

ICP financial guidelines

- General intro



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1. Introduction



INTRODUCTION

Document status: This powerpoint is a preliminary guide to prepare your proposal and budget format.

A full/final financial guidelines document will be made available in the future.

Please contact Ise De Smet (ise.desmet@vliruos.be) in case you have questions or need clarifications.

INTRODUCTION

- New proposals to reform the rules regarding budget flexibility (budget changes, spending rates, ...), reporting, ea. are currently part of an ongoing change process. As a consequence, we are not able to communicate yet on these topics.
- The proposals will be validated by the bodies involved such as ICON FIN WG and communicated once they are approved.

INTRODUCTION

- Principles of **alignment** with financial guidelines of the partner universities through negotiation (in particular in the context of local guidelines for travel, mileage, scholarships, etc.)
- We fund **cooperation**
 - The share of investment costs in the overall budget is to be kept as limited as possible, taking into account the project objectives
 - Key aim is to **improve the basic conditions** in which **academics** have to **do “their job”**
 - Academic personnel is to be provided by either the partner university or the Flemish universities
 - Selected input or in-kind cofunding is assumed by the local universities (office space, waivering of tuition fees, staff support, renovation of buildings, etc)
- General principles: The funds are 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).

2. Financial framework



Financial framework

- Budget: 1-year masters: €100.000 / 2-year masters: €150,000
- Project budget divided in **budgets per activity year**
- Activity year: 12-month period (1 Sept year 'X' to 31 August year 'x+1')
- Date related expenses (e.g. mission related expenses, subscription costs, scholarship costs, etc.) need to be accounted for in the respective activity year
- Purchases in Belgium:
 - law of public expenditure is to be followed
 - in view of export, VAT exemption is to be obtained in Belgium and
 - locally no import taxes are paid (negotiate with national government in view to obtain tax exemption)

Financial framework

- Overall project budget and detailed budget per activity year.
- Budget lines:
 - A. Investment costs
 - B. Operational costs
 - C. Personnel costs
 - D. Scholarship costs
 - E 1. Coordination costs Flemish HEI

Financial framework

- A revised budget plan has to be included in the Annual Progress Report if:
 - *the shift in the total budget line for **personnel costs or investment costs** at project level is **higher than 10.000€** as compared to the initial budget line total*
 - *the shift amounts to **more than 30%** as compared to the initial budget line total (for the whole project budget) foreseen for the budget line for **personnel or investment costs**.*
- **Currently:** a budget shift exceeding the limits detailed above needs to be approved by VLIR-UOS.

3. Budget format



Budget Format

Budget format	
A. Investment costs	
A.1. General: investment costs	
A.2. Vehicles	
A.3. ICT	
B. Operational costs	
B.1. General: goods & services	
B.2. Dissemination & uptake	
B.3. ICT (operations & services)	
B.4. International mobility & subsistence	
B.5. Local mobility & subsistence	
C. Personnel costs	
C.1. Employment contracts	
C.2. Topping-up	
D. Scholarship allowance costs	
D.1. Short term scholarship allowances in Belgium	
D.2. Study scholarship allowances in Belgium	
D.3. Research scholarship allowances in Belgium	
D.4. Short term scholarship allowances in partner country	
D.5. Study scholarship allowances in partner country	
D.6. Research scholarship allowances in partner country	
Subtotal A – D	
E. Coordination costs	
E.1. Flemish HEI	
E.2. Partner HEI	
TOTAL	

4. Budget lines



A - INVESTMENT COSTS

- **Investment costs:** ‘Investment costs are defined as costs incurred to acquire durable goods with a long life that can be depreciated in the accounts over several years.’
- Budget Category ‘A.2. Vehicles’ is not available.
- Purchases in Belgium: law of public expenditure is to be followed and in view of export VAT exemption is to be obtained in Belgium and locally no import taxes are paid (negotiate with national government in view to obtain tax exemption)

