

Functioning Advanced Scientific Equipment (FAST)

Financial plan

Guideline



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Document information

Document name: FAST Support Services, Guidelines

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File name: FAST Support Services, Guidelines

Revision history	Version No.	Date
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1.0	Dec 2015
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This version 1.01	Jan 2016
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Introduction

Certain activities compiled in the operational plan, as presented in the related document the FAST Operational plan Guideline, obviously come with cost implications. Moreover, the FAST Concept is based on the principle of sustainable economy. Thus the operational costs for starting up a new piece of equipment necessarily have to be covered by an investment capital, but after about two years the equipment is expected to cover its own running costs as well as, whenever possible, generate a profit which can strengthen the laboratory or the research in general.

A FAST financial plan Guideline (this document) has thus been developed to be complementary to the FAST Operational plan Guideline document. The purpose with the financial plan is to prepare a strategy for the Institution to cover all the expenses that come with the running, maintenance and servicing of new or repaired piece of equipment.

The financial plan compiles estimated costs as well as sources of funding. The cost recovery plan shows how costs related to procured or repaired equipment can be covered, and proposes options of funding sources. The two first sections thus address each piece of equipment.

Please note that the budget for the first year is expected to look different from the budget for the second year and onwards, as only the first year includes procurement, transportation and installation.

The final version of the financial plan should be signed by the Vice Chancellor/Director, one representative from the researchers and one from the technicians and technologists (in countries which operates with technologists).

Laboratory business plan

The third section of the document proposes the development of a business plan for the laboratory as a whole.

Related documents

1. FAST Operational plan Guidelines
2. FAST Support Services
3. FAST Concept
4. FAST institutional framework in Nigeria

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1. Procurement and running costs per equipment

The unit can be calculated in USD, EURO or in local currency. Some estimation is done as a percentage of the procurement cost of an equipment.

The compiled cost estimates are obviously nothing but general proposed estimations, The exact numbers can only be known in each specific case. The estimates can nevertheless serve as guidelines and it has been found that the total running costs for a piece of equipment during its life time is roughly three times the procurement costs or more.

Cost item	Amount	Comments
Procurement		
Transportation / shipping and	14,5 % if arranged by the supplier	Transportation from manufacturer to university
Custom clearing	VAT 5 %, Government social fees 7,5%	
Insurance during transportation	Up to 2,5% of the value of the transported goods	Level depends on country
Physical infrastructure <ul style="list-style-type: none"> • Construction of new buildings to host the equipment and / or improvement of available laboratories • Protection against dust, temperature, humidity, lightening, flooding and vibration • Maintenance of physical infrastructure 		
Supplies <ul style="list-style-type: none"> • National electricity costs • Procurement and installation of electricity generator and back-up system, as well as fuel and maintenance • Water • Computers and printers 		
Consumables <ul style="list-style-type: none"> • Use related: reagents, gases, glass ware, enzymes etc • Instrument related: columns, vials, syringes etc 	Approx. 10 % of procurement cost per year	
Installation <ul style="list-style-type: none"> • Planned visits by person in charge of installation • Additional visits due to that the lab is not ready or all items are not available 		
Routine running of the laboratories <ul style="list-style-type: none"> • Payment of staff • Staff incentives • Administrative expenditure 		

Cost item	Amount	Comments
Repair and maintenance <ul style="list-style-type: none"> • Repair and user manual • Spare-parts • Servicing tools • Extended warranty • Service contracts • Visit by supplier repair person 	Approx. 10 % of procurement cost per year	
Insurance during use	Approx. 1% of procurement cost per year	To cover theft, fire, water leakage, injury etc
Training events <ul style="list-style-type: none"> • Supplier equipment training at time of installation • Supplier equipment training , abroad, per person • Supplier equipment training , at the university, per four persons • Local equipment training • Good Laboratory Practice (GLP) , Standard Operational Procedure (SOP) training <p>Other capacity strengthening activities</p>	Approx. 5 % of procurement cost per year Approx. 600 USD /day and equipment Approx 5,000 USD Approx. 3,500 USD	6 days (2 installation, 2 user, 2 repair)
Decommissioning		
Monitoring and evaluation of equipment management and use		
Outcome evaluation planning of staff performances		
TOTAL		

2. Cost recovery per equipment

Activity / Source	Amount per year	Comment
Bench fees		From internal or external users
Selling analytical services		For research or commercial purposes Cost rates shall be adapted to the capacity of the buyer
Selling training courses on equipment use		For research or commercial purposes Cost rates shall be adapted to the capacity of the buyer
Selling products		
Fundraising		For example research grants from donor agencies, private sector and government
Contribution from university core funds		Must be a line item the university annual budget
Fund reallocation		From for example project overlapping interests, such as capacity strengthening
Saved costs as a result of reduced outsourcing		In the case the new equipment reduces or removes costs related to having analyses performed elsewhere
TOTAL		