

# Financial Framework

Version 30/12/2022

For VLIR-UOS projects within the Five-Year Programme 2022-2027

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## Introduction

As VLIR-UOS has entered a new funding cycle with its donor DGD, the VLIR-UOS financial framework is being updated. The financial framework adheres to the [Royal Decree](#) of 2016 including all its [updates](#). The present version of the financial framework provides an updated general financial framework for VLIR-UOS-funded projects. In the coming months, the document will be updated further. The document consists of sections that are final, and sections that are to be developed in the coming months. In that case, any current rules have been included in the absence of the updated regulations. Any updates in the coming months will mainly be limited to clarifications and simplifications compared to the existing regulations.

The document consists of an introductory part with general rules and principles, and an overarching section 1 with general financial rules. A section 2 with any programme specific rules will be added at a later stage.

## Principles

[Royal Agreement [Art. 33. § 1](#), [Art. 42](#) and [Sector Integrity Charter](#)]

The funds are used in accordance with the principles of sound financial management, namely thrift, efficiency, effectiveness, and integrity.

The principle of **thrift or economy** stipulates that the resources used are made available in appropriate quantities and qualities and at the best price. The principle of **efficiency** refers to the best relationship between the resources used and the development results achieved. The principle of **effectiveness** aims to achieve established outcomes, and to achieve the expected development results.

The principle of **integrity** implies that the subsidised organisation takes the necessary preventive measures at the level of policies and practices to be reasonably certain that irregularities, fraud and practices of active or passive corruption do not occur, and to put an end to them if they occur.

*This part will be developed in detail during 2023.*

## Eligibility (DGD)

DGD/VLIR-UOS grants are 100% funded by DGD and therefore the formal framework must be respected for all costs.

### Eligible Costs

[[Royal Agreement Art. 35](#)]

An expenditure may be charged to the grant as a direct cost if and only if it meets all the following **cumulative conditions**:

- The cost must be confirmed by a **piece of evidence** ([see Supporting Documents](#));
- The cost must be identifiable and **verifiable** ([see Control](#));
- The cost must be necessary to achieve the **outcomes** or to manage the project ([see Control](#));
- The cost must be made in accordance with the approved **budget** ([see Budget](#));
- The cost must be made during the **period** of the project ([see Cut-off](#));
- The cost must comply with **legal** obligations ([see Law & Procedures](#));
- The cost must comply with the **internal rules** of the subsidised organisation ([see Law & Procedures](#));
- The cost may not be **double financed** ([see Control](#));
- The cost is made in accordance with the **agreement** that VLIR-UOS has signed with the respective higher education institution ([see Partnerships & Cooperations](#));
- The cost does not appear on the list of **non-eligible costs** ([see Non-eligible Costs](#)).

### Non-eligible Costs

[Royal Agreement [Art 35 6°](#) and [attachment 4](#)]

The following costs are non-eligible:

1. All accounting transactions not involving payments, unless they originate from a legal obligation borne by the project;
2. Provisions for risks and charges, losses, liabilities or potential future liabilities;
3. Debt or debit interests unless such interests 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, including the legal costs to recover those funds or receivables;
5. Exchange losses;
6. Loans to third parties;
7. Guarantees and bails;
8. Expenses already covered by another grant;
9. Invoices from other organisations for goods and services already subsidised;
10. Contracts for subcontracting or consultancy for key tasks in the programme, project, synergy project or partnership project of the governmental cooperation, which belong to the "core business" of the subsidised organisation;
11. Outsourcing through service or consultancy contracts to employees or members of the Board and General Assembly of the subsidised organisation;
12. Subletting 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 project, and on condition that the ownership at the end of the project is transferred to a partner;
14. Expenses resulting from compensation in response to a claim arising from civil liability of the organisation;
15. Severance pay for not worked notice period, unless a legal provision applies;
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;
18. Sitting allowances tokens;
19. Depreciations;
20. Housing allowances for owners of their home.

## Procurement

*For the moment the current procurement rules stay mandatory:*

- 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, etcetera) in Belgium, the Belgian 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, etcetera) 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 must be selected.

