

ICP Connect financial guidelines

Supporting powerpoint intro to
the financial guidelines
ICP Connect 2025 Call

Information session
14 December 2023

Summary

1. Introduction

2. Financial framework

3. Budget lines

4. Good to know



1. Introduction

Introduction

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 for the Five-Year Programme 2022-2027.

You can find the financial framework here

More information at our website

This presentation is only a guideline, the financial framework takes precedence !



General principles

A **partner institution** must always be located in **one of the 17 VLIR-UOS partner countries**.

We fund **cooperation**

- Keeping the project objectives in mind, investment costs should be kept as low as practicable
- The primary goal is to **improve the basic conditions** under which **academics** must perform "**their job**"
- Academic staff will be supplied by either the partner or the Flemish institutions.
- Selected input or in-kind co-funding is assumed by the partner institution (office space, tuition waivers, staff support, buildings renovations, etc.)

General principles

The funds are used in accordance with the principles of sound financial management, namely

- (1) thrift,
- (2) efficiency,
- (3) effectiveness, and
- (4) integrity.

Eligible costs

Conditions (Art 35 Royal Decree):

- confirmed by a **piece of evidence**
- identifiable; verifiable ; necessary
- in accordance with the approved **budget**
- during the **period** of the project
- no double financing
- in accordance with the **agreement** that VLIR-UOS has signed with the respective higher education institution
- does not appear on the **list of non-eligible costs**

2. Financial Framework

General framework & guidelines

- Max. budget is € 750,000 (120/180 ECTS) or € 500,000 (60 ECTS)
- **Budget transfer** (roll-over between activity years) is only possible from one activity year to the next (within a given project phase)
 - Underspending: Maximum 10% of the budget
 - Overspending: Maximum 20% of the budget, while not surpassing the total project budget and on the condition that project partners agree on pre-funding
- General advice for operating in partner countries: distribute the budget so that you can account for a slow start in terms of establishing administrative project management procedures, opening local accounts, and so on.
- **Projects cannot be extended**; max. duration is 5 activity years per phase 1 sept X – 31 Aug X+2

Basic information

- Project budget divided in budgets **per activity year**: An activity year runs from September 1st year X till August 31st year X+1.
- Each expenditure has to be reported in the corresponding activity year (**in the respective year the activity was implemented**) : for concrete examples = see financial framework
- Certain costs overlap activity years and in that case more flexibility is allowed. Be vigilant for double reporting!

ICP CONNECT- SUMMARY

Countries	<p>17 partner countries: Benin, Bolivia, Burundi, Cuba, DR Congo, Ecuador, Ethiopia, Indonesia, Kenya, Morocco, Peru, Philippines, Rwanda, South Africa, Tanzania, Uganda and Vietnam</p> <p>12 additional countries are eligible for scholarships: Burkina Faso, Cambodia, Cameroon, Guinea, Haiti, Madagascar, Mozambique, Nicaragua, Niger, Palestine, Senegal and Zimbabwe.</p>
Budgeting	Free, the project is free to spread the total budget over the different activity years
Project duration	5 years maximum per phase. Phase extension is not possible. (<i>exception phase-in</i>)
Budget transfers	<ul style="list-style-type: none">• Underspending: max. 10%;• Overspending: max. 20% while not surpassing the total project budget and on the condition that project partners agree on prefunding.
Instalments	Always follow the original multi-annual planning and initial budget distribution over activity years, as detailed in the contract.
Reporting	<ul style="list-style-type: none">• Narrative (Annual Progress Report) and financial report (Annual Financial Report) for the activity year• Organised through a VLIR-UOS online platform. Deadline is determined by contracting Flemish HEI, in line with VLIR-UOS general timeline for reporting.
Spending rate	Maximum flexibility.

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

- Investment goods are durable goods which means they have a long service life – more than 1 year.
- 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)
- Budget Category ‘A.2. Vehicles’ is not available for ICP Connect.
- Good practice: minimal spending

A. INVESTMENT COSTS (A1 & A3)

A.1. General	
Definition	General investment costs are all investments except for Vehicles (A2) and ICT (A3).
Examples (non-exhaustive list)	Lab infrastructure, equipment, furniture, minor infrastructure works,...

