

Research Council Financial and Capability Due Diligence Checking Process

All UK Higher Education Institutions that receive grant funding from one of the UK higher education funding bodies and [Independent Research Organisations \(IROs\)](#) are eligible to receive funds for research, postgraduate training and associated activities.

Exceptionally, where co-funding is being provided by another funder (for example, the Department for International Development - DFID), individual Research Councils may set up specific calls inviting proposals from overseas or UK research organisations not normally eligible for Research Council funding. It will be made clear in the specific call guidance which organisations may apply. The eligibility of the research organisation to receive funding will be confirmed by the individual Research Council before a grant is awarded.

The Research Councils have agreed to accept proposals from these organisations into a particular call and will undertake the peer review process before confirming the organisations eligibility for funding. At a certain point in the peer review process (either where the proposal has passed the outline stage or where the peer review panel has made an in principal recommendation that the proposal should be funded), further information (see **Annex A**) will be requested from the organisation to enable the Research Councils to undertake financial and capability due diligence checks.

The financial and capability due diligence checking process is:

- The grant proposal is submitted to a specific Research Council call where open eligibility rules apply.
- Following the outline stage or panel decision stage, unsuccessful proposals are rejected.
- Where proposals have passed the outline stage or have been recommended for funding by the review panel, the Research Council will check whether the organisation has been assessed and passed the financial and capability due diligence checks in the last five years. If yes, the proposal will proceed to the next stage.
- If not, the Research Council will request further information. The organisation will be given a maximum of one month (20 working days) to complete and return the questionnaire to the Research Council contact.
- The returned documentation will be checked by the RCUK Funding Assurance team and the relevant Research Council Officer, who will liaise with the organisation as required.
- If the organisation passes the checks, where the proposal has been recommended for funding by the review panel, it will be awarded as a research grant. For calls where the due diligence checks are done following the outline stage, the proposal can proceed to the full review panel and if recommended for funding, the grant can be awarded.
- Where no information is submitted to allow the Research Councils to undertake the due diligence checks, or based on the information provided, the organisation does not pass the due diligence checks, the proposal will be rejected and this may lead to the rejection of associated proposals from other organisations. Feedback will be provided from the relevant Research Council.

- Where an organisation fails the due diligence checks they can apply for future calls that are open to any organisations, and if recommended for funding would need to provide updated information and be re-assessed for financial and capability due diligence checks.
- When an organisation has passed the due diligence checks, that approval will remain in place for a period of five years (unless during that period, there is any reason to revisit the approval – for example, any known breach of the grant terms and conditions, or failure to submit a satisfactory grant expenditure statement).
- If the organisation submits a further proposal to the Research Councils, beyond the initial five year period, the financial and capability due diligence checks will be undertaken again before the grant can be funded.

Full JeS Registration

A second process is also required to register the organisation on the Research Councils Joint Electronic Submission (JeS) System. This registration process is managed by UK Shared Business Services Ltd (UK SBS) who will send out a separate JeS registration form to be completed and returned to UK SBS. Full JeS registration is required before any research grant can be awarded and funds released to the organisation.



Annex A

Research Council Financial and Capability Due Diligence Questionnaire

This form is for the use of organisations seeking eligibility for funding from one or more Research Council through specific calls only (where eligibility is widened to overseas or UK research organisations not normally eligible for Research Council funding).

All applicants should complete, in English, the organisation details below, sections 1-9. All additional attachments that need to be provided should also be provided in English. Applicants should also provide the relevant approval through the appropriate authorising signature.

Due diligence checks will be undertaken by RCUK Funding Assurance in the form of a questionnaire which covers the following areas:

1. Legal status of the organisation
2. Corporate governance of the organisation
3. Income
4. Research grant management
5. Costs
6. Travel and subsistence
7. Accountings systems
8. Audit
9. Sub contracts, partner organisation, consortium and collaborative agreements

Please note that some Research Councils require further evidence of research capability and you will be advised where this is required.

