SFI Research Centres:  
Phase 2 Cost Share  
Reporting Requirements  

Version 1: February 2021
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1. Introduction

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

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

2. Phase 2 Cost Share Model

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

The Centre Director(s) shall achieve, by year 6 (2025), not less than 67% of the overall Centre Budget (whereby the approved SFI contribution equals 33% of the Centre Budget) secured from both industry (cash plus in-kind) and non-exchequer, non-commercial (NE-NC) (cash only) sources. Of the 67%, 20% must come from industry sources (minimum of 16.5% cash) and 20% must come from NE-NC sources. The remaining 27% can comprise a mix of industry cash, industry in-kind and NE-NC contributions.

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

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

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

Figure 1: Research Centres Phase 2 Funding Model.

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

3. Definitions

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

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

*Non-Exchequer, Non-Commercial (NE-NC)*
Funding (cash only) secured from sources which are neither Irish State bodies nor industry sources as defined in the *Industry Partner* definition above.
**Targeted Project**
A targeted project is a collaborative research effort between academic researchers in the Research Centre and one or more industry partners. Industry partners are required to make a material contribution to the targeted project (in terms of cash and in-kind contributions discussed in more detail in Section 4), as well as an intellectual contribution to the goals, objectives, deliverables and execution of the targeted project, and will share the targeted project risks, as well as its results. The details of the collaboration must be documented in a Collaborative Research Agreement (CRA) between the Centre and the industry partner(s).

All SFI funding granted as part of the cost share will be subject to, and must be compliant with, State aid law. Proposals must be designed to ensure that any funding received from SFI does not, directly or indirectly, give rise to the granting of State aid. Centres are strongly advised to refer to the Letter of Offer and the SFI website for further guidance to ensure collaborations with an Industry Partner are structured appropriately. Please note that from January 2021, on or before the signing of a CRA, Centres are required to submit to SFI a completed "Industry Collaboration Form".

**Non-Exchequer, Non-Commercial (NE-NC)**
Funding (cash only) secured from sources which are neither Irish State bodies nor industry sources as defined in the *Industry Partner* definition above.

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

### 4. Eligible Sources of Cost Share

#### 4.1 Industry Cost Share

For the purpose of Phase 2 cost share, Figure 2 details the eligible sources of industry cost share with the associated conditions and supporting documentation required.
### Figure 2: Eligible industry cost share for Phase 2 Research Centres.

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

#### 4.1.1 Industry Targeted Projects

Cash and in-kind contributions paid by an industry partner(s), engaging in collaboration\(^1\) with the Research Centre on a Targeted Project, are eligible sources of industry cost share. For the avoidance of doubt, contract research on behalf of, or the provision of research services to, an industry partner by a research performing organisation (RPO) does not constitute collaboration and revenues from same cannot be counted towards the industry cost share. For further details, see 4.1.1.2 below.

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

#### 4.1.1.1 Partially Funded Collaborative Research

In partially funded collaborative research projects, the costs are shared by the Research Centre and the industry partner. The cash (directs costs plus any overhead returned to the Centre) and in-kind contributions from the industry partner can be counted towards the industry cost share. In the case of a partially funded collaborative research project, the IP normally resides with the Research Body and the industry partner often accesses the IP through a licence agreement. The IP negotiations are the responsibility of the Research Body and the industry partner(s).

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<table>
<thead>
<tr>
<th>Phase 2 (P2) Countable Industry Cost-Share</th>
<th>Cash</th>
<th>In Kind</th>
<th>Support</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>P2 Targeted Project with Industry Partner</td>
<td>Yes</td>
<td>Yes</td>
<td>CRA</td>
<td>CRA Conditions</td>
</tr>
<tr>
<td>P2 Targeted Project with Non-Industry Partner</td>
<td>Yes</td>
<td>No</td>
<td>CRA</td>
<td>CRA + Assurance of Commercial Funds*</td>
</tr>
<tr>
<td>Donation/Gift from Industry Partner</td>
<td>Yes</td>
<td>Yes</td>
<td>Doc(^1)</td>
<td>Unencumbered Donation / Gift</td>
</tr>
<tr>
<td>Industry Partner Participation in EPE activities</td>
<td>Yes</td>
<td>No</td>
<td>Doc(^1)</td>
<td>Unencumbered &amp; Centre-Specific</td>
</tr>
<tr>
<td>Income from Licenses</td>
<td>Yes</td>
<td>Yes</td>
<td>Doc(^1)</td>
<td>Centre-Specific Licenses</td>
</tr>
<tr>
<td>Income from Membership Schemes</td>
<td>Yes</td>
<td>No</td>
<td>Doc(^1)</td>
<td>Centre-Specific Schemes</td>
</tr>
<tr>
<td>P1 Centre Targeted Project with Cash Received in P2</td>
<td>Yes</td>
<td>Yes</td>
<td>CRA</td>
<td>CRA Conditions</td>
</tr>
</tbody>
</table>

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\(^1\) CRA-backed targeted project co-funding from a non-Industry Partner where that Partner provides written assurances to SFI that the targeted project co-funding comes exclusively from commercial revenue streams without any exchequer contributions.