# Section 1 – General financial rules

## BUDGET LINES

An expenditure may be charged to the grant if and only if it is made in accordance with the approved **budget**. The budget lines are the following:

### A. Investment Costs

**Definition:** Investment goods are goods with a **long service life – more than 1 year**. In the accounting the value of these assets are being depreciated to the own institutional rules concerning investment goods.

Costs related to the purchase, shipment and installation of the investment good and invoiced together are part of the investment. Also second hand durable goods can be registered as investments. Services related to the (installation of) investment invoiced separately from the investment are operational costs.

**Visibility :** All durable goods purchased as part of the project must be labelled with VLIR-UOS/DGD stickers so that goods purchased with VLIR-UOS and DGD funding are clearly recognisable. These stickers are available on simple demand from the VLIR-UOS secretariat.

**Threshold:** All purchases of durable goods with a long service life and a value above 1.000 EUR, VAT excluded, are always considered as investment goods and should be included in the inventory list. A partner institution is always allowed to use, in line with local policies and procedures, a lower threshold for investment goods.

**Depreciation:** DGD legislation stipulates that depreciations are non-eligible costs. That means that the cost of an investment good is completely charged to the project on the moment the investment is made within the respective activity year.

**Inventory:** The partner institution shall keep an up-to-date inventory of all investment goods financed with DGD/VLIR-UOS funding. The inventory list should mention following items: description, brand, serial number, date of purchase, purchase amount, reference number, location and status (when out of order).

#### Transfer to beneficiary:

This part will be developed in detail during 2023.

### A1 - General Investment Costs

**Definition:** General investment costs are all investments except for vehicles (A2) and ICT (A2).

**Non-exhaustive examples:** Lab infrastructure, equipment, furniture, minor infrastructure works,...

### A2 - Vehicles

**Definition:** Vehicles includes the purchase of various means of transportation and includes all costs prior to or related to the purchase and commissioning (registration, documents, shipment, ...).

*A sustainable mobility policy should be implemented.*

**Non-exhaustive examples:** Cars, motorcycles, bicycles, ...

*VLIR-UOS requires all cars purchased with VLIR-UOS financial means to be managed using a logbook in order to make a distinction between travel for the project and all other travels. Cars cannot be part of the budget for the following programmes: ITP, ICP Connect, GM and PSP (see section 2).*

### **A3 - ICT**

**Definition:** ICT refers to all Information and Communication Technologies. When invoiced together all costs related to the purchase, shipment, installation of software, commissioning of ICT equipment,.. are part of the investment.

**Non-exhaustive examples:** LAN networks, servers, non-renewable software licenses, laptops, tablets, video conferencing hardware, ...

## **B. Operational Costs**

**Definition:** Operational costs are necessary and essential for achieving one or more results of the project. These costs stop once the project is completed.

### **B1 - General goods & Services**

**Definition:** All operational costs, goods or services, with the exception of those costs which are part of the specific categories B.2. "Dissemination & Uptake", B.3. "ICT", B.4. "International mobility & subsistence" & B.5. "Local mobility & subsistence".

**Non-exhaustive examples:** Consumer goods, non-durable laboratory equipment, chemicals, shipping costs, documentation, books, copies, minor materials, spare parts, project related office supplies, fuel, representation costs, subscription costs, service contracts, ...

*Pay attention that all employment of persons not contracted by the Flemish institution or the partner institution are service contracts.*

**Link to the justification of specific costs:** [Catering](#), [communication costs](#), [meeting rooms](#), representation costs, service contract, volunteer allowance.

### **B2 - Dissemination & Uptake**

**Definition:** We define dissemination & uptake as interactions with the general public or specific targeted audiences to create the conditions for the uptake of results, including disseminating information or materials produced by the project. 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. This does not include academic events, publications, academic conferences, etc.

**Non-exhaustive examples:** Dissemination and stakeholder events, publications/policy briefs for the general public / targeted audiences, advisory boards, per diems related to those dissemination events and stakeholder boards, ...

