

 **How much will a KTP Project cost?**

A KTP is part funded by a UK Government grant with the balance of project costs contributed by the business partner.

The average annual contribution for large enterprises is **around £30k per annum** per KTP Project.

The business contribution to the costs of the project covers:

- the salary and development of the dedicated KTP Associate (the graduate)
- the time and expertise of the academics supporting the project
- university resources required to support the project including access to facilities, services from the centralised KTP Office and associated overheads of the University
- project related equipment, consumables and travel costs

A typical annual budget break-down is illustrated below:

Costs eligible for support (per annum)	Total Partnership Budget £	Government contribution (50%) £	Business contribution (50%) £
a. Associate Employment Costs (including all on-costs)	27,000	13,500	13,500
b. Associate Development (training for the graduate)	2,000	1,000	1,000
c Travel and Subsistence (incurred by the Associate and University)	2,250	1,125	1,125
d Consumables and equipment (to support the project)	1,500	750	750
Commitment per graduate/ per year (actual)	32,750	16,375	16,375
PLUS the following variable costs to be determined:	These costs will be calculated depending on the academic expertise involved		
e Academic Supervisor (equivalent to 10% of salary costs)			
f Indirect costs - additional Associate Support			
TOTAL OF BUDGET INCLUDING ALL ABOVE (per year) (approximately only for e & f)	Approx. £60,877	Approx. £30,438 per year	Approx. £30,438 per year

 **What other costs are involved for businesses?**

The budget above does not cover recruitment costs. Upon the successful appointment of a graduate, the business partner will be invoiced **£950 + VAT per graduate** (VAT exempt for eligible bodies) as a contribution towards the University's recruitment service which includes advertising and interview expenses.

As the Associate is usually based at the business, the organisation will also need to cover the full overhead costs of their own participation in a KTP. These include management and supervisory effort, plus any additional materials, capital equipment and office accommodation. Businesses should also be prepared to enhance the salaries of Associates to reflect pay levels in their organisation, business sector and location. The nominated Company Supervisor will be required to attend a KTP Supervisor Workshop Day (at their expense) which is conditional for receiving the KTP grant.

🔄 How is the KTP Project Budget managed?

The University of Plymouth's Knowledge Transfer Team is responsible for managing the budget and authorising all financial administration including purchase orders, travel bookings and expense claims. All expenditure is subject to approval by the business and academic supervisors as well as the nominated KTP Advisor. The University's Finance Directorate are responsible for providing budget statements every four months for review with the Local Management Committee members. Where the Partner is a VAT exempt eligible body (e.g. charities) the budgets shown in b-d overleaf are inclusive of VAT.

🔄 What happens if the KTP Project Budget overspends?

The standard budget outlines the financial commitment required by the business partner and the Government. In the unlikely circumstance of budget overspends, **any additional expenditure becomes 100% the responsibility of the business partner.**

🔄 How does the University of Plymouth claim back against expenditure?

The University of Plymouth will invoice the business partner **monthly on a budgeted basis** with a final reconciled invoice produced upon project completion. Payment terms are strictly 30 days from invoice date. VAT is charged at the Standard Rate of 20%. As the grant holder, the University will submit regular claims to the Technology Strategy Board to reclaim the government contribution.

🔄 Can KTP investment attract R&D tax credits?

It appears that credits can be gained from activity directly related to the government's definition of 'R&D'. The aim of this 'R&D' is to extend scientific knowledge/understanding overall - not just new capability for the business so certain parts of a KTP project could be eligible. If businesses are considering claiming R&D Tax Credits they should discuss the detail with their local tax office. Previous experience suggests that there is local variation on treatment of what allowed and how it should be presented. The main point though is that Knowledge Transfer Partnerships is not a State Aid, if it were no credit could be claimed. The following link is helpful - <http://www.hmrc.gov.uk/randd/>

🔄 How much does KTP cost if a business has more than one project?

A reduced grant rate of 30% will be available to businesses applying for a second or subsequent KTP of up to four KTP projects (approx. cost of £42K per annum) and will only be re-set to the maximum level (50% grant rate) five years after the last project start date.

**Where a business is part of a group, the organisation size is determined by the number of employees in the group as a whole. There are also balance sheet and turnover criteria. KTP Proposals submitted by organisations which are part of a Group must take account of all previous KTP activity elsewhere within that Group, and the total number of KTP projects will be taken into account **

For further information about Knowledge Transfer Partnerships or to access other Enterprise Solutions from the University of Plymouth:

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