

## Research Funds Management Instructions

Established on April 6, 2021.

Article 1 (Purpose) The purpose of this guideline is to specify details necessary for efficient implementation of research funds management regulations.

Article 2 (Definition and responsible institution of central management of research funds) ① Central management of research funds is the research funding support system to comprehensively manage aspects necessary for research through the dedicated organization to manage research funds on behalf of researchers.

② Central management of research funds is supervised by the Research & Business Development Foundation, but some or all of the authorities may be entrusted to a certain research center depending on the nature of research funds.

Article 3 (Use of the integrated information system) ① Central management of research funds is practiced through the integrated research administration system (hereto referred to as the 'system') in principle.

② The system regularly maintains the management of research funds for better convenience and quality of researchers' research performance.

Article 4 (Research management procedures) Research management procedures are taken according to each of the instructions below, and the person in charge of external representation in each procedure is the head of the Research & Business Development Foundation. The procedures may be taken in the name of the president, if the research funding organization requests, (hereto referred to as the 'funding organization'). [Annex 1. Workflow Chart]1. Application for a research project: An application for a research project shall be applied for the funding organization concerned through the Research & Business Development Foundation, after the research protocol and required documents are confirmed. (including online applications).

2. Research project contract: Once the funding organization notifies the decision of project acceptance, the contract may be concluded according to the contracting procedures specified by the funding organization. The written contract and required documents are confirmed and submitted through the Research & Business Development Foundation.

3. Research fund claim: After the contract procedures are completed, all or some of the research funds may be claimed with documents (official document, bill, invoice, bank account photocopy, etc.) required by the funding organization submitted according to the research fund claim instructions that are specified in the written contract. Once the research fund is transferred, the research project account is opened through the research fund incoming procedures and then the research fund becomes available.
4. Research project registration: Once a project is presented systematically by the research project manager of the Research & Business Development Foundation, details about the working budget, participant researchers, etc. are entered, reviewed, and approved. Once the project registration is completed, researchers concerned may request for payment of research funds.
5. Issuance of a research fund credit card: Issuing a credit card designated by the funding organization (including company credit cards and other research fund credit cards designated by the Research & Business Development Foundation) may be requested according to the issuance procedures of the funding organization or the Research & Business Development Foundation [Annex 2. Card system workflow chart].
6. Research funds execution and settlement
  - A. Research funds execution and settlement are possible only after the research fund is deposited and the project registration is completed. If the research fund is deposited after the research ends (the report submitted) according to the funding organization's contract, guideline, etc., advance execution may be permitted with approval of the head of the Research & Business Development Foundation, as long as the principal investigator requests in advance within the limit of the contracted research fund.
  - B. If the working budget is to be adjusted during the process of research funds execution, the budget change procedures shall be made through the system. Notification will be given since advance consent of the funding organization or reporting procedures may be required according to the funding organization's regulations.
  - C. Research funds shall be used transparently in compliance with regulations of the funding organization and Research & Business Development Foundation and in line with the research purposes. After the research period ends, settlement shall be performed according to the funding organization's regulations [Annex 3. Settlement workflow chart].
7. Submission of results and performance reports: The principal investigator shall submit interim reports during the research project period, final reports and products, and performance reports on the use of research funds according to the funding organization's regulations before the deadline.
8. Research result management: When applying for a patent or publishing a thesis with the results of a research project, the principal investigator shall comply with regulations of the funding organization and other contract terms. Intellectual property rights related to research findings shall be handled by the Research & Business Development Foundation.

Article 5 (Preparation and change of working budgets) ① Written working budget plans shall be registered to the system in accordance with standards of the funding organization. Unless there is any separate standard of the funding organization or any standard for in-school research funds, Provisions under Article 6 and standards for appropriation shall be followed.

② As to working budgets, specific items may be newly designated based on the first-registered working budgets based on regulations of the funding organization or these specific rules. Otherwise, changes to each specific item of working budgets shall be approved through the system. If prior consent of the funding organization is required, however, the consent shall be obtained before the approval.

Article 6 (Specific items of research funds) Specific items of research funds are classified as direct costs and overhead costs. Definitions and appropriation criteria of each specific item are presented in [Annex 4].

