



VLIR-UOS guidelines for departmental projects (TEAM, South Initiatives and JOINT) (2017 –)

Version of 5 March 2018

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SECTION 1: General provisions and standard financial rules and practices

General Provisions

Formal framework

The VLIR-UOS Financial Guidelines concerning the Departmental projects (TEAM, South Initiatives and JOINT), confirmed by DGD on 27 February 2017 as applicable formal framework, governed by the Royal Decree on the Non-Governmental Cooperation of 11 September 2016.

The current document dates of 5 March 2018 and includes a number of technical corrections/clarifications to the original version.

Set-up of the guidelines document

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:
 - Allowances and guidelines for scholarships facilitating a stay in Belgium are not included anymore in these VLIR-UOS financial guidelines, but are available as a separate document to be found on the VLIR-UOS website: https://www.vliruos.be/en/documents/guidelines_and_forms/131#general-guidelines-and-forms.
 - the **hotel and per diem allowances** change at least once a year and are therefore not included anymore as an annex in 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) listed here:** https://www.vliruos.be/en/guidelines_and_forms/annex_overview_of_vlir-uos_partner_countries_with_local_per_diem_regulations
 - Guidelines for local scholarship amounts in the case of sandwich PhD's are also available in this document, but are subject to negotiation between the Flemish university and the partner institution, with the necessary approval by VLIR-UOS. In the case of Uganda local scholarship amounts are defined by VLIR-UOS: http://www.vliruos.be/media/3607311/local_allowances_uganda_per_diem_scholarships

Objective of these guidelines

These guidelines are relevant for all VLIR-UOS departmental projects: TEAM, South Initiatives, JOINT.

The implementation of the project is developed through different activity years.

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

General principles

The 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 departmental projects are defined by an agreement between VLIR-UOS, the Flemish higher education institution to which the Flemish promoter is affiliated and the local partner institution or institutions to which the local promoter or promoters are affiliated (the tripartite agreement).

Reporting

Contents

Projects report per calendar year through Annual Reports (AR). These reports consist in a narrative (Annual Progress Report) and financial report (Annual Financial Report).

Submission

Formats and submission

The Annual Report consists in an Annual Progress Report (APR) and Annual Financial Report (APR). For the formats we refer to the contract reference and VLIR-UOS website: https://www.vliruos.be/en/documents/guidelines_and_forms/131#general-guidelines-and-forms. The financial forms follow the budget plan A-E and are also available on the website. In the reporting only the main budget lines (B-E) are required, not the sub-lines.

For the date of submission of annual progress and financial reports we refer to the project agreement.

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

Within departmental projects budget transfers between activity years are automatic which means that no transfer request has to be submitted to VLIR-UOS. Budget transfers are only possible from one activity year to the next activity year. No budget transfers will be possible between five-year programmes (between 2021 and the following years).

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 of 24 February 2017, with consent of DGD, imply that a revised budget plan has to be included in the Annual Progress Report (and in case of the last activity year before 30 June of that year) if:

- the shift in the total budget line for personnel costs or investment costs is higher than 10.000€ 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 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 report (more details can be found in the contract).

Eligible and ineligible costs

Eligible costs

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 programme 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.

Import duties

- Import duties are payable by the partner institution or institutions. The Flemish higher education institutions will ask their partner institutions to take the appropriate steps vis-à-vis local governments to ensure the success of the activities. This mainly relates to activities with regard to exemption from

import duties, customs clearances, installation, maintenance and insurance of the imported goods and equipment. Exceptions are possible, subject to prior approval and provided extensive arguments are submitted.

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 Flemish 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 Flemish 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 Flemish 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 Flemish 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.

Exchange rate

Exchange rates and calculation methods can be found in annex 1.

Dedicated account

Local financial transactions for activities abroad must go through a dedicated account in the name of the partner institution or institutions that have co-signed the tripartite agreement. Only accounts at recognised banking institutions can be accepted.

These accounts must not be linked to other accounts (no subsidiary accounts) except if multiple VLIR-UOS projects exist at one partner institution and the university faces limitations in opening accounts per donor. In that case it is mandatory that transactions per VLIR-UOS project can be distinguished in the local accountancy system through a dedicated analytical code for the given project.