### **B3 - 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.

**Non-exhaustive examples:** Maintenance of ICT equipment and software, optimisation of software, systems and equipment, (recurring) license fees, ...

### **B4 - International mobility & Subsistence**

**Definition:** International travel costs include all costs incurred for door-to-door international journeys in the context of a VLIR-UOS project by project members from Flemish and partner institutions or external experts involved in a project activity.

*A sustainable mobility policy should be implemented.*

*The general principles of thrift, efficiency and effectiveness should be taken into account.*

*All costs for scholarships, also (international) travel costs, are included in the budget line D. Scholarship Costs.*

**Non-exhaustive examples:** plane tickets, train tickets, airport tax, travel agency service fee, international per diem, hotel costs, visa, international passport, insurance, health care related costs,...

*Included under B4 are also the travel grants in the Global Minds projects and the ICP bench fees and travel grants within the ICP Connect projects.*

### **B5 - Local Mobility & Subsistence**

**Definition:** All costs incurred for journeys within Belgium or within the partner country by project members from Flemish and partner institutions or external experts involved in a project activity.

*A sustainable mobility policy should be implemented.*

*The general principles of thrift, efficiency and effectiveness should be taken into account.*

*All costs for scholarships, also (international) travel costs, are included in the budget line: D. Scholarship Costs.*

**Non-exhaustive examples:** local transportation costs, local per diems, local overnight expenditures...

## **C. Personnel costs**

### **C1 - Employment Contracts**

**Definition:** Personnel costs are connected to the employment of persons:

- **Contracted** by the partner institution or the Flemish institution ;
- According to the **salary policy** of the institution where he/she will be employed: the partner institution or the Flemish institution;
- During the **period** of employment within the project implementation period.

*Contracted by the Flemish institution is only allowed in special occasions mentioned in section 2.*



## C2 – Topping-up

**Definition:** an approved activity based supplement to the salary of partner institution staff members involved in TEAM, ITP and SI projects. To be kept to a minimum overall in the project budget. Indicative maximum per person is 40% of his/her gross salary.

This part will be further developed in detail during 2023:

## D. Scholarships costs

Scholarship costs are costs linked to scholarship holders. The general principle for a project/embedded scholarship is that it contributes to capacity building at the local partner institution and the project objectives.

For these allowances details can be found on the website of VLIR-UOS under documents or on the following link [Framework for scholarships in Belgium](#) and are applicable on the following budget lines:

### D1 – Short term scholarship allowances in Belgium

### D2 – Study scholarship allowances in Belgium

### D3 – Research scholarship allowances in Belgium

Scholarship costs in a partner country may be funded from the project budget but the amounts are to be in line with university or national guidelines. These local scholarship amounts can never be higher than the amounts applicable in Belgium.

*The Scholarship Framework will be more detailed in 2023, including further details for scholarships in partner country<sup>1</sup> or for hybrid/online scholarships.*

## E. Coordination costs

**Definition:** Coordination costs are costs directly ensuing from the implementation, management, follow-up and control of the project. These costs can be isolated and disappear when the project is finished.

### E1 – Flemish institution

### E2 – Partner institution

**Non-exhaustive examples:** the use of the premises and/or infrastructure, services connected with the administrative and financial coordination of project execution, availing members of staff from the HR department, financial department, legal department etc.

**Threshold:** The coordination costs are fixed on the basis of the approved budget. The coordination costs in Belgium **plus** the local coordination costs **can never exceed 10%**.

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<sup>1</sup> Cf. budget lines D4 – Short term scholarship allowances in partner country ; D5 – Study scholarship allowances in partner country; D6 – Research scholarship allowances in partner country

**Justification:** The institutions are accountable for these amounts and, if required during an external audit or control by DGD, should provide the following supporting documents as approved by DGD:

- In case of Flemish HEIs: A description of the relevant regulation at the level of all Flemish HEIs;
- In case of local HE&SIS: A description of the regulation at the level of the local HE&SI;
- The project agreement between the involved institutions, project promoters and VLIR-UOS;
- An acknowledgement of receipt, signed by the representative of the institution.