Article 7 (Labor cost and student labor cost) ① Labor costs and student labor costs are paid by transferring the amount to the bank account of the participant researcher or student researcher on a monthly basis upon the principal investigator's application.

② For each payment of labor costs and student labor costs, related tax laws shall be followed. The bankbook of the person who receives the amount of labor costs shall not be managed by any other person.

③ As to student researchers who participate in research, the limit of payment specified by "standards for appropriation of student labor costs" (notice by the Ministry of Science and ICT) shall not be exceeded.

Article 8 (Accrued interests) ① Unless there is a separate standard of the funding organization for estimation of accrued interests of the research project, accrued interests are calculated as below:

1. Accrued interests of a research project operated with a separate account are the interest earnings stated in that account.

2. If the agreed interest rate of the financial institution that operates the bank account for research expense management is 0%, it is assumed that there has been no interest earning accrued.

3. If a research project involves no separate bank account for its operation, it is impossible to calculate individual interests due to central management of research funds. In this case, the sum of 'individual research projects' cash balance at the month's end  $\times 0.1\%/12$  is regarded as the amount of accrued interests.

② As to accrued interests, standards of the funding organization regarding reinvestment into the research project and a return of funds shall be followed if any. Otherwise, the Research & Business Development Foundation absorbs the amount and uses it to support research projects.

Article 9 (Account setting) A research project account is set with a unique research project number through the system by registering the research project for each principal investigator.

Article 10 (Miscellaneous) Details necessary for this specific rule may be implemented based on separate internal regulations.