Visibility

Any external communication concerning the project or programme should always mention the support of VLIR-UOS and contain the VLIR-UOS logo and DGD logo. The logos can be down-loaded on the website https://www.vliruos.be/en/documents/guidelines_and_forms/131#general-guidelines-and-forms .

Labelling of goods

All goods purchased as part of the project must be labelled with VLIR-UOS stickers so that goods purchased with VLIR-UOS and DGD funding are clearly recognisable. These stickers are available from the VLIR-UOS secretariat.

SECTION 2: Budget lines for departmental projects

The budget of a departmental project (TEAM, South Initiative, JOINT) must comprise the following budget lines:

A. Investment costs

- A.1. Infrastructure
- A.2. Equipment
- A.3. Vehicles
- A.4. Office furniture
- A.5. Others

B. Operational costs

- B1. Shipment costs
- B.2. Maintenance of equipment
- B.3. Consumer goods
- B.4. Communication
- B.5. Representation costs
- B.6. Travel costs in Belgium and locally
- B.7. Congress registrations
- B.8. Local per diem
- B.9. International travel costs
- B.10. International overnight expenses
- B.11. Others

C. Personnel costs

- C.1. Service contracts
- C.2. Topping-up
- C.3. Employment contracts
 - C.3.1. Local employees

D. Scholarship costs

- D.1. Short term allowances in Belgium
- D.2. Study scholarships in Belgium
- D.3. PhD scholarships in Belgium
- D.4. Study scholarships in partner country
- D.5. PhD scholarships in partner country

E. Coordination costs (up to 10% of the operational budget of A through D))

- E.1. Coordination costs in Belgium (lump sum on the budget (fixed) 5% A through D)
- E.2. Coordination costs in the partner country (lump sum on the budget (fixed) 5% A through D) (local coordination costs)

A detailed project budget must be drawn up on the basis of this budget template. The subitems are not needed in the reporting, in which only the main budget lines (A till D) are needed.

A. Investment costs

Definition

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.

All investment goods purchased for the project must be included in an inventory. All investment goods purchased for the project should be transferred to the local partner institution at the end of the project by means of a transfer agreement.

Remark: considering the scope of South Initiatives and JOINT projects, investment costs for these types of projects are to be kept to a minimum (for example max. 25%)

Annotated budget line

A.1. Infrastructure

Major investments (such as buildings, canals, roads, public utilities) are normally not permitted as part of university cooperation for development. This applies to new physical infrastructure as well as to renovation of existing physical infrastructure. Minor infrastructure facilities (such as air-conditioning or other essential small infrastructure for a laboratory facility) are permitted.

Remark: this kind of expenditure is not a good practice in the case of South Initiatives and JOINT projects where investment costs should be kept at a minimum.

A.2. Equipment

Equipment – e.g. desktop and notebook computers, printers, mobile phones, cameras, beamers, durable laboratory material – must be wholly intended for the partner institution in the developing country. Investment goods purchased for use by the Flemish institution cannot be paid from this budget line. Investment goods for use in Belgium must be paid for from the lump sum Flemish coordination costs or from the bench fee or research allowance received by the receiving entity of a scholarship student.

A.3. Vehicles

The purchase of a vehicle must be stated in the initial project proposal or requested from VLIR-UOS through a specific written request. VLIR-UOS will consult DGD on this matter. VLIR-UOS requires all vehicles purchased as part of a project to be managed using a logbook in order to make a distinction between travel for the project and all other travel. The recurrent costs of vehicle insuring, running and service costs (insurance premium, petrol, garage costs, spare parts etc) may be part of the budget of the project under B. Operating costs. Any income generated by using the vehicle for non-project related ends (e.g. based on a price per kilometre) should be deducted from the costs.

Remark: considering the scope of South Initiatives and JOINT projects, purchase of vehicles is, in principle, not possible.

A.4. Office furniture

No special guidelines have been drawn up.

A.5. Other

No special guidelines have been drawn up.

