

# Guidance for an Industry Partner of a Science Foundation Ireland Research Centre

Version 1 – June 2018

## 1. INTRODUCTION

The purpose of this document is to outline what is expected from an industry partner that is considering collaborating with a Science Foundation Ireland (SFI) Research Centre, with specific reference to reporting, confidentiality and financial auditing. This guidance should be shared by business development staff in the Research Centres as well as members of contracts, legal and technology transfer offices in Research Bodies, with prospective industry partners in advance of any contract negotiations, to ensure that all parties understand the Research Centre context and the responsibilities associated with being a partner in a Research Centre.

SFI Research Centres are funded with a primary objective to deliver economic and societal impact to Ireland, with a significant focus on supporting enterprise development and competitiveness in Ireland. Therefore, industry partners are a crucial stakeholder in the Research Centre ecosystem and the Centres are mandated to collaborate with industry and maintain a minimum level of cost share from industry partners which must include a cash component.

The industry partner should be aware that each Research Centre is obliged to report on their outputs, metrics, cost share and overall progress to SFI on a regular basis; this is part of the terms and conditions that each Research Centre signs up to on receipt of their award, which represents significant state funding. It should be emphasized that the industry partner does not report directly to SFI, however pertinent details of their collaboration with the Research Centre must be shared with the Research Centre and host Research body, who in turn report to SFI.

## 2. BACKGROUND

SFI has made a significant investment to date to establish world leading Research Centres. Research Centres are funded for six-year terms and are hosted across a number of eligible Irish Research Bodies <sup>1</sup>, drawing together a critical mass of expertise in areas of strategic importance to the Irish economy. Further information on the Research Centres funded to date can be found at <http://www.sfi.ie/sfi-research-centres/>.

Continued funding of each SFI Research Centre award over the term of the award is under the condition that the Research Centre secures a minimum level of cost share (cash and in-kind) from industry partners for each individual calendar year of the award, through engagement in a number of Targeted Projects, each in collaboration with one or more industry partners. Targeted Projects must be truly collaborative in nature, where industry partners are expected to make both a material contribution (in terms of cash and in-kind contributions), as well as an intellectual contribution to the goals, objectives, deliverables and execution of the project.

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<sup>1</sup> <http://www.sfi.ie/funding/sfi-eligible-research-bodies.html>

Throughout their term, the Research Centres can apply for additional funding from SFI through the Spokes Programme. This involves bringing in new cost share from existing and/or additional industry partners and enables the expansion of the Research Centre in to new research areas.

### 3. COLLABORATIVE RESEARCH AGREEMENTS

In advance of Targeted Project commencement, a Collaborative Research Agreement (CRA) must be signed between the company and Research Body that is hosting the relevant project(s) within the Research Centre. The CRA will clearly outline arrangements for Intellectual property (IP), insurance, liability and warranties. It will typically contain a detailed statement of work for the research to be undertaken and includes a clause describing how the results of the project will be disseminated. As the Centres are located across various Research Bodies in Ireland, the negotiation of the CRA is typically carried out by staff in the Research Centre together with legal, contracts and technology transfer offices of the Research Bodies.

The majority of Targeted Projects in the Research Centres are collaborative research projects partially funded by industry. In the case of partially-funded collaborative research projects, the IP normally resides with the Research Body and the industry party usually benefits by way of an option to a licence. In some cases, the industry partner stipulates full ownership of the foreground IP and is willing to pay the full economic cost of the project (i.e., wholly funded). Even though they are paying the full cost of the project, a CRA must still be negotiated and signed by the parties before the research project commences and the CRA must include a clause describing how the results of the project will be disseminated, such as through peer-reviewed publications or conference proceedings.

IP should be managed according to the policies set out in the Government publication 'Inspiring Partnership - the National IP Protocol (2016)'. In cases where additional guidelines are specified by SFI they must also be followed. The IP arrangements are the responsibility of the Research Body and shall reflect the collaborative nature of the project, the level of cash and in-kind commitment made by the industry partner and compliance with State Aid Regulations.

**Detailed guidance around access to IP in partially and wholly funded collaborative research is provided in Sections B and C of the National IP protocol <sup>2</sup>.**

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<sup>2</sup> ['Inspiring Partnership - the National IP Protocol \(2016\)'](#).