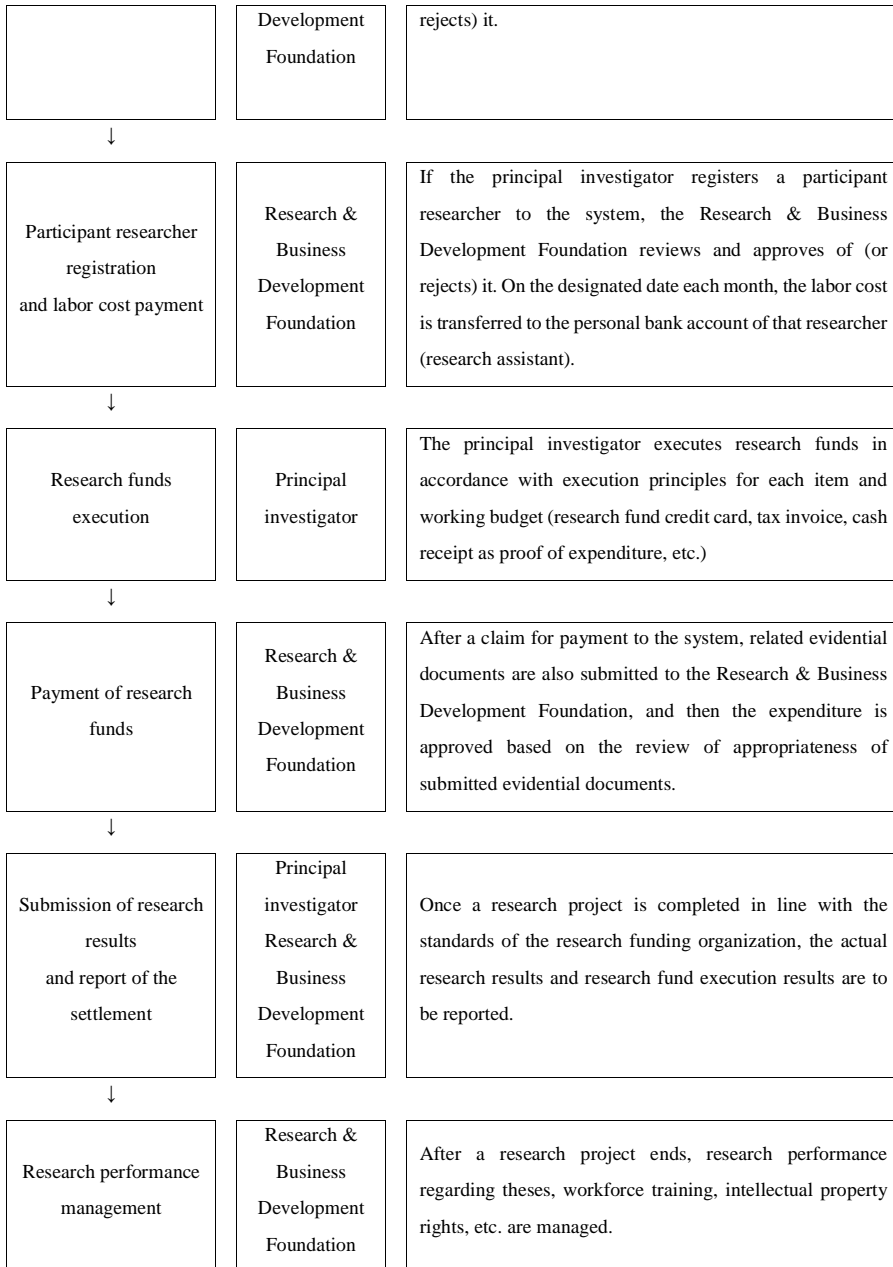
Supplementary rules

Article 1 (Date of enforcement) This specific rule came into effect on April 6, 2021.

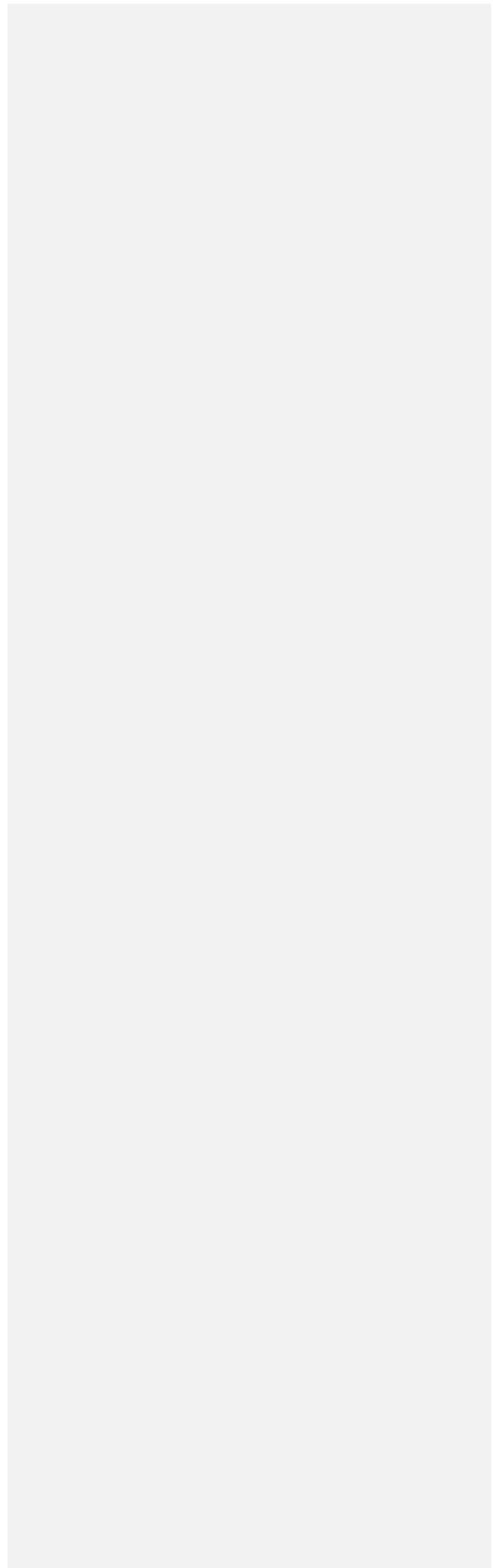
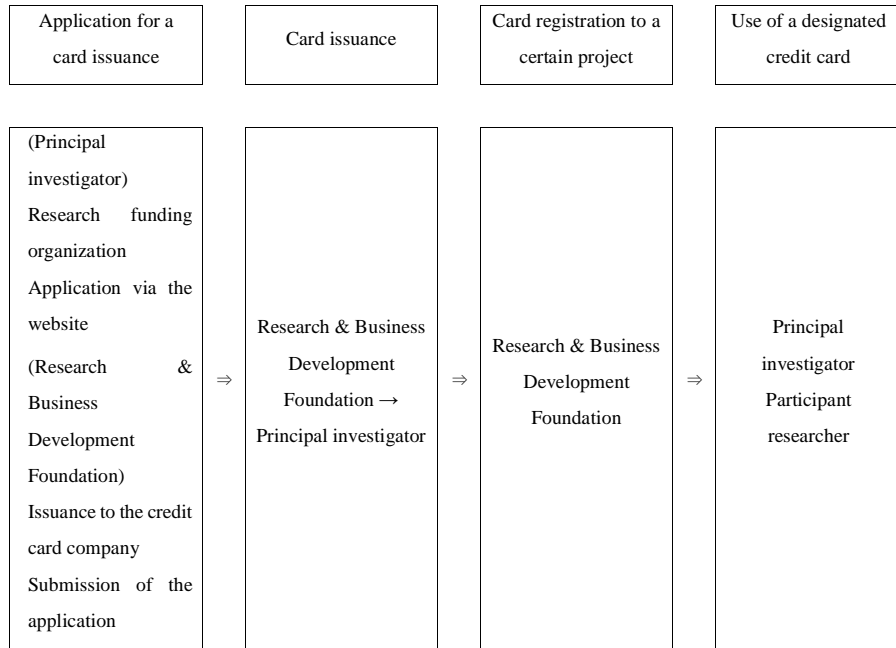
Article 2 (Interim measures) All research projects conducted before the implementation date of this supplementary rule are subject to existing instructions for research cost management.

