ARC Linkage Project grants:
Partner Organisation Cash and In-Kind contributions - Level and Value

(Based upon ARC Linkage Round 1 Funding Rules varied 17 March 2010. Schedule F of the Funding Rules details information on eligible in-kind partner contributions - http://www.arc.gov.au/ncgp/lp/lp_fundingrules.htm)

The Australian Research Council (ARC) requires Partner Organisations collaborating with a University on ARC Linkage Project grants to provide cash and in-kind contributions to projects. This fact sheet is a guide to assist you in determining:

1. the level of contributions (cash and in-kind) that partners need to commit to ARC Linkage Project grant-funded projects, and
2. the sort of in-kind contributions that can be provided to a project, and how they should be valued.

What is the minimum required total (cash + in-kind) contribution?

Partner contributions for a proposal must at least match the total amount sought from the ARC.

The Funding Rules dated 17 March 2010 advise that no special conditions attach to APAI only applications and because the minimum cash requested from the ARC has been increased from $20,000 to $30,000, this rules out APAI only applications unless seeking more than one APAI on a proposal.

What is the definition of a “cash contribution”?

- Cash formally committed by a partner in an ARC Linkage Project grant application and in the Collaborative Research Agreement relating to the project.
- Cash receipted in ACU’s financial system for that project which is committed to project costs for that project.

What cannot be included as a cash contribution?

- Cash that is not transferred to ACU (i.e. cash spent by a partner on direct project costs is considered to be an in-kind contribution).
- Cash that has already been contracted or provided to ACU as a contribution to a broader project or activities.
- Cash that has been provided for a pilot project in advance of a funded ARC Linkage Project grant.
- Cash that has been drawn from funds appropriated from Government sources for the purposes of research, research evaluation and/or consultancy activity (relevant to government partners and other partners who are substantially funded by a government.)

What is the minimum required cash contribution?

Proposals seeking less than $500,000 per annum from the ARC

The minimum cash contribution is 20% of the total amount sought from the ARC. The total contribution (cash + in-kind) must match the amount sought from the ARC. As stated earlier, for Rounds 1 & 2 2010 (funding commencing 2011) the ARC has increased the minimum cash requested from the ARC to $30,000 per annum.

Proposals seeking $500,000 or more per annum from the ARC

The minimum cash contribution is 50% of the total amount sought from the ARC. The total contribution (cash + in-kind) must match the amount sought from the ARC.

Can a partner provide more than the minimum required contributions?

Yes. However, if total contributions are heavily weighted as cash and there is little “quality” in-kind, the ARC may determine that the project is contract research or consultancy, which it does not fund.

If a proposal has multiple partners, does each partner have to provide equal contributions?

No—partners could provide different levels of contributions (e.g. partner 1 may provide $30,000 cash and $50,000 in-kind per annum; partner 2 may provide no cash and $30,000 in-kind per annum), so long as the total combined contributions meet the ARC’s minimum requirements.

A partner providing only cash may be assessed as ineligible because they are not “collaborating” (i.e. noting that time of personnel involved in a project is a key in-kind contribution).

How should contributions be distributed across a multi-year project, and how are cash contributions paid by a partner?

The ARC grant application will allocate cash and in-kind contributions against project costs in each year of the project (i.e. cash and in-kind contributions will not necessarily be equal in each year).
Generally, cash contributions must be spread close to equally across each year of a project. If cash contributions are concentrated at the end of a project the ARC may determine the project to be contract research or consultancy, which they do not fund.

One condition of the ARC grant is that each year’s cash and in-kind contributions must be provided during that calendar year.

Some partners wish to pay the whole project’s cash contributions at the beginning of the project. That is acceptable.

Before a project commences, ACU and the partner/s will execute a Collaborative Research Agreement which will include a schedule outlining arrangements for payment of contributions.

What sort of in-kind contributions should be provided to a project?

Appendix F of the ARC Linkage Projects Funding Rules provides a guide to assist in determining the sort of in-kind contributions that can be provided. Note that the list provided is not all-inclusive.

In-kind contributions must be assessable as essential and central to the conduct of the project and communication of research outcomes.

One of the key assessment criteria of the ARC Linkage Project Grants scheme is “Partner Organisation Commitment and Collaboration”. Assessors look favourably on in-kind contributions that include time commitments of key partner personnel to a project, as that is an indicator of true collaboration.

How should in-kind contributions be valued?

Appendix F of the ARC Linkage Projects Funding Rules provides a guide to assist in valuing partner in-kind contributions.

As a general rule, the value of in-kind contributions should reflect current market values.

Another key rule is that internal rates must be used for provision of services, valuing of personnel time, and use of partner facilities.

In many cases it may be difficult to cost a valuable in-kind contribution. Contact grants staff if you have a question regarding the costing of in-kind contributions.

Does the ARC take account of Australian university contributions in determining whether the minimum required contributions are being provided?

No. While Australian universities provide significant levels of in-kind contributions to projects (particularly in the form of staff time, specialised equipment and other infrastructure), the ARC only counts the contributions of formal “Partner Organisations” in determining whether the minimum contributions requirements have been met.

Australian universities and their legal entities are not eligible to be Partner Organisations. Overseas universities are but it is not essential for them to be a formal Partner Organisation.

Overseas university contributions are only taken into account if the university is included as a formal “Partner Organisation”.

How are Partner Organisation cash and in-kind contributions confirmed to the ARC?

All applications must include a two page letter from each Partner Organisation which sets out (amongst other things) details of cash and in-kind contributions.

Partner Organisations are not legally committed to a project until a Collaborative Research Agreement is executed. This Agreement will be negotiated after advice is received from the ARC that an application has been successful.

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