

# Research-related Funded Projects

## Contracting Process

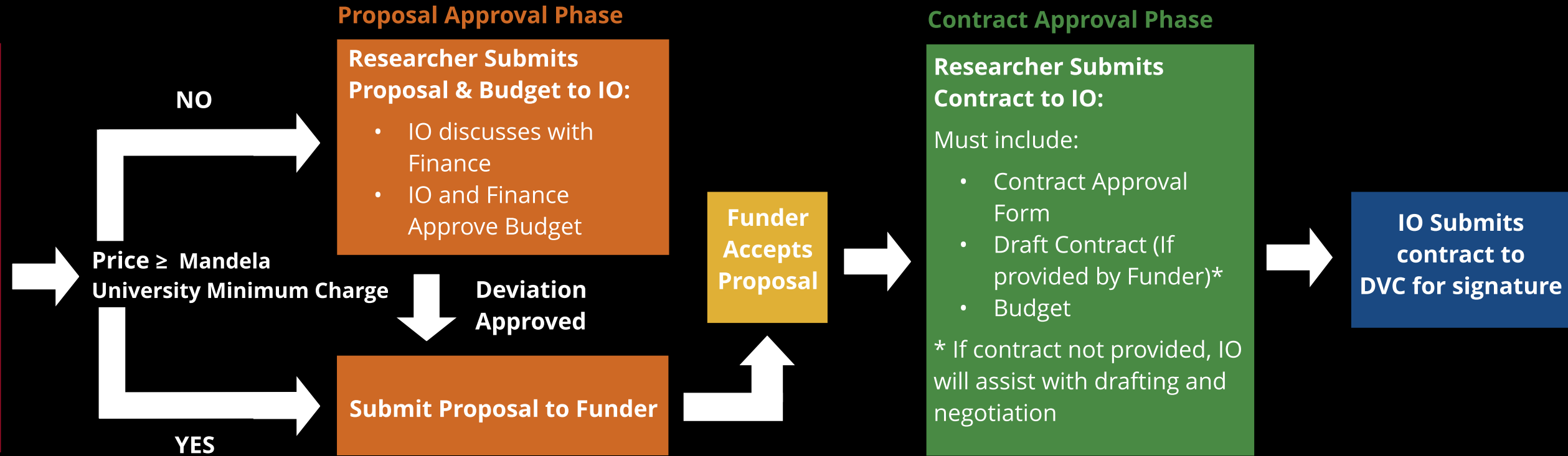
### Proposal Development Phase

#### Researcher Develops Proposal

- Scope of work
- Budget
  - Includes CTIC as a minimum

**Note:** Proposal should be discussed with relevant Dean or Manco member, especially if:

- > R500 000
- Includes multiple parties

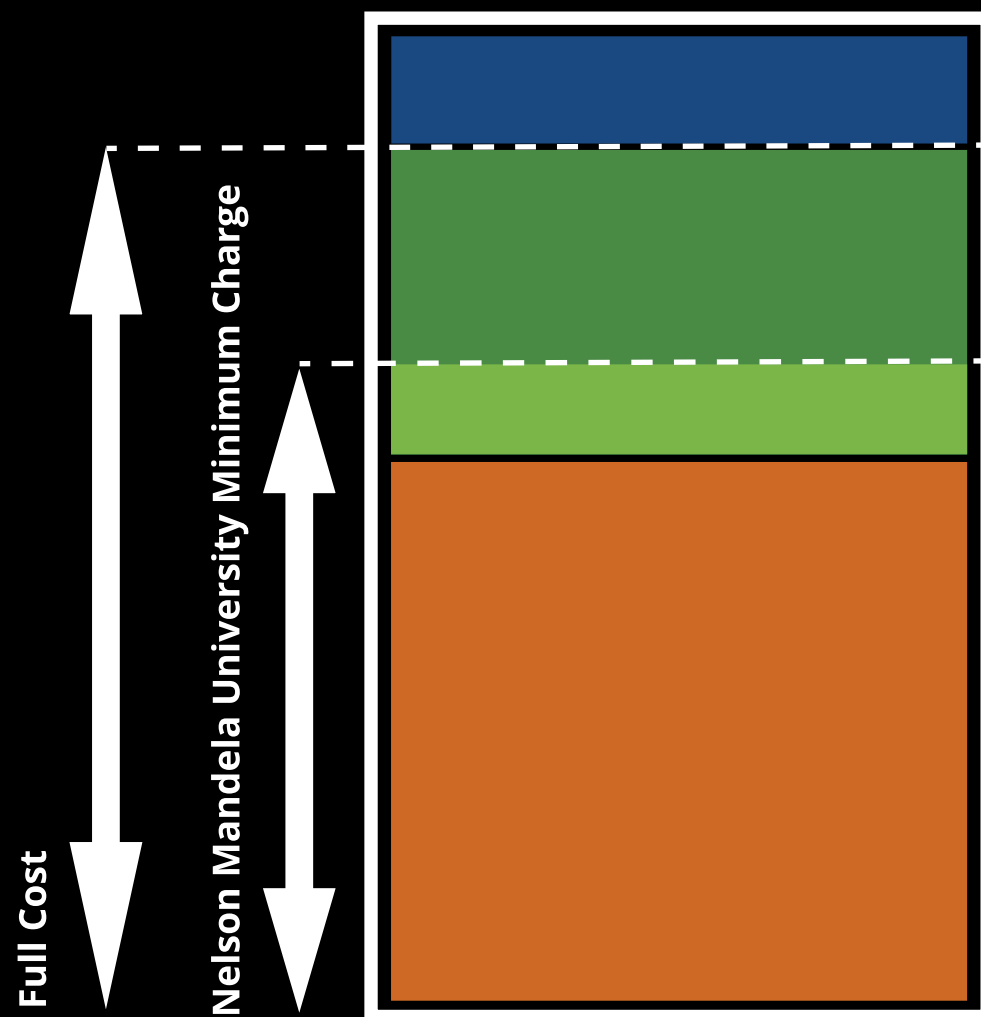


## Full Cost Budget Breakdown

**Full Cost \***  
(Direct Costs + Indirect Costs)

**Nelson Mandela University Minimum Charge**  
(Direct Costs + Contribution to Indirect Costs)

\* Full Cost required as minimum if funder wants to negotiate the Intellectual Property Ownership



**Price** (Price ≠ Cost ; Cost + Surplus / Profit = Price)  
Price depends on:

- Type of project
- Type of funder
- Why you are doing it

**Indirect Costs (IC)**

- Legal
- Finance
- Access to libraries
- Printing Material
- HR Admin
- Rent
- Telephone costs
- Space, etc.

**Direct Costs (DC)**

- Staff costs:
  - Council-funded staff
  - Contract staff
- Other In/Out costs:
  - Running costs (travel, consumables, waste, maintenance, audit fees, etc.)
  - Bursaries
  - Equipment

**Surplus / Profit**

- Profit can be:
- Positive (Price > Cost)
  - Zero (Price = Cost)
  - Negative (Price < Cost)

**Contribution To Indirect Costs (CTIC)**

NMMU policy requires a minimum CTIC of 15% of Price. If Price includes large bursaries or large equipment, the CTIC can be negotiated to exclude CTIC on bursaries and large equipment.

### Abbreviations:

- CTIC - Contribution to Indirect Costs
- DC - Direct Costs
- IC - Indirect Costs
- IO - Innovation Office