

## Quick Guide to NSFC's Flexible Project Fund Arrangement: the "Baoganzhi" (包干制)

- ✓ In order to allow Principal Investigators (PIs) to have more flexibility in managing project fund, the National Natural Science Foundation (NSFC) has introduced a simplified accounting arrangement for research projects supported by NSFC grants, namely the *Baoganzhi* (包干制).
  
- ✓ Currently, the *Baoganzhi* is applicable to the three NSFC funding schemes that open to Hong Kong, i.e. the National Science Fund for Distinguished Young Scholars (國家傑出青年科學基金項), the Excellent Young Scientists Fund (優秀青年科學基金項目), and the Young Scientists Fund (青年科學基金項目).
  
- ✓ Under the said arrangement,
  - 1) itemized budget is not required at application stage.
  - 2) for direct project costs, the expenditure will be basically divided into three categories, viz., (a) Equipment Cost (設備費), (b) Staff Cost (勞務費), and (c) General Expenses (業務費).
  - 3) use of funding will be at the discretion of the PIs' by following the financial guidelines set out by the [NSFC](#) and the University.
  - 4) budget virement will not require NSFC's approval.

### **Points to Note Regarding Indirect Costs**

- ✓ According to the University's [Policy on Research](#), overhead charges will be levied on external research grants, including research projects supported by the NSFC. The level of charges (% out of total direct project costs) is:
  - 20% for research projects conducted on-campus
  - 15% for those conducted off-campus
  
- ✓ Incentives / bonus (績效支出) to project team members or research support staff is not applicable to Schemes that open to Hong Kong researchers.