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# To bid or not to bid? Managing grants at less than full cost recovery

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# Introductions

# Co-Authors and Presenters

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- + **Dr Phil Cola** is a Professor of Management and Associate Professor of Medicine at Case Western Reserve University (CWRU). He has more than 20 years of experience leading research administration in an Academic Medical Center where he was instrumental in designing and developing reliant IRB review mechanisms. Presently, he is also the Director of the Regulatory Knowledge and Support component of the CWRU Clinical Translational Science Award. He is the inaugural holder of the Chris Winkle Professorship in Healthcare Management at the Weatherhead School of Management at CWRU.

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- + **Dr Helen Coskeran** is a project manager at CAB International (CABI). She manages CABI's One Health Hub, working with researchers on project design, implementation and knowledge exchange. She was previously based at the UK Centre for Ecology & Hydrology as a research development manager where she supported scientists in developing proposals for a range of funders including UK Research & Innovation and UK government departments.

# JRA Author Fellowship Program

- Goal is *“to increase the confidence, capacity, and willingness of research administrators to serve the field and share their expertise as peer-reviewed or refereed journal authors”*
- Fellows are paired with published Peer Advisors for a nine-month supportive fellowship
- Also advertised through other international associations, including the UK’s Association of Research Managers and Administrators
- Phil and Helen have worked on two papers together, presented at SRAI Annual Meetings in 2022 and 2023

# Agenda

- Problem of Practice
- Presentation Aims
- Compare & contrast of US/UK funding landscapes
- Results & Recommendations
- Conclusion & Further Research

# This Presentation:

- Examines and maps contrasts between US and UK funding models.
- Examines challenges faced by administrators in securing funding outside of full cost recovery.
- Provides recommendations for addressing gaps and sustaining research activities.

# Problem of Practice

# Managing Research Funding Gaps in the US and UK

- **UK Research and Innovation (UKRI)**, the primary public body for UK research funding, typically provides **80% of the full economic cost (FEC)** for research programs.
  - A **2022 independent review** highlighted the difficulties this model poses for research institutes, which unlike universities, often **lack diverse funding streams** to cover the remaining costs.
- In the **United States**, funding systems also generally **do not cover full research costs**, whether for **basic science** or **clinical biomedical research**. Indirect costs are higher and supplement direct costs.
  - **Grant recipients** are expected to **supplement funding** through other sources, such as institutional support or industry partnerships.
- **Shared Challenge:** Both systems require research institutions to secure additional funding beyond the awarded grants, creating operational strains on **research managers** and **administrators**.

# UK Funding Landscape

- UK Research & Innovation is the main vehicle for UK government research funding
- Grants awarded by UKRI will (in the majority of cases) only fund research up to 80% of their full economic cost (FEC)
- Many universities have specific funds or cost-sharing agreements to fund the remaining 20% of costs

# US Funding Landscape

- National Institutes of Health (NIH) and National Science Foundation (NSF) are among the largest federal research funding agencies.
- Only some federal grants in the U.S. provide support at full cost recovery (typically covering both direct and indirect costs).
- Indirect cost rates are negotiated between universities and the U.S. government and often cover facilities and administrative (F&A) costs.
- Some collaborative research programs, many training grants or smaller foundation grants, may cap overhead costs, requiring institutions to absorb the difference. Clinical trials may cap direct cost recovery.
- Universities may supplement through internal funds or cost-sharing mechanisms to cover unfunded portions.
- For clinical trials funded by Industry or Foundations sites must rely on cost sharing in the form of research patient billing to help recover costs when and where appropriate.

# We Asked the Following:

- What are the specific challenges faced by research institutes in the UK under the 80% full economic cost funding model compared to the partial cost coverage model used in the US?
- What strategies can research managers and administrators employ to effectively address funding gaps and secure additional resources in systems where grants do not cover the full economic costs of research?

# Results & Recommendations

# Strategic Alignment with Research Priorities

- **Focus on Core Research Areas:** Prioritize grants that align closely with your institution's or department's key research strengths and strategic priorities. This ensures that the research contributes to the broader academic goals even if it is underfunded.
- **Evaluate Academic Value:** Consider the academic value, such as the potential for high-impact publications, collaborations, or the advancement of knowledge in a critical area, which might justify accepting a grant at less than full cost recovery.

# Negotiate with Funders

- **Indirect Cost Recovery Discussions:** Engage in discussions with funders to negotiate a higher rate for indirect costs (overhead) or additional funding to cover essential administrative expenses. Some funders may allow for flexibility in specific cases.
- **Explain the Full Cost:** Clearly communicate to the funder the full cost of the research and the implications of not covering indirect costs. This can sometimes lead to additional support or changes in funding policies.

# Negotiate Overheads

- **Discuss with your Institution:** Negotiate with your institution's finance or research office to see if there's flexibility in how overheads are charged or if there are opportunities to reduce the burden on your project.
- **Adjust Indirect Costs:** Consider reducing the proportion of indirect costs in your budget, if possible, to allocate more funds toward direct research expenses.

# Seek Additional Funding Sources

- **Complementary Grants:** Apply for additional funding from other sources (e.g., charities, industry partners, or other grant-giving bodies) to cover the shortfall. Some funders may be willing to cover specific costs that UKRI does not.
- **Philanthropic Funding:** Explore opportunities for philanthropic funding or donations, particularly for high-profile or socially impactful research projects.
- **Institutional Support Services:** Use existing institutional support services (e.g., IT, administrative support) that may not need to be directly charged to the grant.

# Lobby Government

- **Form a coalition of stakeholders:** Collaborate with universities, industry, and academic societies to build a unified front advocating for changes in the research funding model for greater impact.
- **Gather and present evidence:** Use impact studies, case studies, and economic arguments to demonstrate the negative effects of underfunding and advocate for improved research funding.
- **Engage Policymakers:** Meet with MPs and ministers, submit written evidence and use parliamentary mechanisms to push for policy changes in the research funding model.

# Conclusion & Further Research

# What Next?

- Research innovative models for partial cost recovery, exploring hybrid funding approaches and cost-sharing mechanisms to better support projects with insufficient grant coverage.
- Investigate how partial funding affects research quality, productivity and outcomes.
- Investigate strategies to ensure the long-term sustainability and impact of research projects with partial funding, focusing on financial planning, risk management, and future funding pathways.
- Identify mitigation strategies or a plan for addressing and managing risks throughout the project or study.

# Financial Feasibility Assessment

- **Budget Development:** Determine whether the project budget aligns with site capabilities and resources.
- **Cost Recovery:** Consider funding gaps, indirect costs, and reimbursement structures.
- **Negotiation of Contracts:** Ensure clarity on sponsor expectations, timelines, and financial commitments.

# Operational Feasibility Assessment

- **Timeline Feasibility:** Review project timelines and assess if the site can meet deadlines.
- **Staffing Feasibility:** Confirm whether adequate and trained staff are available for study activities.
- **Technology & Equipment Needs:** Check availability and compatibility of required technology (e.g., EDC systems).

# Questions