\(^1\) Documentation in support of the industry cost share contribution, licence revenue or membership scheme income

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

In some cases, the industry partner is willing to pay the full cost of the project, e.g. where it wishes to have full ownership of any foreground IP. Although the industry partner can have automatic rights to own the IP arising from such a project, a CRA must still be negotiated and signed by the parties before the research project commences, and must include a clause describing if and how the results of the project will be disseminated. This is called a wholly funded collaborative research project. If such an agreement is in place and the Research Centre Director is satisfied that the contribution of the project towards the goals of the Research Centre is clearly justified, the cash paid (direct costs plus any overhead returned to the Centre) and any in-kind contributions made by the industry partner can be counted towards the industry cost share.

A wholly funded collaborative research project should not be confused with contract research or the provision of research services which involve a company paying an RPO to deliver a product or service with a definitive outcome. For the latter kind of project, a profit margin is normally built into the costs, VAT is applicable, and the results are not normally widely disseminated. Cash from contract research or the provision of research services cannot be counted towards the industry cost share. Although SFI 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.

4.1.1.3 Industry Cash

Industry cash is defined as cash contributions paid by an industry partner collaborating with the Research Centre on a Targeted Project throughout the lifetime of the Phase 2 award. Industry cash received (in bank) during Phase 2 as a result of a Centre CRA signed in the Phase 1 lifetime will count towards the Phase 2 industry cost share targets (for CRAs originating from a separate SFI Spokes award, see Section 5). For the purpose of cost share, eligible industry cash is the industry contribution net of any VAT or overhead which is paid to the RPO. If any of said overheads are returned to the Research Centre, these can be counted toward the Centre’s industry cash cost share target and should be presented to SFI as a direct cost.

4.1.1.4 Industry In-Kind

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

- Industry scientists, engineers and technicians assigned to working on Platform Research or Targeted Projects in the Research Centre
- Student or faculty placements with industry partners
- Equipment donations
- Access to, and use of, infrastructure housed within the industry partner premises
- Software
- Materials
4.1.2 Industry Cash Donations

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

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

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

4.1.4 Licence Revenue and Equity Realisation

For revenue from licensing or equity realisation to be counted toward the industry cash cost share target, the licence or equity in question must have arisen from IP which can be directly accredited 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. Please note evaluation licenses will not be counted towards the industry cash cost share target.

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2 Again, each Letter of Offer will set out any conditions which must be complied with in respect of the RPOs dealings with IP, 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.
4.2 Non-Exchequer, Non-Commercial (NE-NC) Cost Share

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

<table>
<thead>
<tr>
<th>Phase 2 Countable NE-NC Cost-Share</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Competitively Awarded NE-NC Funding</strong> (e.g. H2020, Horizon Europe, Welcome Trust, ESA, NIH, NSF, ESA, etc.)</td>
</tr>
<tr>
<td>Competitively Awarded NE-NC Funding: Direct Non-Exchequer Philanthropy (e.g. Registered Charities, Donations from Individuals, etc.)</td>
</tr>
<tr>
<td>Non-Competitively Awarded NE-NC Funding: In-Direct Non-Exchequer Philanthropy (e.g. Philanthropy to Research Body that Research Body makes available to Centre)</td>
</tr>
<tr>
<td>NE-NC Funding for EPE Activities: Competitively Awarded NE-NC Funding</td>
</tr>
<tr>
<td>NE-NC Funding for EPE Activities: Non-Competitively Awarded NE-NC Funding</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash</th>
<th>In Kind</th>
<th>Support</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>No</td>
<td>Grant Agreement</td>
<td>Thematic alignment to Centre; Awarded to PI/Co-PI; Centre involved at proposal stage</td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
<td>Letter from Source</td>
<td>Unencumbered Philanthropy</td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
<td>Letter from Research Body</td>
<td>Unencumbered Philanthropy</td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
<td>Grant Agreement</td>
<td>Thematic alignment to Centre; Awarded to PI/Co-PI</td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
<td>Letter from Source</td>
<td>Unencumbered Philanthropy</td>
</tr>
</tbody>
</table>

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

4.2.1 Competitively Awarded NE-NC (cash only)

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

4.2.2 Non-Competitive NE-NC (cash only)

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

In-kind contributions from NE-NC sources will **not** count toward NE-NC cost share targets. Furthermore, contributions, cash or in-kind, from Irish State sources will **not** count toward NE-NC cost share targets.
4.2.3 NE-NC Funding for Education and Public Engagement (EPE) Activities