Investment Costs – Budget Categories

A.1. General	
Definition	General investment costs, except for A2 Vehicles and A3 ICT related investment costs
Examples	Examples are minor infrastructure works, equipment, furniture, lab infrastructure, ... (non-exhaustive list)
A.3. ICT	
Definition	ICT refers to all Information and Communication Technologies. This covers equipment, software and services. Includes also all costs related to the purchase, shipment, installation and commissioning of ICT equipment, software and services.
Examples	Examples are servers, LAN networks, laptops, cell phones, software, video conferencing hardware, applications, ... (non-exhaustive list)

Investment costs - Guidelines

- **Other costs**

- All costs other than the investment good itself, that are directly linked with purchase of an investment good and that are stated on the purchase invoice can be regarded as investment costs. As a consequence, they are to be reported under the category A. Investment Costs. All costs directly linked with the purchase of an investment good, but that are not stated on the purchase invoice, or are part of a different invoice, will not be regarded as an investment cost. As a consequence, they are not to be reported under the category A. Investment Costs

- **Threshold**

- Investment goods intended for use in a HEI in Flanders (investment goods included in the inventory of the Flemish HEI). HEI's will follow their own institutional rules concerning investment goods.
- Investment goods intended for use in a partner institution (investment goods included in the inventory of a local partner HEI). These investment goods can be purchased locally or via the Flemish HEI, in both cases a threshold amount is used of €750,00 (VAT excl.). All purchases above this amount are considered investment goods and should be included in the inventory list.
- A local partner HEI is always allowed to use a lower threshold for investment goods.

- **Inventory**

- All investment goods are to be listed in a project/institutional inventory and labelled.

B - OPERATIONAL COSTS

- **Operational costs:** ‘Operational costs are defined as costs incurred for the purchase and/or operational use of goods or services that are directly related to a specific project activity.
- Expenses in partner countries are possible under operational costs (workshops, conferences, ...)
- **NEW:** All services are to be budgeted and reported under ‘B. Operational Costs’. In the case of personnel related service contracts, these are with third parties, external to the HEI.

B. Operational Costs – Budget Categories

B.1. General : Goods & Services

Definition	All operational costs, goods or services, with the exception of those costs under the specific categories B.2. “Dissemination & Uptake”, B.3. “ICT”, B.4. “International mobility & subsistence” & B.5. “Local mobility & subsistence ».
Examples	Examples are shipping costs, consumer goods (non-durable laboratory equipment, chemicals, documentation, books, minor materials, spare parts, project related office supplies, fuel, copies, ...), representation costs, subscription costs, services rendered by third parties, ... (non-exhaustive list)

B.2. Dissemination & Uptake

Definition	<p>All costs related to the distribution of information and materials, produced by the project, to both the general public or specific targeted audiences. The focus is exclusively on the costs of the distribution of content/information/messages and not on the creation. We interpret distribution in the broadest sense of the definition (publications, events, media, ...).</p> <p>We define dissemination & uptake as interactions with the general public or specific targeted audiences to disseminate information or materials produced by the project. This involves communicating knowledge effectively and synthesizing and repackaging project results for (non-) expert audiences and stakeholders.</p>
Examples	Examples are dissemination and stakeholder events, publications for the general public/ targeted audiences, ... (non-exhaustive list)

B. Operational Costs – Budget Categories

B.3. ICT (operations & services)

Definition	ICT refers to all Information and Communication Technologies. This covers operational goods, software and small equipment that does not fall under A.3.
Examples	Examples are maintenance of ICT equipment and software, optimization of software, systems and equipment, (recurring) license fees, ... (non-exhaustive list)

B.4. International Mobility & Subsistence

Definition	International travel costs comprise all costs incurred for door-to-door journeys in the context of a VLIR-UOS project by project members From Flemish and partner HEI's) or external experts involved in a project activity.
Examples	Includes following cost categories: transportation, overnight expenses, visa costs, per diem/allowance/subsistence, insurance, healthcare related costs (COVID-19) & CO2-compensation.

B.5. Local Mobility & Subsistence

Definition	All costs incurred for journeys within Belgium or within the partner country by project members From Flemish and partner HEI's) or external experts involved in a project activity. Local per diem max. 25 EUR/per day. (Hotel and transportation invoices to be booked separately).
Examples	Includes transportation, overnight expenses & per diems/allowances/subsistence.

