

Programme Belgium

Subprogramme 3:
Policy supporting research

Financial guidelines *March 2018*

Applicable to Acropolis 2017-2018. As of 2019, Acropolis 2.0 will be implemented, with other guidelines.

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SECTION 1: General provisions and standard financial rules and practices

General Provisions

Formal framework

All VLIR-UOS financed interventions have to fulfil the **budgetary, technical and administrative** requirements as specified within the new regulatory framework: the Royal Decree of 11 September 2016 on the Non-Governmental Cooperation and the Ministerial Decree of 14 March 2017 on the Five-Year Programme of VLIR-UOS for the period 2017-2021.

Guidelines

This document has been subdivided into 2 main sections, complemented with a number of annex documents that are available on the VLIR-UOS website.

1. General provisions and standard financial rules and practices
2. The VLIR-UOS budget lines
3. Separate annexes available on the website which are integral part of the financial guidelines
 - the **hotel and per diem allowances** usually change at least once a year and are therefore not included anymore as an annex to the VLIR-UOS financial guidelines. They can be found on the VLIR-UOS website: <https://www.vliruos.be/en/documents/guidelines-and-forms/131#general-guidelines-and-forms>.
 - **Local per diem guidelines per country (if existing)** are available on the VLIR-UOS [website](#).

Objective of these guidelines

These VLIR-UOS Financial Guidelines d.d. 13.03.2018, concern the projects and programmes financed within the programme Belgium of VLIR-UOS, are confirmed by DGD as applicable formal framework and governed by the Royal Decree on the Non-Governmental Cooperation of 11 September 2016.

These guidelines aim to present the financial rules and standard practices applying to all VLIR-UOS financed interventions and clarify the budget plan (budget lines A-E). They apply in addition to general and specific provisions described in the project agreement.

General principles

Each grant is used in accordance with the principle of good financial management, meaning in accordance with the principles of (1) thrift, (2) efficiency and (3) effectiveness (art. 33 of Royal Decree).

Responsibilities

Responsibilities with respect to the execution of the intervention are defined by an agreement between VLIR-UOS and the Belgian higher education institution to which the programme promotor is affiliated.

Reporting

Contents

The coordinator reports per activity year to VLIR-UOS about the progress towards results and the state of expenditure with respect to the implementation of the project.

This annual report (AR) consists of

- an Annual Progress Report (APR),
- and an Annual Financial Report (AFR).

Formats and submission

The formats for the Annual Report (APR+AFR) can be found on the VLIR-UOS [website](#). The financial forms follow the budget plan A-E and are also available on the website. In the reporting only the main budget lines (A-E) are required, not the sub-lines. The submission deadline for the annual report is 28/02 year X+1.

Standard financial rules and practices

Accounting

The financial transactions for activities subsidised within the framework of university cooperation for development must be organised by the subsidised institution in a way that permits analytical accounting.

Use of the budget

Budget transfers between activity years

Budget transfers are only possible from one activity year to the next. Moreover, budgets can only be transferred up to a certain intervention-specific maximum percentage. Budget transfers between activity years are thus possible up to a certain percentage of the annual budget. Details on the percentages can be found in the contracts.

No budget transfers will be possible between Five-Year Programmes.

Budget shifts within an activity year

The Royal Decree of 11 September 2016 on Non-Governmental Cooperation concerning the limits of budget shifts between budget lines and the VLIR-UOS Regulatory Framework concerning budget transfers and realignments approved by the Bureau UOS on 24 February 2017, with consent of DGD, imply that a revised budget plan has to be included in the Annual Progress Report and before 30 June of the last activity year if:

- the shift in the total budget line for personnel costs or investment costs¹ at project level is higher than 10.000EUR as compared to the initial budget line total (for the whole project),
and
- the shift amounts to more than 30% as compared to the initial budget line total (for the whole project) foreseen for the budget line for personnel or investment costs.

A budget shift **exceeding** the limits detailed above needs to be **approved** by VLIR-UOS. The new budget will be the reference for reporting, apart from the initial budget which also needs to be referred to. However the payment of the financial instalments will not undergo any changes as these follow the

¹ Not relevant for interventions of the Belgium programme

original multi-annual planning and initial budget distribution over activity years. VLIR-UOS should be **informed** about budget **shifts within the limits** detailed above by means of the APR or AFR report (more details can be found in the agreement).