A2. Vehicles: category not available

A.3. ICT	
Definition	ICT refers to all Information and Communication Technologies with a service life of more than 1 year and with a value of more than the relevant institution-specific threshold for investments or indicatively 1.000 EUR, VAT excluded. If an ICT purchase is not an investment it should be registered under <u>ICT Operations & Services (B3)</u> .
Examples (non-exhaustive list)	LAN networks, servers, non-renewable software licenses, laptops, tablets, chromebooks, mobile phones, video conferencing hardware, ...

B - OPERATIONAL COSTS

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

All employment not hired by the Flemish institution or the partner institution is considered a service contract!

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 <ul style="list-style-type: none">• B.2. Dissemination & Uptake;• B.3. ICT;• B.4. International mobility & subsistence• B.5. Local mobility & subsistence
Examples (non-exhaustive list)	Consumer goods, non-durable laboratory equipment, chemicals, shipping costs, documentation, books, copies, minor materials, spare parts, project related office supplies, representation costs, subscription costs, open access publication, service contracts, volunteer allowance, ... <i>These costs may not be included in another budget line (e.g. fuel cannot be charged if a mileage fund is used)</i> B1. Representation costs: threshold maximum 500 EUR/activity year.

B.2. Dissemination & Uptake

Definition	<ul style="list-style-type: none">• 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.• Does not include academic events, academic publications, academic conferences, etc.
Examples (non-exhaustive list)	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, ...

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 A3 ICT.
Examples (non-exhaustive list)	Maintenance of ICT equipment and or B4 software, optimisation of software, systems and equipment, (recurring) license fees, ...

B.4. 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.
Examples (non-exhaustive list)	Plane tickets, train tickets, airport tax, travel agency service fee, CO2 compensation fee, international per diem, hotel costs, visa, international passport, insurance, co-payments (“remgeld”) of travel related health care costs,...

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 institutions or external experts involved in a project activity.
Examples (non-exhaustive list)	Local transportation costs, local per diems, local overnight expenditures...

Justification of specific costs

- Every expenditure needs to be registered in the accounts, supported by a piece of evidence, and paid.
- An expenditure may be charged to the grant if and only if it is confirmed by a **piece of evidence** mentioning the description of the goods or services, the supplier, the addressed institution, the date and a reference number.
- Certain costs need additional proof or are submitted to additional rules:
 - **Hotel costs (B4/B5)**: threshold according to the country and the duration of stay
 - **Catering**: mentioning number of participants – no alcohol & tobacco
 - **C02 compensation**: added to plane ticket or internal climate fund
 - **Communication costs**: link telephone number with the team member(s)
 - **Meeting rooms**: determined prices
 - **Per diem**: threshold according to the country and the duration of stay
- ...

B - International mobility and subsistence

- A sustainable mobility policy should be implemented. When choosing the itinerary, the elements of safety, cost-efficiency must be taken into consideration.
- All students, regardless of their nationality, can receive (limited) financial compensation for travel expenses and other expenses for activities in countries not on the VLIR-UOS country list are allowed. The condition is that the activities must fit within the finality of the ICP Connect project.

B – International/local mobility and subsistence

- Framework ICP Travel Grant & Bench Fee - lumpsum
- ICP Bench Fee : a financial compensation to the host unit (institution or department/unit) to support the mobility to and stay of a person at the host unit.
- ICP Travel Grant a financial compensation for students enrolled in an ICP programme, alumni or students of partner institutions to make a project-related trip. The trip can be part of the curriculum, such as an internship, fieldwork or a thesis, for which a student can acquire a number of credits. The ICP Travel Grant can also be used to participate in summer schools, group travels or other activities organized by the ICP Connect project. The relevance of the activity for which the travel grant is granted overall and for the study progress in particular is assessed by the study programme organisers.

B - International mobility and subsistence

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.

- Hotel accommodation costs in the partner country (indicative max. per country) see [list](#) hotel allowances and international per diem amounts
- Hotel accommodation in Belgium : indicative max. € 200 / night
- Per diem
 - Calculation of the per diem: number of nights abroad
 - In Belgium : € 100 / day

B - Service contracts (under B1, B2 or B3)

- Social legislation should be respected.
- Subcontracting or consultancy for key tasks in the project which belong to the "core business" is non-eligible
- Services delivered and 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**.
- Service contracts should be **linked to project activities** and **support operational activities**. Operational budget consisting mainly of service contracts would be very questionable.
- For smaller services and less than 375 EUR per person and activity year - (e.g. a farmer delivering small services) the compensation for the services is considered an allowance which doesn't require an invoice.