Operational costs – Service contracts

- Service contracts should be linked to project activities and support operational activities. A budget B consisting mainly of service contracts would be very questionable.
- Type of service contracts:
 - Technical or non-technical ad-hoc support services (lab work, data collection and basic analysis)
 - Consultants only selectively if no institutional experts nor Flemish expertise is available or too costly (travel)

Operational Costs - Guidelines

- International travel costs are the costs linked to the travel (door to door) by Belgian and local personnel
- Types of expenses
 - Plane ticket, including airport tax
 - Service fee of the travel agent or airline company
 - Indirect travel costs :
 - Visa
 - International passport
 - Costs arising from obtaining the necessary certificates
 - Healthcare related costs: obligatory vaccinations; COVID 19 testing (see website VLIR-UOS)
 - Travel insurance
- Residential costs are costs linked to the stay abroad of Belgians or local personnel.
 - Hotel accommodation costs in the partner country (indicative max. per country)
 - Hotel accommodation in Belgium : indicative max. € 100 / night
 - Per diem
 - Mission : max. three weeks! (if training involved then see also 'short term scholar')

C - PERSONNEL COSTS

- Personnel Costs: All costs connected to the employment or subsidizing of (temporary) employees through an employment contract with the institution, within the project duration. ~~This includes also topping-up.~~
- Budget Category 'C.2. Topping-up' is not available.
- All personnel costs outside of an employment contract (service contracts, ...) are part of budget category 'B. Operational Costs'.
- **Indicative max. 65% of the total budget in the case of ICP**
 - Indicative max. 65% over the total course of the project (5Y)
 - 65% is an average over the total project duration, individual years may diverge from this percentage
 - INDICATIVE: this is not an absolute maximum, projects can diverge from this %, but will be asked to explain why they do so. (both in the budget and/or the reporting)

Personnel costs – Budget Categories

C.1. Employment Contracts

Definition

All costs connected to the employment or subsidizing of (temporary) employees through an employment contract with the institution, within the project duration.

D - SCHOLARSHIP COSTS

- The general principle for a project/embedded scholarship is that it contributes to capacity building at level of the involved department of the partner institution.
- Scholarship costs are costs linked to having scholars study / conduct research either in Belgium or in the country/region of origin
- A new scholarship system is being developed
- “Scholarship allowance” instead of “scholarship”

Types of allowance

- **Short term:** Education, training or research stays up until 6 months for which no degree is awarded

D Scholarship costs – Budget categories

D.1. Short term scholarship allowances in Belgium

Definition	Short term scholarship allowances in Flanders awarded for academic education, training or research stays lasting minimally 7 days and up to 6
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D.4. Short term scholarship allowances in partner country

Definition	Short term scholarship allowances in a Partner country awarded for academic education, training or research stays lasting minimally 7 days and up to 6 months.
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D - SCHOLARSHIP COSTS- Guidelines

Short term scholarship (allowance)

No all-in allowance (too diverse)

- 1-14 days : 100 EUR / day
- As of 15 days : 1.500 EUR
- Indirect travel costs : 200 EUR (lump sum)
- Airline ticket : 1.400 EUR (upon justification)
- Insurance : 2 EUR / day (upon justification)

Extra costs possible (esp. for accommodation, indirect travel costs)

D - SCHOLARSHIP COSTS – local

- Local Scholarships
 - As a general principle local scholarships may be funded from the project budget but the amounts are to be in line with university and national guidelines
 - Types of scholarships that can be identified:
 - Short-term scholarships in the region

E - COORDINATION COSTS

- **Coordination costs:** ‘The coordination 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 is in any case lower than real expenses at the level of the Flemish higher education institution.’
- Budget Category ‘E.2. Partner HEI ’ is not available.

E - COORDINATION COSTS - Guidelines

- Calculation coordination costs
 - The coordination costs are calculated as a percentage of the sum of categories A until D of the initially planned budget.
 - The coordination costs can never exceed 10% of the initially planned budget
- The distribution of the coordination costs within subcategory '*E.1. Flemish HEI*' in case there are multiple partners is left to the parties involved