**Justification of specific costs:** See [Bank costs](#)

*Framework for coordination costs will be further clarified in 2023.*

## BUDGET SHIFTS

[\[Royal Agreement Art 34\]](#)

The funds are spent in accordance with the approved project budget and formal framework.

The approval of the adjustments is required only if the proposed amendments exceed the stipulated limits defined per project.

*Some items of budget shifts may be detailed or amended in 2023.*

*For the moment the following rules stay valid:*

### **Budget transfers between activity years**

*Budget transfers are only possible from one activity year to the next. Budget transfers between activity years are thus possible up to a certain percentage of the annual budget, depending on the programme. Details on the percentages can be found in the agreements.*

### **Budget shifts within an activity year**

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 costs at project level is higher than 10.000 EUR as compared to the initial budget line total (for the whole project)

**OR**

- 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/AFR report or other formal communications.

*The framework for budget shifts will be more detailed in 2023.*

# ACCOUNTING & JUSTIFICATION

Every expenditure needs to be **registered** in the bookkeeping, **supported** by a document and **paid**.

## Accountancy

[Law Art 10 and Royal Agreement attachment 1 screening – [Royal Agreement Art 42 Transparency](#)]

In the context of the recognition to obtain a grant, each project must be given a unique analytical code in the institution's accounting system and accrual accounting must preferably be maintained. If - instead of an accrual accounting – the partner institution is using a cash accounting then a specific bank account per partner institution or per project is mandatory.

The principle of transparency implies that the subsidised organisation regularly and clearly conveys to a realistic financial picture of the institution and that it spontaneously draws attention to any anticipated or unforeseen deviations.

## Supporting documents

An expenditure may be charged to the grant if and only if it is confirmed by **a piece of evidence**.

### 1. Piece of evidence

A piece of evidence in accordance with the good practices [\[CBN advice 174\]](#) meets the following cumulative conditions:

- The **text** on the piece of evidence must be unambiguous and the goods or services must be clearly defined, indicating quantity, description and taxes if applicable;
- The **supplier** must be identifiable;
- The piece of evidence document must be **dated**;
- When recorded in the accounts, the piece of evidence must contain **a reference number** to the corresponding entry in the accounting system and the analytical assignment to the project;
- The piece of evidence must be accessible at all times and therefore **methodically classified**.

Preferably, a piece of evidence is **an invoice**, but other documents can also be included as evidence in the accounts such as:

- **Expiration certificate**: insurance companies do not send an invoice but a due date with a payment invitation;
- **Transport ticket**: often you only get a ticket for a tram, train, or bus ride, without indication of date, destination, .... These costs are reimbursed via an expense report to the person who incurred the costs, so that any missing information (date, destination, etc.) can be added on the expense report, in addition to the tickets;
- **Receipt**: for small amounts often an invoice is not made but a cash receipt is provided;
- **Recues**: in a partner country it is sometimes not easy to receive a piece of evidence in certain circumstances.
- **Declaration on honor**: if you have made an expense of which you have lost the proof of purchase, you can draw up a declaration of honor in exceptional cases.

## 2. Additional supporting document

In addition to the obligatory piece of evidence that must be registered in the accrual analytical accounting, **additional supporting documents** may be necessary to justify the expenditure. This can be the case if:

- A purchase exceeds a certain amount ([see Procurement](#))
- A type of costs needs more documentation ([see Justification of specific costs](#))

## 3. Proof of payment

In **accrual accounting** every cost is linked to a payment. Therefore an audited accrual accountancy is a proof of payment and doesn't need extra documentation.

In **cash accounting** the link between the costs and the movements on the specific bank account is the proof of payment. Therefore local financial transactions for activities must happen on the account in the name of the partner institution that signed an agreement with the Flemish institution. Only accounts at recognised banking institutions can be accepted.

*Mentioning PAID on a piece of evidence is never a proof of payment. Also mentioning a cheque number is insufficient as the cheque is not necessarily collected.*

## Storage

The Flemish institution must maintain the accounting records and supporting documentation for a period of four years after the end of the five-year programme. [[Royal Agreement Art 50](#)]

For all FYP2 projects, this means 31/8/2031.