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 operational activities of the project must be incurred in the partner institution or the partner country. An exception may be made if the activity cannot be performed in the partner country (e.g. specialised laboratory studies) and this is stated in the project proposal. In these cases, it is recommended that the possibilities in neighbouring countries are explored. The most efficient solution should always be sought (based on value for money and criteria like delivery time, warranty and after-sales service).

Operational costs in Belgium can be charged if a specific project activity takes place in Belgium, e.g. a workshop or conference. This must be requested in advance, either in the project proposal or by formal letter. Reasons must be provided for staging the activity in Belgium rather than in the partner country. This may occur only in exceptional circumstances. The rule is that the activities should take place in the partner country, as the purpose of a VLIR-UOS project is to fund development relevant activities through university cooperation for development and build capacity in the partner countries.

Recurrent operational costs in Belgium can never be charged to a TEAM/South Initiatives/JOINT project. However, travel expenses in Belgium as part of the project activities can be charged to the project.

Annotated budget lines

B.1. Shipment costs

All costs of shipping materials and equipment, including packaging, transport and insurance, are reimbursed. Local costs (storage, customs clearance, handling costs, local transport and so on) may be reimbursed. Import taxes are payable by the partner institution or institutions.

B.2. Maintenance of equipment

No special guidelines have been drawn up.

B.3. Consumer goods

These may include non-durable laboratory equipment, chemicals, documentation, books, minor materials, spare parts, project related office supplies, fuel, copies etc.

B.4. Communication

These may include PR related costs, phone, internet and fax costs.

B.5. Representation costs

Representation costs may be reimbursed per project.

These are representation costs incurred in the partner country by the promoter or representation costs incurred in Belgium by the Flemish institution as part of a project. In addition to meal and reception costs, 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 developing 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.

B.6. Belgium and local travel costs

Travel expenses are all costs incurred for journeys by both Belgian and local employees as part of the execution of a project. 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.

Journeys within Belgium

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

- The Flemish 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 Flemish 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 : https://www.vliruos.be/en/documents/guidelines_and_forms/131#general-guidelines-and-forms
- 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.
- 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 travel costs in the partner country. 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. This price may never be higher than the kilometre allowance granted for journeys within Belgium.
- Journeys by train, boat, bus, metro or other means of transport: the price of the ticket.
- Local journeys by plane: 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.

As indicated at the start of this section, during missions, travel expenses within the city of duty (local transport costs) should be covered with the per diem allowance.

B.7. Congress registrations

Registration costs of participation in congresses relevant to the project may be funded from the project budget, provided the participant actively participates by making a presentation (poster, paper etc).

B.8. 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).

Local allowances are to be defined taking into account local scales. For a number of countries there is a standard (fixed) VLIR-UOS local per diem amount available. These standard amounts can be found in the annexes of these financial guidelines and are set as a **maximum amount** for all interventions in a given country.

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 local institution will be asked to submit its local legislation validated by the competent authorities together with the project proposal and should these local scales exceed 25 EUR per day, and in case the local institution prefers to pay this higher per diem, the difference needs to be paid from the institutional budget or from the coordination costs. Every adaptation to these scales will need to be submitted timely to VLIR-UOS for implementation.

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.

Regarding the local per diem amounts per country we refer to the annexes referred to at the end of this document.

B.9. International travel costs

International travel costs comprise all costs incurred for door to door journeys on official project business by Belgian and local employees.

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 are reimbursed for international travels to Belgium or another country (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

B.10. 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, transport 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 allowances¹ (list of Federal Public Service Foreign Affairs) can change at least once a year and are therefore not included anymore as an annex in 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. If the per diem amount in the list is lower than 37 EUR, 37 EUR per diem 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.

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 and are therefore not included anymore as an annex in 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.

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.

B.11. Other

Only to be used for operational costs not fitting under B.1. to B.11. and with detail regarding the nature of foreseen expenditure. No further special guidelines have been drawn up.

¹ 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.

C. Personnel costs

Definition

All costs connected to the deployment of persons (service contracts, topping-up, employment contracts with local employees etc) 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 and as a general principle kept to a minimum.

In the case of departmental projects, and of so required, the academic and administrative/technical staff of the local partner institution or institutions and other (academic) institutions in a partner country can be deployed for the execution of the project. Employees may also be recruited from outside the institution. Personnel costs in the North cannot be included in the project budget.

