 of the [Framework](#): "Where the research organisation or research infrastructure is used almost exclusively for a non-economic activity, its funding may fall outside State aid rules in its entirety, provided that the economic use remains purely ancillary, that is to say corresponds to an activity which is directly related to and necessary for the operation of the research organisation or research infrastructure or intrinsically linked to its main non- economic use, and which is limited in scope."



4.1.1. Industry Contribution Models

Cash and in-kind contributions paid by industry partner(s)⁹, engaging in collaboration¹⁰ 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 ensure) 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. For example, industry funding secured as part of a grant under the Disruptive Technologies Innovation Fund would not be countable as Centre cost share, while the exchequer portion may be (please see section 4.3).

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 (direct 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').

⁹ 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.

¹⁰ 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 ((2022/C 414/01) [EUR-Lex - 52022XC1028\(03\) - EN - EUR-Lex](#)



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 2019¹¹), 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.

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 industry cost share.** For additional information on best practice please consult with the National IP Protocol. Although Research Ireland recognises that these are important activities in which the Research Centre can engage with industry partners, they are 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.

4.1.2. 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 Research Centre 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 Research Ireland Spokes award, see Section 6). Expenditure of these funds must follow Research Ireland Grant Budget Policy rules for eligible costs. This specifically disallows salary contributions for the Director, Co-PIs or

¹¹ <https://www.knowledgetransferireland.com/Reports-Publications/Ireland-s-National-IP-Protocol-2019-.pdf>



Funded Investigators, except where specific exceptions are listed in the Research Ireland Grant Budget Policy.

Small and Medium Enterprises Cost Share

Industry cash cost share that is received from micro, small and medium-sized enterprises (SMEs), will be doubled in value for the purposes of calculating the Centre's 10% industry cash cost share portion of Centre budget. Please note that this doubling is limited to the industry cost share target and as such will be capped at the total of this target. This means that if a Centre reaches 5% of their total budget in SME cash this will be doubled to 10%, and then no further doubling of SME cash will happen.

The definition of SME used by Research Ireland is set out by the [European Commission](#) (EU recommendation 2003/361). The main factors determining whether an enterprise is an SME are:

- 1) Staff headcount
- 2) Either turnover OR balance sheet total

Company category	Staff headcount	Turnover	Or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

A large business in this context means any enterprise which is not an SME.

To establish the SME status of an industry partner, Research Ireland will engage with Enterprise Ireland (EI) to determine if the industry partner is an active EI SME client (or was on the completion date of contract/CRA).

In the case of non-EI clients or international industry partners, Centres will be required to submit an '[SME Declaration Form](#)' completed and signed by the relevant industry partner to establish their SME status. It is the responsibility of the Centre to establish when a 'Declaration of SME Status' form is required.

The SME status of the industry partner on the completion date of the relevant CRA will be used to determine if the SME incentive is to be applied to the ensuing industry cash cost share from that CRA. Where a Centre has repeat CRAs with an industry partner, the SME status of the partner on the completion



date of each new CRA will be assessed. A change in company status after the CRA completion date will not affect retrospective cost share from that partner.

4.1.3. *Industry In-Kind Contributions*

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 7.1).
 - 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



Ownership of any asset (tangible or intangible) transferred to the Centre from an industry partner should be currently stated in industry partner's financial accounts at cost, less accumulated depreciation, adjusted for any provision for impairment. A letter from the industry partner (on headed paper) should be submitted to verify details pertaining to the asset transfer. In the case where ownership of assets does not transfer in full to the centre, a licence to use may be counted toward the industry in-kind cost share target. The industry partner will grant access to the relevant asset through a licence to use agreement/rental agreement. The details of the collaboration either via asset transfer or licence/rental agreement to use must be documented in a CRA between the Centre and the industry partner.