[Annex 1] Workflow chart

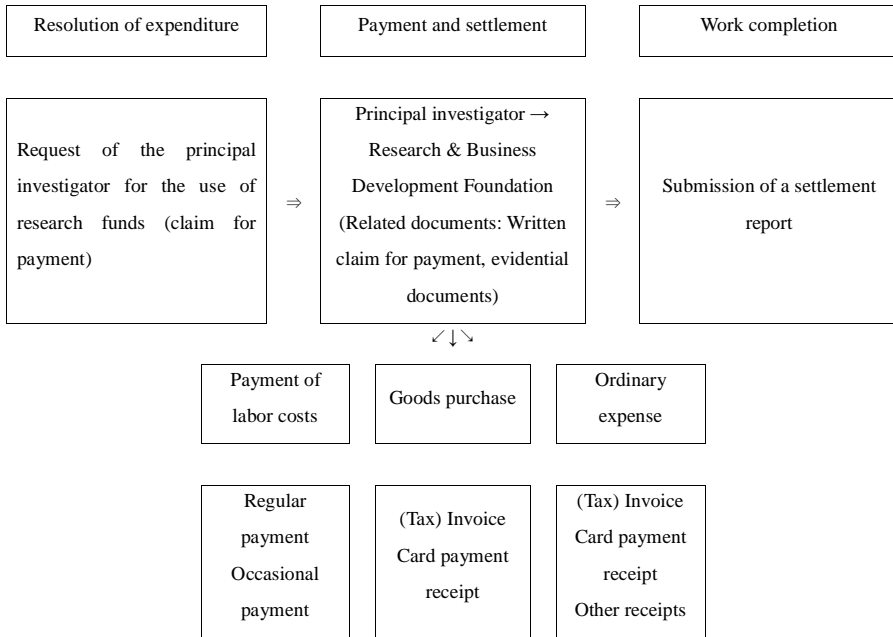
Procedures	Subject	Content
Public contest for a research project	Each organization's Research & Business Development Foundation	Information collection for each researcher who participates in a public contest conducted by each research funds funding organization; and announcement of a public contest for projects by the Research & Business Development Foundation
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Application for a research project and contract conclusion	Principal investigator Research & Business Development Foundation	The research protocol is submitted to the research funding organization. Once the research project is selected, the contract is concluded.
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Research project registration and credit card issuance	Research & Business Development Foundation	Once the research fund is transferred to the central management account of the Research & Business Development Foundation, the research project is registered to the system (account creation). If there is a credit card designated by the research funding organization, the exclusive credit card for research funds is issued.
↓		
Application for and approval of a written working budget plan	Principal investigator Research & Business Development Foundation	The principal investigator registers a written working budget plan for research funds to the system in line with the research protocol, and then the Research & Business Development Foundation reviews and approves of (or