The cash and in-kind contributions from both partially and wholly funded collaborative research projects can be counted towards the overall cost share of the Research Centre, subject to the appropriate CRA being put in place and the condition that the industry partner allows the Research Centre to share details on their involvement with the Research Centre with the parties listed in Figure 1.

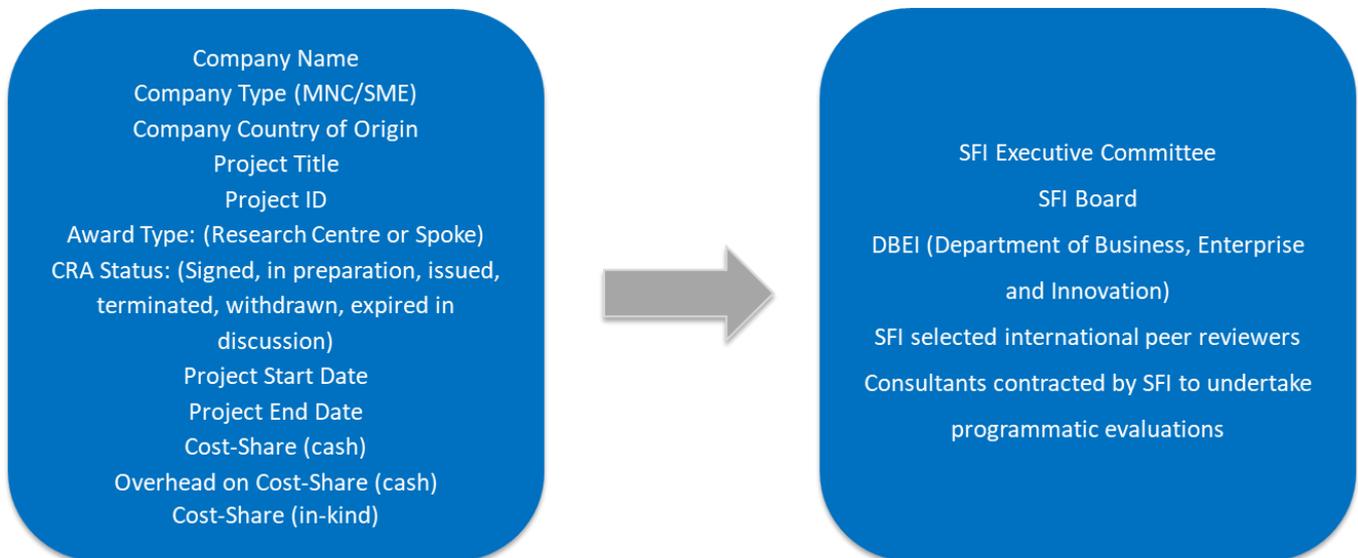
#### 4. SHARING OF INDUSTRY PARTNER INFORMATION

##### Collaborative Research Agreement

The State has made a significant investment via SFI into Research Centres and as such, the Science for the Economy Directorate within SFI must report to the SFI Executive Committee, the SFI board and SFI's parent government department, the Department of Business, Enterprise and Innovation (DBEI), on the names of the industry partners in the Research Centres, the number of CRAs that have been signed and their associated cash and in-kind commitments (See Figure 1 for details). The pipeline of activity is also reported by monitoring the number of CRAs under discussion, issued etc. The SFI Executive Committee is briefed on a regular basis on the list of details provided in Figure 1. DBEI routinely request statistics relating to the industry partners as such information aids discussions on national policy, for example, the Action Plan for Jobs and future research strategy documents such as Innovation 2020. Similarly, the SFI Board may at times request updates on the level of industry engagement in all SFI programmes, including Research Centres.

The industry partner must be in agreement that the Research Centre can share details of the CRA **even in the situation where the industry partner is fully funding the project**. Figures 1 and 2 list the specific details from the CRA that the industry partner must be willing to share with the organisations indicated.

Figure 1: Details of CRA Information Sharing



Note that all information shared with SFI's parent department, DBEI, will be marked as confidential and for use as outlined in this document.

Every two years, an international panel of scientists and engineers convenes at the site of the Research Centre in Ireland to carry out a two-day progress review of the Research Centre. In advance of the review, the panel will be briefed on the list of industry partners in the Research Centre and the information listed in Figure 1 will be shared with them. All reviewers used by SFI must sign confidentiality and conflict of interest declarations before any information is released to them, copies of which are available upon request. Similarly, consultants contracted by SFI to undertake evaluations of programmes, such as Research Centres, will be subject to a confidentiality agreement.