In-kind contributions from industry sources received as part of an NE-NC agreement can be counted toward industry cost share targets, provided acceptable supporting evidence is given. 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 Research Ireland on 1) the value of the in-kind; 2) the categories under which it falls (staff, equipment, etc.); and 3) demonstrate that the in-kind is being provided for the direct benefit/use of the Research Centre. This may be subject to audit.

4.1.4. 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 Research Ireland 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 law¹² (i.e., does not give rise to the granting of unlawful State aid).

¹² See Research Ireland Guidance <https://www.researchireland.ie/about/policies/>; <https://www.sfi.ie/funding/sfi-policies-and-guidance/state-aid/>. Research Ireland strongly encourages the Research Centre and industry providing the donation to engage with legal advisors, where necessary.



- Any other details the parties deem relevant.
- The letter should be signed by an approved representative of the donor.

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

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.

4.1.6. Licence Revenue and Equity Realisation

For revenue from licensing or equity realisation¹³ 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.

4.1.7. Membership Scheme

Research Centres may, at their discretion, choose to implement a membership scheme for industry partners engaging with the Centre. It is envisaged that a membership scheme would charge companies to participate in the activities of the Research Centre and contribute towards the running costs of the Research Centre. All funds raised through the membership scheme can be counted towards the industry cost share. The membership scheme, including any benefits arising from the membership (e.g., in terms of access to research results/IPR), must be compliant with State aid law. Please see "State Aid Considerations" within this document for further details.

¹³ 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

NE-NC funding is funding secured from sources which are neither Irish State bodies nor industry sources. Funding bodies such as the European Commission, Wellcome, registered charities, not-for-profit organisations and donations from individuals can be counted towards NE-NC cost share. This can be in the form of competitively awarded funding, or non-competitively awarded funding such as philanthropic and charitable donations. For the purpose of award cost share, Figure 3 details the eligible sources of NE-NC cost share and the associated conditions and supporting documentation required.

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

Figure 3: Eligible NE-NC cost share in Research Centre awards

Only direct costs from NE-NC sources can be counted as cost share. 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 4.1.3). NE-NC sources leveraged through exchequer co-funding can be counted as cost share (provided they meet the conditions and requirements outlined in Figure 3), however, please note that in such cases the exchequer portion is not countable.



4.2.1. Competitively Awarded NE-NC

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 7.1.2). 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

Philanthropic¹⁴ 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, and expenditure of these funds must follow Research Ireland Grant Budget Policy rules for eligible costs. This specifically disallows salary contributions for the Director, Co-PIs or Funded Investigators, except where specific exceptions are listed in the Research Ireland Grant Budget Policy.

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 Research Ireland 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 law¹⁵ i.e. does not give rise to the granting of unlawful State aid.
- Any other details the parties deem relevant.
- The letter should be signed by an approved representative of the donor.

¹⁴ In the context of this guidance, 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.

¹⁵ See Research Ireland Guidance <https://www.sfi.ie/funding/sfi-policies-and-guidance/state-aid/> and <https://www.researchireland.ie/about/policies/state-aid/> Research Ireland strongly encourages the Research Centre and industry providing the donation to engage with legal advisors, where necessary.



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.

4.3 Exchequer Funding

Certain forms of exchequer funding (cash only) are eligible under the cost share model. These include:

1. Funding from a Government Department or non-commercial public sector body for a direct collaboration between this entity and the Research Centre, with the exclusion of funding through regular competitive programme calls.
2. Non-Research Ireland exchequer funding, competitively secured from other non-commercial public sector organisations for collaborations with industry (where only the exchequer portion is counted towards cost share targets).
3. Funding awarded under strategic initiatives chosen by Research Ireland. Currently, only Research Ireland's challenge-based funding (challenge funding) programmes are considered in this case.