The personnel budget is to be negotiated between the Flemish and local promoter, based on the needs of the project. The overall goal of a TEAM/South Initiatives project, namely building capacity at departmental level of the partner institution, must be central at all times when determining and dividing the personnel budget.

Personnel costs cannot be accepted in any extension year, for sustainability reasons. All personnel costs must be detailed in the project proposal and any subsequent amendments must be submitted for approval to VLIR-UOS.

Remark: personnel costs are to be kept to a minimum and overall should not exceed 25% of the project budget. It is also understood that these costs should not replace academic payroll costs and focus on specific project support and needs.

Annotated budget line

C.1. Service contracts

If external experts (i.e. experts that are not contracted to a Flemish or partner institution) are used to execute certain aspects of the project, the associated costs may be charged to the project budget within the foreseen project duration. The allocation must occur on the basis of a service contract. Typical local rates must be paid to local employees employed on the basis of a service contract. A service contract is limited in time and usually strongly activity related.

C.2. Topping-up

If considered instrumental for the success of the project, a topping-up wage may be paid to a local academic employee contracted to the local institution on the basis of an employment contract and used for a specific project activity. This topping-up may be up to 40% of the gross wage paid to such employees by the local institution in accordance with the prevailing pay scales. Payment of this topping-up must be justified with a copy of the salary slip showing that person's wage. This category is to be kept as limited as possible as it is generally understood that standard academic responsibilities part of a normal academic position are not additionally rewarded.

C.3. Employment contracts

C.3.1. Local employees

The employment or subsidising of (temporary) employees may be paid through the project budget within the project duration. Such employees may be local administrative employees and manual workers (driver, field or survey workers, laboratory technician) or researchers and academic staff. Local pay scales and social insurance arrangements must be observed with respect to local employees on an employment contract.

D. Scholarship costs

Definition

Costs relating to scholarship students are recognised under D. Scholarship costs.

Scholarships may be granted as part of a TEAM/South Initiatives/JOINT project only if the scholarship contributes to capacity building at the local partner institution. The persons who are granted a scholarship as part of the project must therefore be a member of staff of the local institution or the local institution must commit to employing the scholarship student after graduation.

Ph.D. scholarships cannot be included in South Initiatives nor JOINT projects.

Exceptionally the finalisation, round-up of a Ph.D. could be foreseen but this should then be instrumental within the project focus.

All payments to scholars must be grouped under D. Scholarship costs. A detailed calculation has to be included in the scholarship costs budget, based on the VLIR-UOS scholarship cost scales for scholarships in Flanders or based on other scales for local scholarships. The scholarship type and the number of scholarship months must also be stated.

Guidelines and allowances

Scholarships in Belgium

Allowances and guidelines for scholarships facilitating a stay in Belgium are available as a separate document to be found on the VLIR-UOS website: https://www.vliruos.be/en/documents/guidelines_and_forms/131#general-guidelines-and-forms

Local scholarships

Local scholarships may be funded from the project budget. In case local scholarships are awarded these are expected to comprise the following aspects:

Allowance (the amount to be paid to the scholarship student)

This includes what is necessary for subsistence (housing, food, local transport etc). A distinction must be made according to the origin of the scholarship student (same region, another region of the same country, another country). If a system of local scholarships already exists (funded locally or by other donors), it must be used as a basis for calculation. In the absence of such a system, the amount of the scholarship must be based on a realistic estimate of the local cost of living. The amount of the allowance may never exceed the amount of the scholarship granted in Belgium.

Enrolment fees

Enrolment fees for studies supported as part of a project should be minimised and in case the local scholarship is at the partner institution these costs are expected to be waived by the partner institution. The project file should state this.

Training costs

Training costs may be accepted with respect to local training scholarships if no enrolment fee is payable, provided these costs are inherent to the study programme and have been accepted as part of the project file.

Insurance

Insurance must be taken out on behalf of the scholarship student to cover his/her stay in the country of study (no less than one month). The cost may be charged to the project budget. This insurance must cover costs of illness, accident or death, including medical treatment, hospitalisation and any repatriation of students from the region.