[Annex 2] Credit card system workflow chart



[Annex 3] Settlement workflow chart



[Annex 4] Standards for research fund items and appropriation

Classification		Standard for use and appropriation
Expense item	Detailed item	
Direct cost	Labor cost	<ul style="list-style-type: none"> <li>▪Labor costs paid to internal/external researchers who participate directly in a research development project</li> <li>▪Labor costs paid to members of the research department</li> <li>▪The sum of wages during the research period is appropriated based on the research institution's standard for wages and the participation rate in the project. The total sum shall not exceed 100% of the total annual salary (including dividends of oneself and the institution for 4 major insurance policies and retirement benefits)</li> <li>▪Portions for labor costs paid by the original department are appropriated as non-cash or non-payment labor costs and are not paid in cash (However, such portions may be paid as long as the institution permits)</li> </ul>
	Student Labor cost	<ul style="list-style-type: none"> <li>▪Labor costs paid to student researchers who participate directly in a research development project</li> </ul>

		<ul style="list-style-type: none"> <li>▪For student researcher registration, the research institute shall refer to the Qualification Acquisition of National Health Insurance in order to check if the individual is employed in another institute.</li> </ul>
	<p>Research Facility</p> <p>Equipment expense</p>	<ul style="list-style-type: none"> <li>▪Expenses for purchase and installation of research facilities that are adopted at least 2 months before the final end (step) of the research development project and are available for that research (including additional expenses for purchase and installation and expenses for performance improvement)</li> <li>▪Expenses for rental and loan of research facilities necessary for the research development project, expenses for relocation and installation of existing research facilities into the common facility area of the same institution, and maintenance and operation expenses</li> <li>▪As part or all of the facilities are developed as part of the research project, expenses for development of facilities and equipment given the fixed asset number by the institution that conducts the research development project</li> <li>▪As to projects for research infrastructures establishment, expenses for purchase, rental, or formation of the land or facility, expenses for design, construction, and construction supervision, and expenses for equipment purchase and installation</li> </ul>
	Research Activity cost	<ul style="list-style-type: none"> <li>▪Travel expenses of researchers at home and abroad</li> <li>▪ Printing/copying/sliding production, public fees, taxes, and public utility charges, public charges and taxes, postal charges, delivery costs, and other fees directly related to research projects</li> <li>▪Fees for experts and daily workers, expenses for education/training at home and abroad, expenses for literature including books, fees for a conference room, expenses for seminars, expenses for academic conference/seminar participation, fees for thesis publication, payment for manuscripts, translation fees, stenography fees, fees for technology introduction, etc. [Annex 4-2]</li> <li>▪Fees for research development services according to Article 17-1-1-C of the 「 Enforcement Ordinance of the Special Act On Support Of Scientists And Engineers For Strengthening National Science And Technology Competitiveness」</li> <li>▪ If there are subordinate assignments, expenses for R&amp;D assignment coordination and management</li> <li>▪ Expenses for intellectual property creation such as patent information investigation/analysis, source/core patent strategy establishment, etc. (excluding costs for intellectual property rights application and registration)</li> <li>▪Expenses for meetings, meals, and office supplies, expenses for purchase and</li> </ul>

Commented [TO1]: Same thing twice?



		<p>maintenance of devices and supplies for research environments (air conditioning of research rooms, equipment and supplies for healthy and clean environments), and minor consumable expenses for operation of research rooms by a non-profit corporation [Annex 4-3]</p> <ul style="list-style-type: none"> <li>▪Expenses for purchase, installation, rental, and use of research facilities that are adopted at least 2 months before the final end (step) of the research development project (office devices and peripheral devices such as computer, printer, copy machine, etc. As to PCs, only when internally specified procedures are implemented) as well as software (computer operational program, office-work software, virus vaccine, etc.)</li> <li>▪Expenses for comprehensive project management including advice and management for all or part of the procedures such as planning, unit project coordinating, etc. for a project to create research infrastructures</li> </ul>
	Research Material expenses	<ul style="list-style-type: none"> <li>▪ Expenses for specimen/material purchase, computer processing and maintenance costs</li> <li>▪ Production costs of prototypes, trial products, and test facilities (including labor fees if such items are self-produced)</li> </ul>
	Research Allowance	<ul style="list-style-type: none"> <li>▪Allowances for compensations and grants to the principal investigator and participant researchers involved in the research development project</li> <li>▪Appropriation within the range of 20% of the total labor costs (including non-cash payable labor costs and student labor costs that are appropriated)</li> </ul>
	Entrusted research Development cost	<ul style="list-style-type: none"> <li>▪ Expenses for researches entrusted partly to an external institution</li> <li>▪Within 40% of direct costs, except for entrusted research development costs for the research development project</li> </ul>
	Overhead costs	<ul style="list-style-type: none"> <li>▪The following are details about estimation based on the criteria specified by the funding organization:</li> <li>- National research development project: Appropriation of the direct costs (payable labor cost, non-cash and entrusted research development costs excluded) multiplied by the rate of overhead costs as notified by the Ministry of Science and ICT</li> </ul>