<u>Countable Exchequer Cost-Share</u>				
	Cash	In Kind	Support	Conditions
Direct collaboration with non-commercial public sector body (not competitively awarded)	Yes	No	Letter from Source	<ul style="list-style-type: none"> Thematically aligned to Centre Eligible team member Backed by a CRA No ICF required
Non-Research Ireland exchequer competitive funding for collaboration with Industry , funded by non-commercial public sector body (e.g. EI DTIF, IRC Enterprise Partnership)	Yes	No	Grant Agreement	<ul style="list-style-type: none"> Thematically aligned to Centre Awarded to team member Centre involved at proposal stage Exchequer portion only
Strategic initiatives chosen by Research Ireland (currently: Research Ireland Challenge Funding)	Yes	No	Grant Agreement	<ul style="list-style-type: none"> Thematically aligned to Centre Awarded to team member Centre involved at proposal stage

Figure 4: Eligible exchequer cost share in Research Centre awards

As mentioned in section 3, in order for exchequer funding to be counted as cost share, direct collaborations with public sector bodies and collaborations with industry through exchequer-funded programmes must be based on a CRA. Please note also that an ICF is not required to be submitted to Research Ireland for these collaborations.

In-kind contributions from Irish exchequer sources cannot be counted as cost share.

Where a letter(s) of support is required to verify the details of exchequer cost share (i.e. for direct collaborations with non-commercial public sector bodies), please submit this to your Scientific Programme Manager (SPM) via email. At a minimum such letters (on headed paper) should include the following details:

- Title of collaborative research project and any relevant grant/project reference number.
- Value (cash) of collaboration being provided to the Centre.
- Any other details the parties deem relevant should also be included.
- The letter should be signed by an approved representative of the non-commercial public sector body.



4.3.1. *Exchequer Funding for Education and Public Engagement (EPE) Activities*

Cash contributions that are explicitly made by eligible exchequer sources to fund Research Centre EPE activities, can count toward a Research Centre's exchequer 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 Research Ireland, NE-NC, exchequer and industry funding are countable, i.e. any overheads associated with these contributions are excluded by default. However, if the overhead paid to the Research Body is given directly to the Research Centre (or part thereof), then this amount can be counted as cost share in the relevant category. 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. Research Ireland Spokes Awards and Research Centre Cost Share Targets

The cost share associated with hybrid and standard Research Centre Spokes is monitored throughout the duration of the award to guarantee the achievement of Spoke targets¹⁶.

Standard Spokes

Standard Spokes involve the addition of supplemental funding from Research Ireland to realise a collaboration with industry. Industry cash co-funding

¹⁶ 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.



received that is leveraged against supplementary Spoke funding will **not** be considered when calculating the Research Centre's cost share.

Standard Spoke Example		
Spoke budget component	Funding and minimum cost share targets (direct costs only) €	Countable towards Research Centre Phase 2 cost share Targets
Research Ireland Spoke grant* (i.e. supplementary research centre funding)	1,000,000	
Industry Spoke target as per Letter of Offer (Cash Only)	1,000,000	
<i>Industry Cash Received - Portion leveraged against the Research Ireland 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 Spokes

Hybrid Spokes involve a combination of supplemental Research Ireland funding, as well as the Centre using existing Research Ireland Centre budget for use in the Spoke. Industry cash co-funding received that is leveraged against supplementary Spoke funding will **not** be considered when calculating the Research Centre's cost share. However, when industry cash co-funding is received and leveraged against the existing Research Centre budget, it will contribute to the Research Centre's cash cost share. Furthermore, any industry in-kind contributions that are realised are eligible to be counted towards the Research Centre's in-kind cost share.

Examples are provided here to illustrate the industry cash and in-kind cost-share that is countable under Research Centre cost share budgets, once all other requirements are met.