Invoices related to an activity year

All invoices need to relate to an activity year. All invoices are to be dated in the calendar year the activity was implemented. Only in case other purchases where Belgian Public Procurement Acts apply and when the invoice cannot be delivered in time, the order needs to have taken place in the correct calendar year (=activity year), being before 31/12 of year 'X' for purchases related to year 'X'. The actual invoice needs to be reported before 28 February of the year 'X+1' and correctly reported with the necessary supporting documents in the related annual reports. Also for the final year of the Five-Year Programme this will be applied.

In the case of airline tickets to be purchased for the following activity year, a reasonable delay for purchase of 2 months before the trip is applied, meaning that purchases of tickets before 31/12 of Year 'X' for a trip that can take place ultimately 28th of February of the year 'X+1', as such considering the same deadline as for the above mentioned purchases.

Country list

Overall, all incoming and outgoing mobility in the framework of the Belgium Programme is defined by the country list of 31 countries. The funding government applies this list as an absolute restriction. This means that on one side travels, visits, prospection missions, internships, etc. by students and staff members of the Belgian university can only be financed if the destination is one of the 31 countries. On the other side, visiting students, professionals and representatives of partner institutions in the South can only be financially supported if they are nationals of one of the 31 countries:

- **Africa:** Benin, Burkina Faso, Burundi, DR Congo, Ethiopia, Guinea, Cameroon, Kenya, Madagascar, Mali, Morocco, Mozambique, Rwanda, Senegal, Tanzania, Uganda, Zimbabwe, South Africa, Niger
- **Asia:** Cambodia, Philippines, Indonesia, Palestinian Territories, Vietnam
- **Latin America:** Bolivia, Cuba, Ecuador, Guatemala, Haiti, Nicaragua, Peru

An exception can be made for travels in other countries when this is on demand of DGD or in the framework of international congresses, international conferences...

Eligible and ineligible costs

Eligible costs

Overall, in order to be eligible, a cost must meet several cumulative conditions:

1. it is documented by a supporting document and the cost can be identified and checked;
2. it is necessary to reach the outcome of the programme/project and is used according to the approved budget of the programme/project and during its period of execution;
3. it respects the provisions concerning the fiscal, social and public procurement legislation as also the internal rules of the subsidised organisation;
4. it is not submitted to another donor;
5. it is submitted in accordance with a signed contract.

Ineligible costs

Annex 4 of the Royal Decree of September 11, 2016 concerning the non-governmental cooperation defines the following costs not eligible as subsidized cost:

1. all accounting transactions not involving payments, unless they originate from a legal obligation borne by the intervention;
2. provisions for risks and charges, losses, liabilities or potential future liabilities;
3. debt or debit interest unless such interest are the direct consequence of a delay in payment of a debt under the terms of Article 32 of the Royal Decree, which exceeds two months;
4. impaired debt-claims, including real or estimated losses, caused by non-recoverable funds and other receivables, included the legal costs to recover those funds or receivables;
5. exchange losses;
6. loans to third parties;
7. guarantees and sureties;
8. expenses already covered by another subsidy;
9. invoices from other organizations for goods and services already subsidized;
10. contracts for subcontracting or consultancy for key tasks in the program, project, synergy project or partnership project of the governmental cooperation, which belong to the "core business" of the subsidized organization;
11. outsourcing through service or consultancy contracts to employees or members of the Board and General Assembly of the subsidized organization;
12. sublease of all kinds to itself;
13. the purchase of land and property, unless those purchases are indispensable for the achievement of the objectives of the intervention, and on condition that the ownership at the end of the program is transferred to a partner;
14. expenses resulting from compensation in response to a claim arising from civil liability of the organization;
15. severance pay for not worked notice period;
16. expenses related to expatriation (relocation, installation bonus, tickets for the spouse and dependents) for contracts less than twelve months;
17. the purchase of alcoholic beverages, tobacco and derivative products.

Procurement and purchase procedures

Quotations

- Goods or services (including transport) purchased as part of university cooperation for development must meet the highest value for money standards.
- For purchases of goods or services (and so also service contracts, consultancy fees etc) in Belgium, the Public Procurements Act applies. The choice of any given proposal must be justified.
- For major purchases (more than 5.500 EUR excluding VAT) of goods or services (and so also service contracts, consultancy fees etc) outside of Belgium, at least three quotations must be requested based on the same document to permit comparison. The choice of any given proposal must be justified. All things being equal, the best value for money proposal will be selected.

VAT

- Value added tax should not be charged on purchases made in Belgium intended for **export** to the partner country. The actors involved in the execution of the project must take the appropriate structural steps with regard to exemption from VAT on all purchases in the stated project, based on the VAT exemption number of the Belgian higher education institution.
- VAT may however be charged to the project budget for minor purchases of no more than 125 EUR. The rationale behind this distinction in financial guidelines is that it stressed rationality and efficiency,

specifically the efforts of the promoter and the supplier to obtain exemption from VAT is disproportionate to the VAT amount actually charged on expenditure less than 125 EUR.