	<ul style="list-style-type: none"> <li>- Governmental service: application of the National Contract Act</li> <li>- When there is no related standard of the funding organization: 15% of the total amount of research funds</li> <li>▪For common expenses of the institution, workforce, research, results utilization, etc.</li> </ul>
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[Annex 4-1] Unit price of expert services at home and abroad

(Annex 4-1-1) Criteria of payment for domestic expert service fees (advice and lecture)

Classification	Advice fees		Lecture fees (each time)	Remark
	Long-term (day)	Short-term (hour)		
Renowned person, organization head	300,000 won or less	150,000 won or less	1 million or less	Including public charges and taxes
Executives or higher			800,000 won or less	Including public charges and taxes
Seniors or lower	250,000 won or less	100,000 won or less	500,000 won or less	Including public charges and taxes

\* Long-term advice: Advice of two sessions or more that take at least 2 days

\* Short-term advice: Advice of one session that takes 1 day or less

\* If specific amounts of system expenses for meal and accommodation, etc. are paid, it is assumed to be domestic traveling costs. As to accommodation, actual expenses are recognized only for the amount paid by a research fund credit card.

\* If the invitation is for lectures, advice fees are not paid.

(Annex 4-1-2) Criteria of payment for overseas expert service fees (advice and lecture)

Classification	Advice fees		Lecture fees (each time)	Remark
	Long-term (month)	Short-term (day)		
Nobel prize winners or similar great	20,000\$ or less	700\$ or less	1,500\$ or less	Including public

scholars				charges and taxes
Professors or lower class	11,000\$ or less	400\$ or less	1,000\$ or less	Including public charges and taxes

\* Long-term advice: Utilization for a period as long as 1 month / Short-term advice: Less than 1 month

\* If specific amounts of system expenses for meal and accommodation, etc. are paid, it is assumed to be overseas traveling costs (Grade A). As to accommodation, actual expenses are recognized only for the amount paid by a research fund credit card.

\* As to airfares, the actual expenses are paid based on the submitted evidential documents such as airline invoice and air ticket.

\* If the invitation is for lectures, advice fees are not paid.

\* The working days are the basis. If the currency is USD, the corresponding amount in won is paid.

(Annex 4-1-3) Other criteria of payment

Classification	Criteria of payment	Amount of payment
Money for writing submission	Per squared manuscript paper (200 letters)	10,000 won or less
	Per A4 paper (80 rows, 20 lines)	40,000 won or less
Translation fee	Korean ⇒ foreign languages (per A4 paper)	50,000 won or less
	Foreign languages ⇒ Korean (per A4 paper)	30,000 won or less
Allowance for committee members	Operating committee, etc. (except internal committee members)	300,000 won or less
Video photographing	1 day (including photographing, editing, and uploading)	150,000 won or less
Homepage designing	Korean (Max. double if a foreign language is included)	1,000,000 won or less
Survey	Basically 30 questions (For 10 extra questions, 10,000 won / max. 150,000 won)	50,000 won or less

\* If a business-registered company is entrusted, its unit price is applied.

[Annex 4-2] Expenses for meetings and unit price of meals

Classification	Execution limit	Remark
Expense for meetings	50,000 won / person	* Minutes submission required (If the sum of expenses is less than 100,000 won, only the purpose of meeting may be briefly stated.) * Expenses at a bar not allowed
Expense for meals	15,000 won / person	* In the case of participant researchers, night overtime (17:00 - 24:00) and extra hours (weekend, holiday) * Certificates of overtime (extra hours) required