The original documents - digital or on paper - are kept at the institution that made the cost.

External factors as war, floods, departure of key persons, crash of ICT system,... may lead to loss. In order to reduce that risk copies should be digitalized and a back-up procedure should be followed.

## Cut-off

An expenditure may be charged to the grant if and only if the cost is made during the **period** of the project.

*Some items of cut-off may be detailed or amended in 2023.*

*For the moment the current rules stay valid:*

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 activity year, being before 31/08 of year 'X+1' for purchases related to year 'X'.

The actual invoice needs to be reported before 15 March of the year 'X+1' and correctly reported with the necessary supporting documents in the related annual reports.

In the case of airline tickets to be purchased for the following activity year, a reasonable delay for purchase of 2 1/2 months before the trip is applied, meaning that purchases of tickets before 31/08

of Year 'X' can take place ultimately 15th of November of the year 'X+1', as such considering the same deadline as for the above mentioned purchases.

## **Instalments**

The total grant shall be paid by VLIR-UOS in a number of instalments equal to or higher than the number of activity years, and in principle within four weeks after DGD has transferred the funds of the concerned activity year to VLIR-UOS (and, if applicable, provided the institution has submitted its financial claim). Moreover:

- the grant for the first activity year shall be paid by VLIR-UOS within four weeks after signature of the VLIR-UOS agreement by all parties.
- non-compliance with the conditions with regard to the use of the financial means in the previous years and to appropriate reporting, can lead to a reduction of instalment(s) of the grant.

Details as to the first instalment are integrated in the VLIR-UOS agreements.

*The instalment procedure will be further developed/updated in 2023.*

## **Exchange Rate**

To calculate the exchange rate you can choose from 3 methods described below. Once a method has been chosen, it must be applied for the duration of the project.

For Belgian accounts transfer costs can be isolated and are coordination costs. In the partner country transfer costs can be included in the exchange rate.

## MONITORING & REPORTING

*Some items of monitoring & reporting may be detailed or amended in 2023.*

### **Contents**

The annual project report consists of a narrative (Annual Progress Report) and financial report (Annual Financial Report)

### **Formats and submission**

The formats for the Annual Report (APR+AFR) will be made available 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 relevant main budget lines (A-E) are required, not the sub-lines.

*The submission deadlines will be detailed in 2023, on the basis of lessons learned from the FYP1 submission process.*

## JUSTIFICATION OF SPECIFIC COSTS

### **Bank costs (under E)**

**Definition:** Bank costs are costs charged by the bank for the amounts linked to the project such as cash withdrawals, opening an account, ...

For Belgian accounts transfer costs can be isolated and are to be covered by coordination costs. In the partner country transfer costs may be included in the exchange rate.

**Justification:** Bank statement

### **Catering (under B1 or B2)**

**Definition:** All drinks and meals in the context of trainings and events.

*Keep in mind that alcoholic beverages, tobacco and derivative products are non-eligible costs. Pay attention that these costs are not already included in another budget line (per diem, representation costs, hotel cost, ...).*

**Justification:**

- Invoice or other piece of evidence;
- Number of participants;
- The names of the participants (if possible).

### **CO2 compensation (under B4)**

**Definition:** Financing of CO2 compensation. This is only possible:

- Added to the cost of a plane ticket;
- Through a recognised intermediary actor, approved by VLIR-UOS;
- Through an internal climate fund, approved by VLIR-UOS.

*A sustainable mobility policy should be implemented.*

**Justification:**

- A VLIR-UOS document confirming effective CO2 reduction by the intermediary actor. DGD expects an annual report over CO2 emission and its compensation. More details will follow in 2023
- For an internal fund: a detailed report mentioning the costs per project. DGD expects a general report of the functioning of the climate fund once a year. More details will follow in 2023

## **Communication costs (under B1)**

### **1. Monthly amount**

**Definition:** Monthly amount, fixed or variable, per team member for communication. It is important to be able to link the telephone number with a project team member.

**Justification:**

- Contract with the provider;
- Invoice with an amount per telephone number;
- List of team members and telephone numbers;
- Internally approved note fixing the amount attributed per team member related to the project.