SFI will, upon request, share limited details (See Figure 2) on the industry partners that are collaborating with the Research Centres with its sister agencies, Enterprise Ireland (EI) and the Industrial Development Authority (IDA). Note that all information shared with EI and IDA will be marked as confidential and for use for an agreed purpose only.

Figure 2. Limited CRA Information Sharing



### Scientific Reports/Site Reviews

In addition to the monthly updates on the CRAs, Research Centre Directors are required to submit an annual report to SFI which includes a section on the projects that are ongoing with industry partners. These annual reports are made available to the international reviewers who carry out the scientific progress reviews. SFI is aware that companies may not wish to share detailed technical information on the actual collaborative research project. The project details that are shared in the annual report are usually quite brief and any technical details provided should be marked confidential in the annual report if necessary. However, there should be enough information provided for an international review panel to assess the excellence level of the projects being undertaken.

The scientific progress reviews of the Research Centres involve presentations from a selection of the Centre's industry partners. Industry partners are therefore expected to be available and willing to present at these site reviews. The purpose of these reviews is not to examine the strategy or operations of the industry partner, rather to understand the nature and strengths of the collaboration. The selection of industry partners is typically at the discretion of the Research Centre Director. In advance of the review, the international panel will receive all documentation pertaining to the original Research Centre proposal, review and subsequent annual reports, subject to signing of a confidentiality and conflict of interest statement.

### The General Public

The sections above outline the information which the industry partner is mandated to provide and which will be shared with the list of stakeholders outlined in Figure 1. There are various public facing fora in which SFI would publish the names of industry partners; for example:

- SFI website (<http://www.sfi.ie/sfi-research-centres/>)
- SFI Researcher snapshot - The Research Centres are required to maintain a Researcher Snapshot<sup>3</sup> which is available on the SFI Website. This Snapshot includes a section on Industry collaborators
- Public Relations documents around launches of new projects within the Research Centres
- Public engagement events such as BT young scientist and the National Ploughing Championship
- SFI Annual report
- SFI Industry Brochure

SFI is aware that some industry partners do not want the general public to be aware of their involvement with a Research Centre. If this is the case, the industry partner needs to inform the Research Centre that the company should be marked as **Confidential**, when reporting to SFI. If the company is marked as Confidential, SFI will honour the wishes of the company and will not use their name in any of the above PR activities.

## 5. FINANCIAL REPORTING/AUDITING

There are 3 Key Performance Indicators (KPIs) that enable SFI to track performance against the industry cost share targets of the Research Centres. These are: *Cash in Bank*; *% Industry Cost-Share (cash)* and *% Industry Cost-Share (total)*. The following reports are submitted every six months and detail the actual cash paid and the in-kind received from the industry partners:

- **Individual Industry Partner Financial Reports** which outline the industry partners' financial contribution (cash paid and in-kind expended) to the Research Centre in the six-month reporting period and cumulatively. This report is completed and signed by the industry partner and sent to the relevant financial officer/accountant in the Research Centre or Research Body, as the case may be.
- **Consolidated Industry Partner Cost Share Report** which is a summary of the total cost share received by the Research Centre in the six-month reporting period and cumulatively. This is compiled by the Research Centre or Research Body and sent to SFI every 6 months.
- **The Research Centre Expenditure Report** outlines the total expenditure incurred by the Research Centre per period and cumulatively and compares the expenditure to the budget received to date, both from SFI and industry collectively; this is not broken down per industry partner.

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<sup>3</sup> <http://www.sfi.ie/funding/award-management/reporting-procedures/index.xml>

In advance of the 2-year scientific progress site reviews, the SFI Finance team carries out a financial audit with both the Research Centre Manager and the Research Accountant of the host Research Body. **SFI does not have the authority to audit the industry partners directly.** During the audit, the SFI Finance team reviews the following:

- A master schedule of CRAs made with all industry partners to date, showing the following:
  - Cash amounts committed for each calendar year of the agreement and in total
  - In-Kind amounts committed for each calendar year of the agreement and in total
- The individual CRAs
- The ***Consolidated Industry Partner Cost Share Reports*** for the Research Centre for each 6-monthly period
- The ***Individual Industry Financial Reports*** – signed by the industry partner