Name of Organisation
Postal Address
Head of Organisation
Name of Contact (if different from above) Telephone Number E-mail

1. Legal Status of Organisation

1.1 Please confirm the legal status of the organisation, how it is registered and who with. In addition, please provide an English version of a legal document agreeing to the formation of the organisation and the written rules about running the organisation agreed by the representatives of the organisation (for example, Memorandum or Articles of Association).

2. Corporate Governance of Organisation

2.1 Please confirm what policies and procedures are in place for the following, providing copies of documents, in English, or links to a website where the information is hosted, (if the website detail is not in English please provide an abstract highlighting key areas in English)

- i. Detecting, reporting and acting upon financial fraud;
- ii. Detecting, reporting and acting upon scientific misconduct;
- iii. Ensuring appropriate ethical review of research grants;
- iv. Risk Management;
- v. Anti-Bribery;
- vi. Financial Procedures; and
- vii. Procurement policy

3. Income

3.1 Please provide information regarding how your organisation records grant income and who is responsible for this. In addition, please provide the following information about your research income along with a copy of the last two financial years' accounts in English.

Year (Last 2 years)	Total Income	Total Research Income	Percentage of Research vs Total income
Total			

4 Research Grant Management

- 4.1 How is expenditure on research grants monitored?
- 4.2 Are regular reconciliations of income against expenditure undertaken? If so, how and how often?
- 4.3 What action would be taken where income and expenditure differed greatly, either payment in advance of or in arrears of need?
- 4.4 Is information on financial spend against individual research grants available?
- 4.5 How do you prevent ineligible costs being charged to research grants?
- 4.6 What is the process for appointing staff employed on research grants and also ensuring that the correct employment contracts are in place?

5. Costs

- 5.1 In accordance with Research Councils' Terms and Conditions, your organisation may need to provide a valid audit trail to show that any staff charged to the grant have worked as indicated. How do you keep track of how many staff hours are worked on research grants? Please provide a copy of a timesheet used for this purpose.

Research Council Terms and Conditions can be found here:

<http://www.rcuk.ac.uk/funding/grantstcs/>

6. Travel and Subsistence

- 6.1 Do you have a T&S policy in place? If so please provide a copy or link to a website where this information is hosted.
- 6.2 How do you ensure that T&S regulations are applied?

7. Accounting Systems

- 7.1 What financial accounting system is used by the organisation?
- 7.2 Can you confirm that your accounting system can link back to vouchers for individual transactions?

8. Audit

- 8.1** How is your internal audit service provided? Please identify the provider if the service is external.
- 8.2** How regularly do auditors review research grant administration? If available, please provide a copy or a link to the most recent report. If you cannot provide the full report in English then please provide a summary of findings.
- 8.3** Have you received a review of externally funded research grants? If yes, please summarise the findings in English.

9. Sub Contracts, Partner Organisation, Consortium and Collaborative Agreements

- 9.1** Do you anticipate sub-contracting any work within research grants?
- 9.2** Please provide evidence of your technical ability to manage any sub-contracted grants (any funding from the research grant that is being passed outside your organisation to a third party) along with written testimony from previous clients.
- 9.3** Please provide an example of a recent sub-contract agreement in English.

Enclosed Document Checklist

A summary of the information you need to reference as part of this application.
 Please Note: This can be in the form of a copy or a link to where the document is held and **MUST** be in English.

Document	Enclosed	
	Y	N
Last 2 years Financial Accounts		
Evidence of Legal Status		
Financial Fraud Policy		
Scientific Misconduct Policy		
Ethics Policy		
Risk Management Policy		
Anti-Bribery Policy		
Financial Procedures Policy		
Procurement Policy		
Travel and Subsistence Policy		
Grant Administration Audit Report		
Example of Timesheet		
Sub-contracting Agreement		

Declaration

All research grants are subject to the Research Councils' Terms and Conditions <http://www.rcuk.ac.uk/funding/grantstcs/> . If for any reason you cannot adhere to any of them, please state which ones and why below.

On behalf of the research organisation I can confirm that we accept all Research Councils' Terms and Conditions with regards to Research Grants.	Yes	No
--	-----	----

If no, please give further details here.

Signed.....Date.....