### **2. Telephone cards**

**Definition:** Telephone cards bought for temporary operational activities.

**Justification:** Proof of purchase of the card or if this proof is not available a declaration stipulating the amount attributed for the activity to an individual.

### **3. Communication costs as part of a service contract**

**Definition:** Communication charges made in accordance with the contractual conditions.

**Justification:**

- Contract with the natural or legal person who was contracted for this purpose;
- Invoice including the communication cost according to the contract conditions.

## **Meeting rooms (under B1 or B2)**

**Definition:** Rental of meeting rooms for events, seminars, conferences or workshops. Catering and accommodation may be included.

*Subletting of all kinds to itself is non-eligible.*

*Keep in mind that alcoholic beverages, tobacco and derivative products are non-eligible costs.*

*Pay attention that catering is not already included in another budget line (per diem, representation costs, dissemination...).*



**Justification:**

- Invoice or another piece of evidence;
- Using a meeting room within the institution can only be charged to the project if there is an internal procedure with determined prices for all departments within the institution, with, if possible, a preferential rate due to the VLIR-UOS funding of the institution.

**Per diem (under B4 or B5)**

*Pay attention that these costs are not already included in another budget line (communication costs, catering, representation costs,...)*

**1. International**

**Definition:** An international per diem is a daily compensation to cover **the living expenses** when traveling as part of the execution of a project in a country other than the country of residence. The per diem is granted proportionate to the number of nights spent in the foreign country, with a maximum of 21 nights. The amounts stated are granted regardless of the academic degree of the person involved.

**Threshold:** The amount depends on the country and may not exceed the maximum established for federal officials: [Moniteur Belge - Belgisch Staatsblad \(fgov.be\)](#). An up-to-date overview of these maxima is available on the VLIR-UOS website.

**2. Local**

**Definition:** A local per diem is a daily compensation paid to cover **expenses** when traveling to another place - outside the city of duty - to perform duties as part of the project.

**Threshold:** Local per diem should be in accordance with the VLIR-UOS rules (maximum 25 EUR/day). All deviations from the VLIR-UOS rules should be requested before the start of the project. Projects will be asked to submit local legislation to support their request.

**Refundable VAT and Import Duties (under A or B)**

*Some items of VAT and Import Duties may be detailed or amended in 2023.*

**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 the 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.

Threshold: VAT may however be charged to the project budget for purchases of no more than 1.000 EUR or when proof is delivered that reimbursement was denied.

## Representation costs (under B1)

**Definition:** Representation costs are incurred by staff related to the project on a project visit or meeting. In addition to meals and reception costs, small gifts are also acceptable.

*The general principles of thrift, efficiency and effectiveness should be taken into account.*

*Keep in mind that alcoholic beverages, tobacco and derivative products are non-eligible costs.*

*Pay attention that these costs are not already included in another budget line (per diem, catering,...).*

**Threshold:** In section 2 the threshold is determined per programme.

For the moment:

- SI, TEAM, JOINT, IUC, ICP Connect: 500 EUR /activity year
- GM: 2000 EUR/activity year
- ORG and ITP: no representation costs

**Justification:** Supporting documents are required and are indicating:

- The purpose: catering, reception costs, small gifts,...
- The list of names and functions in case of events, lunches, dinners,...

## Accommodation (under B4 or B5)

### 1. Hotel costs

**Definition:** Hotel costs are the costs incurred for the stay in a hotel or an Airbnb for maximum 21 nights.

*Costs of meals, mini-bars, phone bills, internet etc. incurred in the hotel are covered by the per diem.*

**Threshold:** The amount depends on the country and the indicative maximum established for federal officials is: [Vergoeding voor verblijfkosten | BOSA \(belgium.be\)](#). An up-to-date overview of these maxima is available on the VLIR-UOS website.

