



**FINANCIAL GUIDELINES
FOR
PREPARATION OF
R&D and HRD PROPOSALS**

(Admissible Overheads for R&D and HRD Projects)



National ICT R&D Fund
Ministry of Information Technology
Government of Pakistan

www.ictrdf.org.pk

TABLE OF CONTENTS

Description	Page #
1. Introduction	1
2. Objectives	1
3. Scope	1
4. Guideline Statement.....	1
5. Rationale	2
6. Overhead Components	2
6.1. Provisioning For Operational Overheads	2
6.2. Travel	2
6.3. Boarding & Lodging.....	3
6.4. Audit	3
6.5. Contingency	3

1. Introduction

Promoting R&D culture in ICT related industry and academia is one of the most important goals pursued by the National ICT R&D Fund. This document establishes guidelines for determining the admissible project costs for all R&D and HRD related proposals. While preparation of overheads budget for R&D and HRD proposals, a principle investigator (PI) is expected to seek maximum guidance from this document namely “Admissible Overheads for R&D and HRD Projects Guidelines”.

Since National ICT R&D Fund is a federally governed agency, all PIs are advised to adopt at a minimum the relevant government rules for procurement of goods and services such as PPRA Rules, in order to ensure maximum transparency.

All overhead expenses are admissible on actual while remaining within the approved budget for each cost component.

2. Objectives

The main objectives are to:

- a. Provide uniform guidelines for admissible overheads for R&D and HRD proposals.
- b. Streamline the financial evaluation process of such proposals.
- c. The guidelines should have built in review mechanisms so that it remains relevant in presence of an evolving market condition.

3. Scope

This set of guidelines apply to all overheads such as rent, utilities, communication, traveling, advertisements, boarding & lodging, subscriptions & literature, external and internal audit, etc. that are directly related to execution of R&D HRD proposals.

4. Guideline Statement

R&D Fund will make payments for the overheads incurred on an approved proposal in line with these guidelines. The PI should seek a prior written approval of the R&D Fund, in case any exception to the guidelines is required.

This guideline is prepared with a principle to keep it in tune with the changing cost structure. This guideline will be reviewed after every six months so it can stay in tune with the changing market conditions. The revised guideline will be applicable to proposals approved after the date of guideline revision.

5. Rationale

The overhead costs of all proposals funded by the National ICT R&D Fund should be rational, consistent and remain congruent with the changing cost structures.

6. Overhead Components

6.1. Provisioning for Operational Overheads

In order to ensure operational efficiency at the project executing agency's end, it is advised the R&D proposal initiating agency claims operational overhead charges only against three cost heads namely 'Technical HRD', 'Support Staff' and 'Equipment charges' as per the below mentioned rates:

Cost heads	% overhead allowed of approved budget upto
Technical HR Deployment Cost	18%
Support Staff	7%
Equipments	5%

Example:

Cost heads	Approved Budget (Rs.)	% overhead allowed of approved budget
Technical HR Deployment Cost	1,000,000	180,000
Support Staff	240,000	16,800
Equipments	500,000	25,000
Total	1,740,000	221,800

For Rent, Utilities and Communication

It is expected that according to market condition a pleasant and generally accessible work place conducive for research related projects be provided to the team by the PI. The allocated work space should have the basic facilities such as utilities, telephone and internet connections of good standard to carry out the research work.

The above overheads can also be utilized for the following, as no separate funding would be provided against such cost heads:

- i. Subscriptions and literature
- ii. Membership of any local or international professional body.
- iii. Purchase and repair of office furniture and fixtures

6.2. Travel

Travelling expenditure is allowed only for presentation of research papers in internationally recognised conferences/seminars/workshops. Maximum number of travels for presentation of papers should not be more than two (02) over the tenure of a research

project. However, exception may be allowed upon recommendation/approval of S&E Department. All the forums where research papers are to be presented should have a top rating as per the relevant international recognition body for such conferences/ seminars/ workshops.

Travelling for any other purposes such as team synchronization and related tasks should receive explicit approval with as part of the project budget.

- i. Foreign air travel in economy class is admissible if the technical evaluation justifies the nature of visit. Maximum admissible return air ticket cost is US\$2,000/ in equivalent rupees. The PI's are strongly advised to ensure minimum cost travel tickets are purchased, while remaining within the approved budget. In case any enhancement is required in the fare, the PI should seek R&D Fund's monitoring department's prior permission.
- ii. Local air travel in economy class is admissible if the technical evaluation justifies the nature of visit. Maximum admissible return air ticket cost is Rs.15,000. The PI's are strongly advised to ensure minimum cost travel tickets are purchased, while remaining within the approved budget. In case any enhancement is required in the fare, the PI should seek R&D Fund's monitoring department's prior permission.

6.3. Boarding & Lodging

A maximum amount up to US\$ 350/- per day in equivalent rupees for foreign travel is admissible. For local travel a maximum of Rs.10,000/- per day is allowed. This amount also includes any DA to be paid to the claimant.

6.4. Audit

A provisioning @ 1.5% of the total project cost (excluding operational overheads provisioning) is allowed for the project terminal audit from any of the SBP's approved panel of 'A' rated chartered accountants firms, affordable under the budget.

6.5. Contingency

While remaining within the approved budget, any cost that remains uncovered or under covered can be met through contingent cost provisioning. The contingency amount is capped at 3% of the total project cost (excluding operational overheads provisioning).