Hybrid Spoke Example		
Spoke budget component	Funding and minimum cost share targets (direct costs only) €	Countable as research centre cost share
Research Ireland Spoke grant* (i.e. supplementary research centre funding)	1,000,000	
Location from existing Research Centre budget	1,500,000	
Industry Spoke target (cash only)	2,500,000	
<i>Industry Cash Received - Portion leveraged against Research Ireland 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>

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

7. Reports and Submission Schedule

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



Monthly (Quantitative)

- Industry Cash and In-Kind Committed

Biannual (Quantitative)

- Industry Cash and In-Kind “Actuals”
- NE-NC Awarded (Committed for Competitively Awarded Funding – e.g. EU Funding)
- NE-NC Received (Other NE-NC Sources)
- Exchequer Funding

Annual (Qualitative)

- Annual Report: Section 7 – Funding Diversification

Biennial (Qualitative)

- International Expert Progress Site Review

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

Commitments are recorded in SESAME, the biannual cost share report templates (for both industry, exchequer and non-competitively secured NE-NC) are issued by the Research Ireland Finance Team upon request, and the annual / progress report templates can be found on the 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 Research Ireland 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**.

Furthermore, Research Ireland requires that an Industry Collaboration Form (ICF) is completed 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) (see Section 3 for more details). More information on the completion of the monthly CRA update process can be found on the Research Ireland 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).

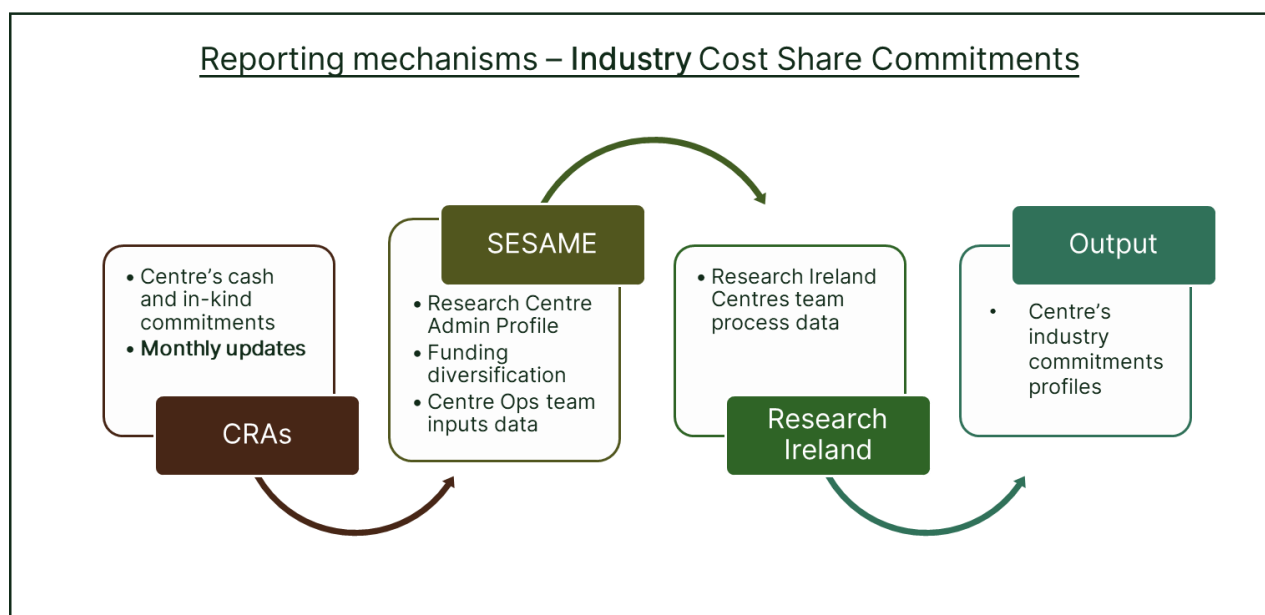


Figure 6: Monthly submission of industry cost share commitments through the Research Ireland SESAME system.

7.1.1 Industry Cost Share (Received)

Industry contribution (cash plus in-kind) 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 Research Ireland Finance. The annual review will consist of tracing figures reported on the consolidated industry partner report to physical bank statements.