Supporting documents

- Original invoices or supporting documents for all expenditure must be submitted to the registered office of the subsidised Belgian higher education institution. Copies of invoices and supporting documents for expenditure abroad are acceptable if local laws prohibit original accounting documents from being taken out of the country.
- VLIR-UOS, DGD and the Auditor's Office are entitled to inspect these documents at all times within the framework of their auditing remit. The Belgian higher education institutions must accordingly have access to these documents at all times.
- The beneficiary must maintain accounting records and supporting documentation to show all costs incurred under this grant for a period of four years after the end of *the five-year programme 2017-2021*. The accounting records and supporting documents must comply with accounting principles generally accepted in Belgium and the cooperation country.

Visibility

Any external communication concerning the project should always mention the support of VLIR-UOS and contain the VLIR-UOS logo and DGD logo. The logos can be downloaded from the website <http://www.vliruos.be/communication>.

SECTION 2: Budget lines

B. Operational costs

Definition

Operational costs are defined as “project related” costs incurred for the purchase and/or operational use of goods or services that are not depreciated in the accounts and costs directly related to a specific project activity. The costs charged to the operation of the project must be incurred in the higher education institutions or in Belgium or the partner countries as mentioned in the project proposal.

Specifications

- **Representation costs**

Representation costs may include meal and reception costs, costs related to setting up a meeting or social integration activities and small gifts purchased as representation gifts for project partners in the partner country are also acceptable. The list of ineligible costs as indicated in the standard rules and financial practices of this document is to be taken into account. As such, no alcohol, tobacco or derived products can be purchased. The **maximum** acceptable representation costs (sum of the representation costs incurred in Belgium and in the partner country) is **500 EUR per year**. Representation costs are reimbursed subject to the submission of supporting documents. These costs must always be supported by invoices.

- **Travel costs**

Travel expenses are all costs incurred for journeys in Belgium and local journeys as part of the execution of a project. Costs can be made for Belgian staff or staff from a partner institution in the South.

Journeys within Belgium

The following allowances are granted for journeys within Belgium, subject to submission of supporting documents:

- The Belgian higher education institutions may employ their own system of kilometre allowances for project-related journeys by car, provided the institution coordinator for development cooperation (ICOS) submits an annual report to VLIR-UOS of his/her institution's rules for kilometre allowances for journeys by private car.
- Journeys by car not covered by the Belgian higher education institution's own system of kilometre allowances attract a kilometre allowance as granted to federal civil servants. This kilometre allowance is regularly adjusted for inflation. Reference is made to the latest adapted allowances on the VLIR-UOS website: <http://www.vliruos.be/allowances>
- DGD will notify VLIR-UOS of any such adjustment and VLIR-UOS will in turn notify the involved higher education institutions.
- Train journeys: the price of the ticket in second class.
- Bus, tram or metro journeys: the price of the ticket.
- Taxi journeys: the price of the journey as shown by a receipt (only in case no other means of transport could be considered) .
- Rented vehicle journeys (group transport only): the cost incurred.

When choosing the means of transport, practicability and overall value for money must be taken into account. Good reasons must be provided for the choice of a rented vehicle or taxi. Taxis are acceptable

when there is no public transportation or when heavy or multiple items need to be transported. The charging of taxi costs must always be justified.

Local journeys

These are all local travel costs. The following allowances are granted, subject to submission of supporting documents:

- For journeys by car a daily allowance or kilometre allowance can be paid. A supporting document or a declaration justifying the price is requested if a project car cannot be used in case the journey is related to a partner with an ongoing VLIR-UOS project. This price can never be higher than the kilometre allowance granted for journeys within Belgium.
- Journeys by train, boat, bus, metro or other means of transport, attract an allowance equal to the price of the ticket.
- Local journeys by plane attract an allowance equal to the price of a ticket in economy, plus any airport taxes and booking fees charged by the airline or travel agency. In choosing the itinerary, the elements of safety, efficiency and cost price must be taken into consideration.

During missions, travel expenses within the city of duty (e.g. taxi costs) should be covered with the per diem allowance, and cannot be charged separately to the project budget.

- **Local per diem**

People that travel to another place (outside their city of duty) to perform duties as part of the project may receive a local per diem for expenses (transport, meals etc).

For a number of countries there is a standard (fixed) VLIR-UOS local per diem amount available. These standard amounts can be found on the [VLIR-UOS website](#) and are set as a **maximum amount** for all interventions in those countries.