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

5. SFI Spokes Awards and Phase 2 Cost Share Targets

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

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spoke awarded in Phase 1</td>
<td>Spoke awarded in Phase 1 spanning into Phase 2</td>
</tr>
<tr>
<td>Phase 1 Centre CS targets adjusted based on Spoke SFI budget (pro-rata)</td>
<td>Phase 1 Centre CS targets adjusted based on Spoke SFI budget (pro-rata); Phase 2 Centre CS targets not affected</td>
</tr>
<tr>
<td>Industry funding received during Phase 1 will count towards Phase 1 Centre CS.</td>
<td>Industry funding received during Phase 1 will count towards Phase 1 Centre CS.</td>
</tr>
<tr>
<td>*CS = cost share</td>
<td>Industry funding received during Phase 2 will not count towards Phase 2 Centre CS.</td>
</tr>
</tbody>
</table>

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

The cost share from SFI Spokes awards, approved for funding during the Phase 2 term, will be monitored separately from the Phase 2 award and will not count towards the Phase 2 Research Centre cost share targets. However, review panels and the SFI Executive Committee will be advised to consider the impact of winning a Spoke award (qualitatively) at the 2-year and 4-year progress site reviews (years 8 and 10 of the Research Centre term respectively) when assessing cost share performance. Centres should continue to report on the Spokes Cost Share contributions, using the “Spokes Award” specific worksheets within the consolidated industry cost share report. These contributions will be visible on the summary sheet but not included in the “Total Industry cash and in-kind contributions” calculations.
Please note that, although Spokes approved for funding during Phase 2 will be financially monitored independently from the Phase 2 award, SFI is considering exceptions to this position, such as in instances where submission of proposals in an area of particular strategic importance to the Irish economy are invited.

6. Reports and Submission Schedule

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

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

<table>
<thead>
<tr>
<th>Monthly (Quantitative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Industry Cash and In-Kind Committed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Biannual (Quantitative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Industry Cash and In-Kind “Actuals”</td>
</tr>
<tr>
<td>• NE-NC Awarded (Committed for Competitively Awarded Funding (e.g. EU Funding))</td>
</tr>
<tr>
<td>• NE-NC Received (Non-Competitive NE-NC Sources)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual (Qualitative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Annual/Progress Report: Section 7 – Funding Diversification</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Biennial (Qualitative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• International Expert Progress Site Review</td>
</tr>
</tbody>
</table>

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

The Phase 2 Cost Share report templates (for both industry and non-competitively secured NE-NC) are issued by the SFI Finance team upon request.

6.1 Industry Cost-Share (Commitments)

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

![Diagram](image)

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

### 6.2 Industry Cost Share (Received)

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

![Diagram](image)

**Figure 7: Biannual submission of industry cost share received.**
6.2.1 Industry Cost Share Report Templates

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

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

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

- 7th April (based on cost share received up to December the previous year) and
- 7th October (based on cost share received up to June)

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

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

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

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

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

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

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

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

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

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

6.3.1 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 the Phase 1 Funding from Non-Exchequer, Non-Commercial KPI (Figure 8). The Centre will continue to report this twice a year as per the Centre’s KPI reporting deadlines (early February and end August – the exact dates are available in the ‘Research Centres Reporting Requirements’ document on the SFI website (https://www.sfi.ie/funding/award-management/research-centres-award-management/).
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.

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

There are several options for the ‘Funding Body’ field on SESAME. The following options can be selected when reporting on ‘Competitively Awarded’ NE-NC transactions.

<table>
<thead>
<tr>
<th></th>
<th>Charity/Nonprofit Organisation (International) (Please describe)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Charity/Nonprofit Organisation (Irish) (Please describe)</td>
</tr>
<tr>
<td>3</td>
<td>European Union- Framework Programme</td>
</tr>
<tr>
<td>4</td>
<td>European Union- Horizon 2020 (ERC)</td>
</tr>
<tr>
<td>5</td>
<td>European Union- Horizon 2020 (FET)</td>
</tr>
<tr>
<td>6</td>
<td>European Union- Horizon 2020 (Industrial Leadership)</td>
</tr>
<tr>
<td>7</td>
<td>European Union- Horizon 2020 (Marie Curie)</td>
</tr>
<tr>
<td>8</td>
<td>European Union- Horizon 2020 (Other)(Please describe)</td>
</tr>
<tr>
<td>9</td>
<td>European Union- Horizon 2020 (Research Infrastructure)</td>
</tr>
</tbody>
</table>
6.3.2 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 (‘Phase 2 Non-Comp NE-NC Cost Share’ Excel template) in a similar process as is currently employed for the industry cost share. The non-competitive NE-NC report sits outside SESAME and documents the NE-NC cost share (cash only) secured by the Research Centre from non-competitive sources (see Section 4.2). As with the industry cost share received, the Centre is required to report twice a year on the non-competitive NE-NC cost share received. These reports are submitted to the SFI Finance team via email or other encrypted means through the Research Body Finance Offices. The deadlines for reporting non-competitive NE-NC cost share are as follows:

- 7th April (based on cost share received up to December the previous year) and
- 7th October (based on cost share received up to June)

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

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

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

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

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

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

For Competitive NE-NC commitments, the SFI Finance team will review the reported commitments 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.