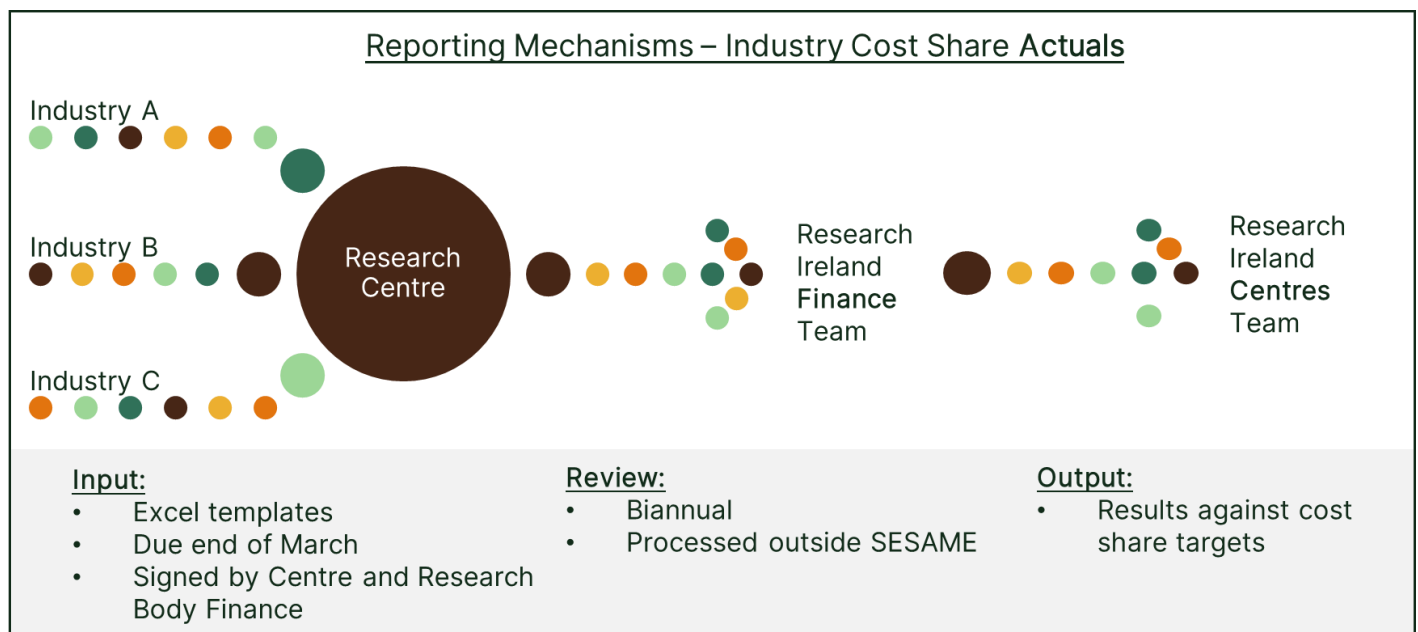


Figure 7: Biannual submission of industry cost share received.

7.1.2 Industry Cost Share Report Templates

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

- *Individual Industry Cost Share Report*
- *Consolidated Industry Cost Share Report*
- *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 Research Ireland Finance team (along with the detailed *Research Ireland Expenditure Excel Report* and the *Phase 2 Non-Comp NE-NC Cost Share* report (Section 7.1.2 and Section 7.1.3)) 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). Research Ireland 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 Research Ireland as a direct cost. Please note that cost share received from each company should be divided into SMEs and MNCs.

Within the *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 *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 Research Ireland Scientific Programme Managers will report the “Cash in Bank” figures to the Research Centre Directors for sign off.

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

Research Ireland will monitor progress against the Research 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.