C - PERSONNEL COSTS

C. PERSONNEL COSTS

C1. Employment Contracts

C2. Topping-up (not available)

Justification: verification of time spent on the project, and reconciliation of the amounts charged, and personnel costs incurred

C1 – Employment Contracts

- **Definition:** Personnel costs related to the employment of persons
 - **contracted** by the partner institution or the Flemish institution
 - according to the **salary policy** of the institution
 - during the **period** of employment within the project implementation period.

C - PERSONNEL COSTS

- Category C1: also available for Flemish institutions, excluding the salary of the promoter.
- This category is mainly for technical and administrative support functions. Academic staff that bear responsibility for the implementation of (parts of) the project is to be made available by both the Flemish and the partner institutions.
- **Good practice:** *There is an indicative max. 65% of the budget that may go to personnel costs over the total duration of the project, individual activity years may diverge from this percentage. This is not an absolute maximum, projects can diverge from this %, but will be asked to explain why they do so, both in the budget and/or the reporting.*

D - SCHOLARSHIP COSTS

- Only short-term scholarship allowances in Belgium or in partner country are available (D1 and D4) **as part of the project funding**
- 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 persons/
- The maximum amount for a local, hybrid or online scholarship allowance is the amount foreseen for a stay in Belgium. The amounts of a local scholarship are to be in line with partner institution and national guidelines.
- Scholarship candidates must be a national and resident of one of the 29 VLIR-UOS scholarship countries.
- Details can be found in the Framework for scholarships in Belgium

E - COORDINATION COSTS

- The coordination cost is a lump sum which covers administration and coordination costs as well as non-attributable institutional costs related to the institutional management of the project.
- **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, bank costs etc.
- **Threshold:** The coordination costs are fixed on the basis of the approved budget of budget lines A, B, C and D. The coordination costs in Belgium plus the local coordination costs is **limited to 10% of budget lines A, B, C and D.**

E - COORDINATION COSTS

- The **distribution** of the coordination costs within subcategory E1 and/or E2 in case there are **multiple partners** can be decided by the parties involved but is to be **clear ideally when submitting the project and budget proposal**.
- The coordination costs are fixed based on the approved budget and are divided under the umbrella of equal partnerships (if applicable):
- **In case of no additional contractual partner institutions in the Global South:**
 - E1. Coordination costs at the level of the Flemish institution
Fixed at 10% of the sum of budget lines A-D of the initial budget
- **In case of additional contractual partner institutions in the Global South:**
 - E1. Coordination costs at the level of the Flemish institution
Fixed at 5% of the sum of budget lines A-D of the initial budget
 - E2. Coordination costs at the level of the partner institution(s)
Fixed at 5% of the sum of budget lines A-D of the initial budget.

4. Good to know

Exception: phase-in year (AY 0)

- To meet the demand for the ability to use a portion of the project budget to finance the necessary costs associated with preparation an **optional phase-in year** is foreseen during academic year **2024-2025**.
- Max. budget of € 50,000
- Deducted from the total available budget
- Certain costs can be financed such as promotion, campaign, personnel, etcetera).
- The phase-in option is available but not mandatory.



Complementary budget

- Extra one-time bonus of € 20,000
 - Only for inter-institutional programmes (multiple Flemish HEI's)
 - Added on top of the total available budget
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ICP – SCHOLARSHIPS

- The ICP Scholarships contract concerns the funding, modalities and management of the scholarships awarded to the Flemish institution's ICP Connect projects.
- Different budget – total calculated by VLIR-UOS
- The scholarship budget amounts to a maximum yearly intake of:
 - Annual intake of 12 / 10 new 1st year scholarships per study programme per academic year (Phase 1/2) (for programmes of 60-90-120 ECTS);
 - Annual intake of 8 / 7 new 1st year scholarships per programme per academic year (Phase 1/2) (for programmes of 180 ECTS).
- Spending rate based on actual expenditures
- Scholarship candidates must be a national and resident of one of the 29 VLIR-UOS scholarship countries (not necessarily the same country) at the time of application

ICP – SCHOLARSHIPS

- Has specific budget lines
 - D. Study allowance
 - D. Airline ticket and exceptional extra travel costs
 - D. Other costs
 - E1. Coordination costs
- The coordination costs are fixed at 10% of the real expenditures (budget lines A-D) of the Flemish institution. The scholarship budget amounts to a maximum yearly intake of:
- Details can be found in the [Framework for scholarships in Belgium](#) – study scholarships



Questions, remarks, reflections ?

Thank you!