**Justification:**

- An invoice mentioning dates of overnight stays, name, price and taxes

### 2. Housing rent

**Definition:** Housing costs for a stay that is not part of a scholarship.

*Keep in mind that it is non-eligible to pay housing allowances if staying in their own home.*

**Justification:** For housing allowances the piece of evidence is the signed rental agreement.

## Service contract (under B1, B2 or B3)

**Definition:** Costs made by external experts - not under an employment contract to the Flemish or the partner institution. A service contract is limited in time – within the duration of the project - and usually strongly activity related.

*Pay attention that social legislation is respected.*

*Keep in mind that subcontracting or consultancy for key tasks in the project which belong to the "core business" is non-eligible*

**Justification:**

- Service contract
- Invoice

**Traveling by Car (under A2, B4 or B5)**

*A sustainable mobility policy should be implemented.*

*When choosing the means of transport practicability and value for money must be taken into account.*

**Justification** depends on the vehicle taken:

**1. Rental cars**

- Invoice mentioning the distance and mileage allowance;
- Comparison showing the reasonable rental price of a car.

**2. Taxis**

- Justification made by the driver mentioning date, destination, price and identification;
- Justification made by the staff member, in case the taxi driver doesn't provide a justification, should contain the registration plate number or telephone number or signature of the driver as identification.

**3. Project financed car**

- All vehicles purchased within the project budget are managed using a logbook to make a distinction between project related travel and all other non-project related travel.

**4. Private car in Belgium**

- Justification for the distance mentioned;
- Number of mileages charged according to the Belgian legal mileage compensation is equal to 0.417 EUR/km for the period 1 July 2022 to 30 June 2023  
[Vergoeding voor reiskosten | BOSA \(belgium.be\)](#) ;  
The Flemish institution may deviate from this legal compensation when submitting the institutional procedure for journeys by private car.

**5. Private car locally**

- Justification for the distance mentioned;
- Number of mileages charged according to the partner institution determined procedure for compensation. This compensation may never be higher than the legal compensation for journeys within Belgium.

## Traveling by Plane (under B4 or B5)

*A sustainable mobility policy should be implemented.*

*When choosing the itinerary, the elements of safety, cost-efficiency must be taken into consideration.*

- Standard economy class tickets.

### **Justification:**

- Invoice of airline or travel agency or the internet reservation stating the price of the ticket, the itinerary, the flight date and flight reference;
- Proof of travel: Boarding passes or alternative means to prove the flight took place: visa stamp, link to hotel invoices, report of the journey's outcome,...

## Volunteer allowance (under B1, B2)

A volunteer is a person that is not contractually linked to the project, neither as a staff member or under another (service) contract.

### **1. In Belgium**

**Threshold:** The allowance is attributed according to the legislation on volunteers:

[Vrijwilligers | FOD Financiën \(belgium.be\)](#)

*Pay attention there are other obligations in this legislation as insurance, communication...*

### **2. In the partner country**

**Threshold:** The allowance is attributed according to the locally common rates.

### **Justification:**

- For data collection a list mentioning the services delivered, period of the service rendered, amount paid and currency, name of the beneficiary and their signature;
- For Stakeholder Advisory Boards a dated agenda of the meeting and a signed list of the beneficiary and their functions.

## CONTROL

An expenditure may be charged to the grant if and only if:

- The cost is identifiable and **verifiable**;
- The cost is necessary to achieve the **outcomes** or to manage the project;
- The cost is not **double financed**.

To guarantee these conditions several controls are in place:

### Internal control

There are various levels of internal control:

- VLIR-UOS (sample based – yearly)
- Flemish institution (sample based – yearly)
- Partner institution

### External control

There are various levels of external control, including:

- The Account commissioner or the Company auditor of VLIR-UOS
- External Auditor commissioned by VLIR-UOS
- Control service of DGD
- External Auditor commissioned by DGD
- The Court of Audit.

During their control a sample of underlying supporting documents will be requested to be turned in a limited time frame (max. 1 month). Should those supporting documents not be submitted within that time frame the project is at risk for refusal of reported expenditures.

In order to be able to advocate single audit, each audit must be able to rely on the previous. Therefore a mapping of the different controlling systems need to be made.

# Annex

To be developed: an overview of relevant sections from the Royal Decree and from the sector's Integrity's Charter