7.1.1. 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 funding from *Non-Exchequer, Non-Commercial* KPI (Figure 8). The Centre will continue to report this **twice a year as per the [Research Centre’s Reporting Requirements](#)**.

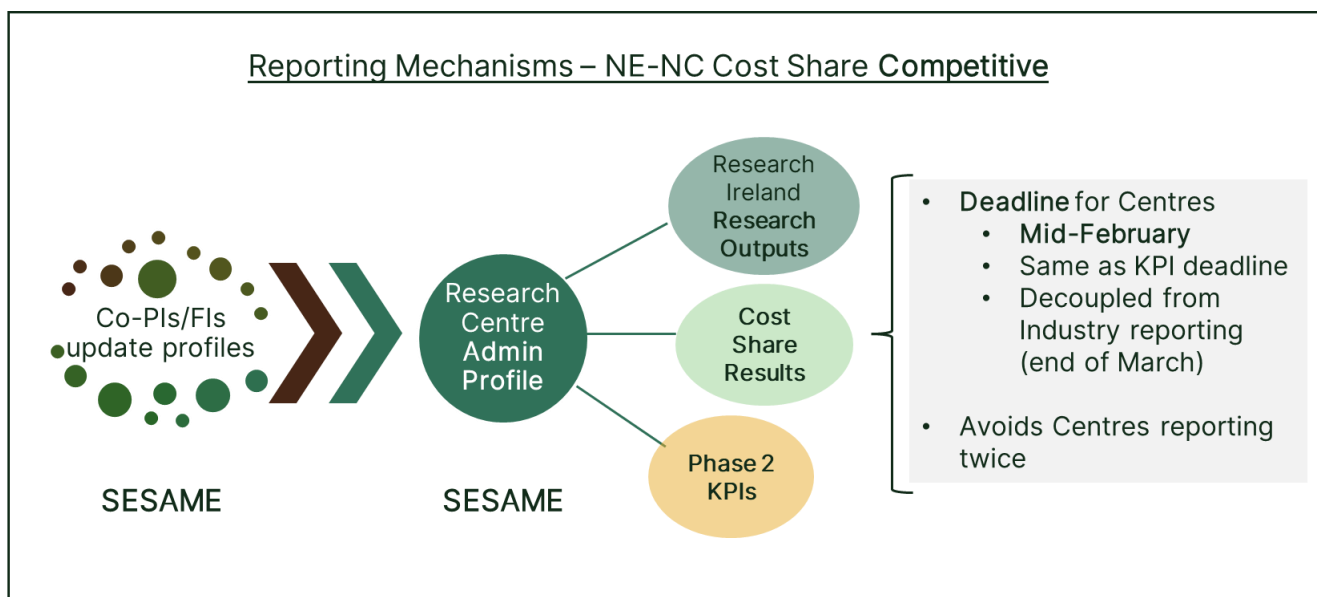


Figure 8: Reporting of competitively awarded NE-NC cost share.

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 Research Centres, the information should be logged as follows¹⁷:

- **[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

¹⁷ Text highlighted in **[Green]** text boxes are fields on the SESAME grants management system



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 7.1.3).

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

7.1.2. *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 ('*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 Research Ireland 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 Research Ireland 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 Research Ireland's portfolio of awardees each year in advance of the reporting deadlines.

7.1.3. 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. Research Ireland 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.