At the moment only in the case of Uganda local scholarship amounts were defined. The guidelines document is linked to starting from annex 2 at the end of this final guidelines document. (see last page).

E. Coordination costs

Definition

The coordination costs in Belgium plus the local 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 Flemish higher education institution.

The Flemish 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 Flemish 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;
- The project agreement between the institution, the project promoter and VLIR;
- An acknowledgement of receipt, signed by the representative of the institution.

Annotated budget line

E.1. Coordination costs in Belgium (lump sum 5% of the sum of A to D)

These consist of the costs directly ensuing from the implementation of the projects pursuant to the use of the premises, infrastructure and/or services of the Flemish higher education institutions and connected with the administration and coordination of project execution. These costs are fixed at 5% of the budget of A to D as part of project execution.

All costs incurred in Belgium connected with the general administrative management and coordination of project execution are covered here, which means that they cannot be charged separately (e.g. costs of sending documents, phone costs, costs of copying reports etc).

E.2. Local coordination costs (coordination costs in the partner country) (lump sum 5% of the sum of A to D)

These consist of costs directly ensuing from the implementation of the projects pursuant to the use of the premises, infrastructure and/or services of the local partner institution or institutions and connected with the local administration and coordination of project execution. These costs are fixed at 5% of the budget of A to D as part of project execution.

All costs incurred in the partner country connected with the general administrative management and coordination of project execution are covered here, which means that they cannot be charged separately (e.g. costs of sending documents, phone costs, costs of copying reports etc).

Annex 1: Exchange rate calculation

Method

- Year 1: per money transfer
 - **Gross** what was debited from the Belgian account in EUR (a)
 - **Net** what was credited to the local account in local currency (b)
 - So, bank charges relating to the transfers have already been processed in the exchange rate calculation
 - Weighted average exchange rate: $(\Sigma a) / (\Sigma b)$
 - Reconciliation
- Year 2 and beyond
 - Same as year of operation 1
 - But also value balance in local currency on the local account at previous year's weighted average exchange rate
 - From this balance the balance of the local coordination cost (the amount unspent of E2)
 - Reconciliation

Example

- Year 1:
 - Transfer 1: 10,000 EUR (10,056 EUR from Belgian account), 12,800 USD net on local account
 - Transfer 2: 15,000 EUR (15,064 EUR from Belgian account), 18,050 USD net on local account
 - After year 1 the local account contains 5,075.00 USD, from this amount 1,000.00 USD of the E2 received in year 1 was not spent.
- Year 2:
 - Transfer 3: 12,000 EUR (12,030 EUR from Belgian account), 14,333 USD net on local account
- Exchange rate calculation:

<i>Year 1</i>	EUR	USD
Transfer 1	10,056.00	12,800.00
Transfer 2	15,064.00	18,050.00
Total	25,120.00	30,850.00
Year 1 exchange rate	0.8143	
<i>Year 2</i>	EUR	USD
Balance on local account	3,318.27	5,075.00 – 1,000.00
Transfer 3	12,030.00	14,333.00
Total	15,348.27	18,408.00
Year 2 exchange rate	0.83378	

Annex 2: Allowances

We refer to the VLIR-UOS website for guidelines regarding the different type of allowances:

- the hotel and per diem allowances change at least once a year and are therefore not included anymore as an annex in 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.
- Allowances and guidelines for scholarships facilitating a stay in Belgium are not included anymore in these VLIR-UOS financial guidelines, but are available as a separate document to be found on the VLIR-UOS website: https://www.vliruos.be/en/documents/guidelines_and_forms/131#general-guidelines-and-forms.
- Local per diems guidelines per country (if existing) listed here: https://www.vliruos.be/en/documents/guidelines_and_forms/131#general-guidelines-and-forms.
- Guidelines for local scholarship amounts in the case of sandwich PhD's will be made available progressively in this document, but are subject to negotiation between the Flemish university and the partner institution, with the necessary approval by VLIR-UOS. In the case of Uganda local scholarship amounts are defined by VLIR-UOS: http://www.vliruos.be/media/3607311/local_allowances_uganda_per_diem_scholarships