If there is no VLIR-UOS standard per diem amount for a certain country, the per diem (=lump sum) should be in accordance with the national legislation (partner country) and the local institutional scales (partner institution) up to an **amount of maximum 25 EUR per day**. The payment for a hotel stay is not included in the above mentioned per diem amount. The price of the hotel may be added, provided invoices are submitted.

- **International travel costs**

The allowance for international air journeys must be no more than the price of an **economy ticket** together with airport tax and any booking fee charged by the airline or travel agency.

The following indirect travel costs can be reimbursed for international travels (no more than three weeks):

- Ticket, including airport tax (no more than the price in economy class)
- Compulsory vaccinations and anti-malaria drugs (consultation fees are not accepted; aspirins, immodium, mosquito spray, touristil and other household drugs are not acceptable)
- Visa costs
- Passport costs
- Passport or visa photo costs
- Costs of obtaining the appropriate certificates
- Costs of travel and cancellation insurance
- Transfers to and from the airport

- **International overnight expenses**

Per diem

An international per diem is a fixed daily allowance paid during a stay as part of the execution of a project in a country other than the country of residence. The amount is dependent on the country of destination and is intended to compensate the costs of meals, transportation within the city or place of stay and personal expenses. The amounts stated are granted regardless of the academic degree of the person involved. A per diem may be settled per overnight stay. There is no per diem for travel days.

The per diem allowances² (list of Federal Public Service Foreign Affairs) can change at least once a year. The latest overview can be found on the VLIR-UOS https://www.vliruos.be/en/documents/guide-lines_and_forms/131#general-guidelines-and-forms. If the per diem amount in the list is lower than 37 EUR, a per diem of maximum 37 EUR can be paid.

The per diem is granted proportionate to the number of nights spent in the foreign country, with a **maximum of 21 nights**.

A per diem cannot be granted to VLIR-UOS scholarship holders, who receive a monthly or daily allowance.

Hotel costs

Hotel costs only refer to costs incurred for nights in a hotel. Costs of meals, mini-bars, phone bills, internet etc. incurred in the hotel are covered by the per diem.

The hotel allowances usually change at least once a year. The latest overview can be found on the VLIR-UOS website: <http://www.vliruos.be/allowances>.

The amounts in the table for hotel allowances available on the VLIR-UOS website are indicative. Hotel costs must always be settled, subject to the submission of invoices. Please use the amounts in the table when drawing up the budget for hotel costs.

A **maximum of 21 nights** stay in a hotel may be reimbursed as part of this arrangement.

No further special guidelines have been drawn up.

C. Personnel costs

Definition

All costs connected to the employment of persons during the project implementation as indicated in the contract must be budgeted under budget line C. Personnel costs. This budget is to be used as efficiently as possible.

The personnel costs of academic staff members at the Belgian institution may be paid through the project budget within the project duration, in line with current pay scales and social insurance arrangements. In principle ZAP (permanent academic personnel) cannot be financed, since these personnel costs are

² The per diem amounts are linked to amounts established and revised annually by the Federal Public Service Foreign Affairs in Belgium. DGD must formally notify VLIR-UOS of any revisions without delay. The date on which these revisions become effective is established by Ministerial Decree. The new amounts apply to VLIR-UOS projects from the first day of the month two months after their date of publication in Moniteur Belge/Belgisch Staatsblad. VLIR-UOS informs all stakeholders of any revisions and the date they become effective.

already paid by the Flemish government. However, in case of academic staff with a mixed statute, the non-ZAP part can be financed.

With respect to local staff on an employment contract, local pay scales and social insurance arrangements must be observed by the local institution.

The allocation of all personnel costs should be in line with the project or programme objectives and strategy.

E. Coordination costs

Definition

The coordination costs can never exceed 10% of the initially planned budget. These costs are considered a lump sum amount in both budgeting and reporting, whereby the latter implies that, in principle, these expenses do not need to be accounted for by detailed supporting documents for individual expenses, since proof has been given by VLIR and accepted by DGD that the amount charged to DGD (max. 10%) is in any case lower than real expenses at the level of the Belgian higher education institution.

The Belgian higher education institutions are accountable for these amounts and, if required during an external audit or control by DGD, supporting documents need to be available at the level of the Belgian higher education institutions in order to justify this type of costs.

As approved by DGD, supporting documents for this type of costs are:

- A description of the overhead regulation at the level of all Flemish universities, provided by VLIR and VLIR-UOS
- The project agreement between the institution, the project promoter and VLIR;
- An acknowledgement of receipt, signed by the representative of the institution.