

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 two NSFC funding schemes that open to Hong Kong, i.e. the Excellent Young Scientists Fund (HK and Macao) (優秀青年科學基金項目<港澳>), 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 (the internal guideline is under preparation by the Finance Office).
 - 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.