Application finances
To claim funding

Your business does not have to be UK registered with Companies House when you apply but it must be registered before you can receive funding.

You are unable to claim funding if:

- you are an overseas organisation, so your company number begins with FC
- your organisation is setup as a branch, so your company number begins with BR
- you are a collaboration with no formal structure of ownership or control, so your company number begins with ML
- you are a Crown Dependency:
  - if your company is based in Jersey, your company number begins with JE
  - if your company is based in Guernsey
  - if your company is based in the Isle of Man
British Overseas Territories

You are also unable to claim funding if your company is based in any of the British Overseas Territories (BOTs):

- Anguilla
- Bermuda
- British Antarctic Territory
- British Indian Ocean Territory
- British Virgin Islands
- Cayman Islands
- Falkland Islands
- Gibraltar
- Montserrat
- Pitcairn Islands
- Saint Helena, Ascension and Tristan da Cunha
- South Georgia and the South Sandwich Islands
- Turks and Caicos Islands
Your Project Cost Categories

- Labour
- Overheads
- Materials
- Equipment Usage
- Subcontractors
- Travel & Subsistence
- Other
Labour

Costs supported:
- Roles and number of days spent working on project (time sheets required)
- 262 work days per annum (less Public holidays and entitlement)
- paid by PAYE
- Employers NI, annual salaries, pension, Health insurance

Costs not supported:
- Dividends & bonuses
- Holiday (excluding that mentioned in eligible costs)
- Training days
- Names not roles assigned to project costs

![Labour costs table]

You can claim the labour costs of all employees you have working on your project.

Labour costs guidance

If your application is awarded funding, you will need to account for all your labour costs as they occur. For example, you should keep timesheets and payroll records. These should show the actual hours worked by individuals and paid by the organisation.

Working days per year: 232

Number of staff and roles within the project

<table>
<thead>
<tr>
<th>Role within project</th>
<th>Gross employee cost</th>
<th>Rate (£/day)</th>
<th>Days to be spent by all staff at this grade</th>
<th>Total costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Manager</td>
<td>50000</td>
<td>216</td>
<td>120</td>
<td>25,862</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Total labour costs: £25,862

Add another role
Material costs

**Costs supported**
Off the shelf items via 3\(^{rd}\) Party suppliers
Items from stock with the replacement of items invoice (used as evidence of supply)

**Costs not supported**
Whole bulk buy invoices, when only partially used with project work
Items from stock that aren’t being replaced
Equipment treated as assets

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**Materials**

You can claim the costs of materials used on your project providing:

- they are not already purchased or included in the overheads
- they are purchased from third parties
- they won’t have a residual/resale value at the end of your project. If they do you can claim the costs minus this value

Please refer to our guide to project costs for further information.

> Materials costs guidance

Please provide a breakdown of the materials you expect to use during the project

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
<th>Cost per item (£)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software</td>
<td>1</td>
<td>10000</td>
<td><strong>£10,000</strong></td>
</tr>
</tbody>
</table>

Total materials costs **£10,000**
Subcontractors*

**Costs supported**
Justification required if non-UK supplier chosen
Independent contractor via 3rd Party suppliers
Linked supplier must be charged at cost
Description of work covered

**Costs not supported**
Intercompany uplifts or profits
Overseas contractors, if UK contractor available—without justification

*You will be required to provide invoices and a description of work
Travel and subsistence*

**Costs supported**
Rail, Car or Plane**
Mileage at HMRC rate
Hotel (Bed and Breakfast)
Reasonable food costs (overnight stay only)

**Costs not supported**
Fuel
First class travel
Entertaining or marketing
Visas
Unreasonable food costs (overnight stay only)

*You will be required to provide vouchers, tickets and invoices and ** must provide number of people travelling, the destination and purpose of visit
Overheads

Innovate UK’s included costs are those incurred as a direct result of the project.

Costs supported

Additional costs for administrative staff
Day to Day Calculation for those people listed in the Labour Costs Table, multiplied by the numbers of days working on the project work.

Costs not supported

Excessive costs of Senior Managers only overseeing project activities
Business as usual day to day rates for Administration
Uplifts of any kind
Capital equipment usage*

**Costs supported:**

- Usage costs for the period of use
- A justification if greater than expected
- Depreciation charge is included

**Costs not supported**

- Purchase price of equipment
- Usage costs for the whole of the project period if only used for part of the time
- 100% write down within the project timeline**

*Please provide your Fixed Asset Register

**If not applicable
Other*

**Costs supported**
- Facility usage**
- Licence fees (or appropriate proportion)
- Miscellaneous (not covered in other categories)
- Quality certification***
- Specific PPE
- Dissemination costs
- Patent filing costs (for SMEs only) limited to £7.5k

**Costs not supported**
- Facility charge rates
- Marketing
- Trademark
- Undefined mixed costs
- Contribution in kind
- Business as usual costs

*You will be required to provide invoices and basis of daily rates
**At daily or hourly cost
***Where required for sign off

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Please provide details of any project costs which cannot be covered by the other cost categories.

> Other costs guidance

Please note that legal or project audit and accountancy fees are not eligible and should not be included as an ‘other cost’. Patent filing costs of new IP relating to the project are limited to £7,500 for SME applicants only. Please provide estimates of other costs that do not fit within any other cost headings.

<table>
<thead>
<tr>
<th>Description and justification of the cost</th>
<th>Estimated cost (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

Add another cost
The total project costs for this competition must be between £100,000 and £250,000.

You must make sure your total in the Total Costs column is between £100,000 and £250,000. Highlighted in red on this slide.

Please note that any costs entered into the other public sector funding column will be deducted from your funding sought total.

Research organisation participation must be no more than 30% of the total project costs.

N.B All organisations can see a summary of project costs.
Funding

Funding rules
The level of funding awarded will depend upon the type of organisation and the type of research being undertaken in the project.

Funding is calculated by project participant.

IFS will advise the maximum grant % you can request based upon your answers to:

- type and size of organisation
- research category defined by the lead applicant in the Application Details section of the application.
<table>
<thead>
<tr>
<th>Organisation or type of activity</th>
<th>Industrial research</th>
</tr>
</thead>
</table>
| Business (economic activity)                           | Micro or Small – 70%  
Medium – 60%  
Large – 50%                                               |
| Research organisation (non-economic activity)          | Universities – 100% (80% of Full Economic Costs)         |
|                                                        | Other research organisations can claim 100% of their project costs |
| Public Sector Organisation or Charity (non-economic activity) | 100% of eligible costs                                   |
| Research organisations (undertaking economic activities) Organisations receive funding related to the size of their organisation | Micro or Small – 70%  
Medium – 60%  
Large – 50%                                               |