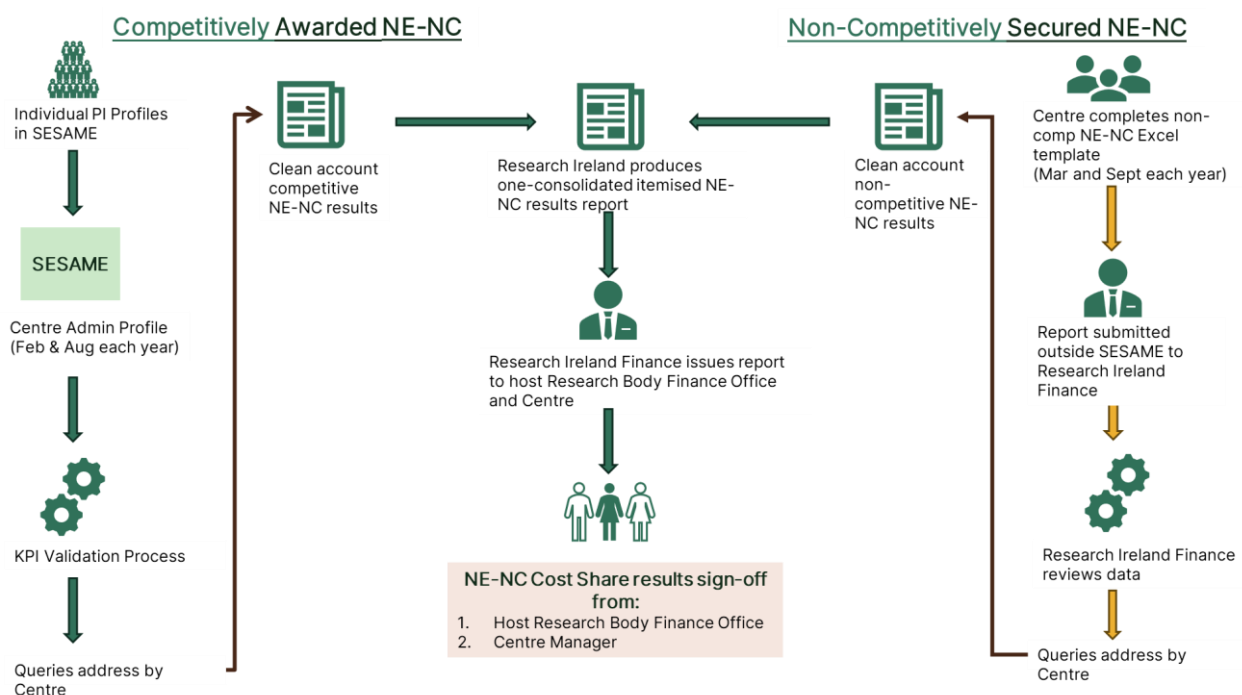


Figure 9: Reporting and sign-off of competitive and non-competitive NE-NC cost share results.



The Research Ireland 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 Research Ireland 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.

7.2 Exchequer Funds Reporting

Exchequer cost share reporting will follow the reporting process outlined above for competitively awarded NE-NC (section 7.1.1). There is one noteworthy difference, however, with regard the options for the **[Funding Body]** field on SESAME. The following options below can be selected when reporting exchequer related Funding Diversification transactions for consideration as cost share. To differentiate from non-eligible exchequer transactions (which are reported in the same way), exchequer transactions falling within the eligible categories (outlined in section 4.3 above) **must include at the beginning of the [Comments] field the following text (exactly as it appears here):**

RC_COST_SHARE

1	Department of Communications, Energy and Natural Resources (DCENR)
2	Enterprise Ireland – Commercialisation Award
3	Enterprise Ireland – Non-Commercialisation Award
4	Higher Education Authority Ireland (HEA)
5	Health Research Board (HRB)



6	IDA Ireland
7	Irish Research Council (IRC)
8	Marine Institute (MI)
9	Research Ireland
10	Teagasc
11	Environmental Protection Agency (EPA)
12	Department of Agriculture, Food and the Marine (DAFM)
13	Charity/Non-Profit Organisation (Irish) (Please describe)
14	Other Irish Government Source (please describe)
15	Other Source (please describe)

Please note that the presence of these categories of exchequer funding does not imply that funding from these organisations is eligible as exchequer cost share. The above categories are the existing potentially relevant categories on SESAME for wider reporting needs, and all Centres should refer to the specific criteria for exchequer cost share to be counted that are outlined in section 4.3.