

ITP financial guidelines

Supporting powerpoint intro to
the financial guidelines
ITP 2023 Call

12 Dec 2022

Summary

1. Introduction

2. Financial framework

3. Budget lines



1. Introduction

Introduction

Update of 25 November 2022, based on policy decisions of 19/11/21, 23/11/21, and 25/03/2022 (Bureau UOS) and discussion within financial working group (ICOS-FIN).



General principles

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

2. Financial Framework

General framework & guidelines

- Max. ITP budget is 150.000 EUR
- **Budget transfer (roll-over between activity years)** is possible
- General recommendation if working in partner countries: spread the budget in such a way that you can take into account slow upstart in view of setting out administrative project management procedures, opening of local accounts, etc.
- **Projects cannot be extended**, max. duration 3 activity years 1 sept X – 31 Aug X+2

Basic information

- Project budget divided in budgets **per activity year**: 12-month period (1 Sept year 'X' to 31 August year 'x+1')
- Only invoices dated **within activity period** (12 months) are acceptable / original invoices
- **Date related expenses** (e.g. mission related expenses, subscription costs, scholarship costs, etc.) need to be accounted for in the **respective activity year**

3. Budget lines

3. Budget lines

- A. Investment costs
- B. Operational costs
- C. Personnel costs
- D. Scholarship costs

- E 1. Flemish (HEI) Coordination costs
- E 2. Partner (HESI) Coordination costs



Guidelines per category

Budget lines
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 (events)
B.3. ICT (operations and services)
B.4. International mobility & subsistence
B.5. Local mobility & subsistence
C. Personnel costs
C.1. Employment contracts
C.2. Topping-up
D. Scholarship 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
Total A-D
E. Coordination Costs
E.1. Coordination costs in Belgium
E.2. Partner coordination costs
TOTAL

A - INVESTMENT COSTS

- Goods with a long service life / assets that are being depreciated
- Local rules to be followed for defining the threshold for a good being considered 'investment'. For VLIR-UOS min. threshold of 1.000 EUR (VAT excluded)
- 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)
- Budget Category 'A.2. Vehicles' is not available.
- Good practice: minimal spending

A. INVESTMENT COSTS (A1 & A3)

A.1. General	
Definition	General investment costs, except for A2 Vehicles and A3 ICT related investment costs
Examples (non-exhaustive list)	lab infrastructure, equipment, furniture, minor infrastructure works, ..
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 (non-exhaustive list)	LAN networks, servers, laptops, software licences, video conferencing hardware, applications, ...

B - OPERATIONAL COSTS

These 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.

In the **case of operational goods** we can say that, these usually have a:

- 1) limited service life, or
- 2) cannot function on their own (e.g. spare parts),
or
- 3) are strongly activity-related

In the **case of personnel related service contracts**, these are with **third parties, external to the HEI**

B - OPERATIONAL COSTS

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 (non-exhaustive list)	Personnel related service contracts with third parties (external to the HEI), e.g. ad hoc assistance (no employment contract with HEI) 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, ...

B.2. Dissemination & Uptake

Definition	<ul style="list-style-type: none">costs related to the distribution of information and materials, produced by the project, to both the general public or specific targeted audiences.this involves communicating knowledge effectively and synthesizing and repackaging project results for (non-) expert audiences and stakeholders. <p>We define dissemination & uptake as interactions with the general public or specific targeted audiences to disseminate information or materials produced by the project</p>
Examples (non-exhaustive list)	Dissemination and stakeholder events, publications for the general public/ targeted audiences, ...

B - OPERATIONAL COSTS

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 (non-exhaustive list)	Maintenance of ICT equipment and software, optimization of software, systems and equipment, (recurring) license fees, ...

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 (non-exhaustive list)	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 <u>invoices</u> to be booked separately).
Examples (non-exhaustive list)	Transportation, overnight expenses & per diems/allowances/subsistence,...

B - international mobility and subsistence

- 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
 - Travel insurance

B - international mobility and subsistence

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
 - Calculation of the per diem: number of nights abroad
 - In Belgium : € 75 / day

B - personnel related service contracts

- Service contracts should be linked to project activities and support operational activities. Operational budget 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 available or too costly (travel)

C - 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.
- Academic staff that bears responsibility for the implementation of (parts of) the partner project is made available by both the Flemish universities and the partner university.
- All personnel costs outside of an employment contract (service contracts, ...) are part of budget category 'B. Operational Costs'.

C - PERSONNEL COSTS

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.

C.2. Topping-up

Definition and general principles

- Supplement to the salary of university staff involved in the project
- Indicative max. 40% of gross salary
- Justification: salary slip
- To be kept to a minimum → standard academic responsibilities
- Persons that will receive a topping up are to be listed in the project proposal

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
 - at the level of the individual
- Scholarship costs are costs linked to scholars following a training either in Belgium or in their country/region or somewhere else
- A minimum of 8 scholarships per training/edition – no maximum. These can be the same scholars during several editions.

“Scholarship allowance” instead of “scholarship”

D – Short term scholarship allowance

Education, training or research stays up until 6 months for which no degree is awarded and that last between 7 days and 6 months.

- 7 days and 14 days: based on a daily allowance of 100 EUR
- 15 days – 31 days: based on a standard monthly allowance of 1500 EUR (not pro rata!)
- > 1 month - 6 months: based on a standard monthly allowance of 1500 EUR (pro rata) For stays longer than one month the allowance is calculated pro rata, by multiplying the total number of days by the allowance of 1500 EUR, and dividing this amount by 31

D – Short term scholarship allowance

Payments to/for the scholar

- Indirect travel costs : 200 EUR (lump sum)
- Airline ticket : 1.400 EUR (upon justification)
- Insurance : 2 EUR / day (upon justification)

Payments to the Flemish host unit or institution – bench fee

- The bench fee is a payment to the host unit and is a contribution to the costs incurred in the provision of workspaces and laboratories, the use of study material, research equipment and computing hard-ware and software, supervision of scholars, etc.
- Bench fee : 16 EUR / day (lump sum)

Exceptionally, extra costs can be budgeted (esp. for accommodation, indirect travel costs)

D – 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
- The maximum amount for the scholarship allowance is the amount foreseen for a training held in Belgium.

E - COORDINATION COSTS

- These fixed amounts are foreseen in the budget and reporting as a lump sum. This budget is allocated to cover administration and coordination costs as well as non-attributable institutional costs related to the institutional management of the project. The local coordination costs are allocated to cover costs which are related to the administration and coordination of the local implementation of the project.
- 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 in case there are multiple partners is left to the parties involved (with a minimum of 5% at the Flemish level)

E. COORDINATION COSTS

Coordination costs E 1 and E 2

Definition (subject to further optimisation within the financial framework document)

The coordination costs are fixed amounts, based on a calculation of max. 10% of the planned budget A-D, divided under the umbrella of equal partnerships as:

- E1: coordination costs in Belgium (fixed amount, 10 % A-D at the Flemish level) The distribution of these costs is left to the different parties involved and should be described in the proposal.

Or

- E1: coordination costs in Belgium (fixed amount, 5% A-D at the Flemish level), and
- E2: partner coordination costs (fixed amount, 5% A-D at the local level, if relevant to be subdivided over different institutions)



Questions, remarks, reflections ?

Thank you!