ITP financial guidelines

Supporting powerpoint intro to the financial guidelines
ITP 2024 Call

Information session
16 November 2023
Summary

1. Introduction

2. Financial framework

3. Budget lines
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. ITP budget is 150,000 EUR

• **Budget transfer** (roll-over between activity years) is possible. No limitations for under/overspending

• 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 3 activity years
  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!
### INTERNATIONAL TRAINING PROGRAMME (ITP) - SUMMARY

| Countries | 17 partner countries: Benin, Bolivia, Burundi, Cuba, DR Congo, Ecuador, Ethiopia, Indonesia, Kenya, Morocco, Peru, Philippines, Rwanda, South Africa, Tanzania, Uganda and Vietnam  
12 additional countries are eligible for scholarships: Burkina Faso, Cambodia, Cameroon, Guinea, Haiti, Madagascar, Mozambique, Nicaragua, Niger, Palestine, Senegal and Zimbabwe. |
<table>
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<tr>
<td>Budgeting</td>
<td>Free, the project is free to spread the total budget over the different activity years</td>
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<tr>
<td>Project duration</td>
<td>3 years maximum. No extension is possible.</td>
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| Budget transfers | • Underspending approved annual budget: no limitations;  
• Overspending approved annual budget: no limitations within total amount of the 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 | • 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

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<td><strong>E.1. Coordination costs in Belgium</strong></td>
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<td><strong>TOTAL</strong></td>
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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 ITP.
- 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 is should be registered under ICT Operations & Services (B3). |
| 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 of persons not contracted by the Flemish institution, or the partner institution are service contracts
# B - OPERATIONAL COSTS

## B.1. General : Goods & Services

| Definition | All operational costs, goods or services, with the exception of those costs under the specific categories  
|            | • B.2. Dissemination & Uptake;  
|            | • B.3. ICT;  
|            | • B.4. International mobility & subsistence  
|            | • B.5. Local mobility & subsistence |

| Examples (non-exhaustive list) | 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, …  
|                               | *These costs may not be included in another budget line (e.g. fuel cannot be charged if a mileage fund is used)*  
|                               | **B1. Representation costs: threshold maximum 500 EUR/activity year.** |

## B.2. Dissemination & Uptake

| Definition | 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.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, C02 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:
  o **Hotel costs (B4/B5)**: threshold according to the country and the duration of stay
  o **Catering**: mentioning number of participants – no alcohol & tobacco
  o **C02 compensation**: added to plane ticket or internal climate fund
  o **Communication costs**: link telephone number with the team member(s)
  o **Meeting rooms**: determined prices
  o **Per diem**: threshold according to the country and the duration of stay

• ...
B – International/local mobility and subsistence

- International Mobility & Subsistence (B4) or Local Mobility & Subsistence (B5) should not be used to replace scholarships of participants!

- Trainees who do not receive a scholarship but who are enrolled in an ITP can also receive limited financial support in the framework of the ITP project (such as transport costs, activity-based costs, ...).

- A sustainable mobility policy should be implemented. When choosing the itinerary, the elements of safety, cost-efficiency must be taken into consideration.
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

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.

• Category C1: also acceptable 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.**
C - PERSONNEL COSTS

C2 – Topping up

Definition: an approved activity-based supplement to the salary of staff members of partner institutions can be funded. To be kept to a minimum overall in the project budget and needs to be part of the initial proposal.

- only a topping-up salary, awarded to partner institution staff to support specific project activities, are acceptable,
- limited to an indicative maximum of 40% of the gross local salary
- persons that will receive a topping up are to be listed in the project proposal

Good practice: It is advised that topping-ups should be kept to a minimum since we consider that standard academic responsibilities are not to be attributed to the project since we regard this local personnel input as the matching fund from the partner institution.
D - SCHOLARSHIP COSTS

• The general principle for a project/embedded scholarship is that it contributes to capacity building:
  • at level of the involved department of the partner institution
  • at the level of the individual

• Scholarship costs are costs linked to scholars following a training either in Belgium or in their country/region or somewhere else

• Scholarship candidates must be a national and resident of one of the 29 VLIR-UOS scholarship countries. Exceptionally, candidates of a different nationality who work for a target organisation in an ITP partner country may be given a scholarship.
D - SCHOLARSHIP COSTS

- 8 trainees with a scholarship per training edition at minimum – no maximum. These can be the same scholars during several editions.

- Only short-term scholarship allowances in Belgium or in partner country are available (D1 and D4).

- The maximum amount for a local, hybrid or online scholarship allowance is the amount foreseen for a training held in Belgium.

- In terms of efficiency, each training lasts at least consecutive 7 days, days of travel not included. This applies regardless of whether the training is physical, online, or hybrid. The maximum duration of a consecutive training is 6 months.

- Details can be found in the Framework for scholarships in Belgium.
D – Short term scholarship allowance

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

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

In terms of efficiency, each training lasts at least consecutive 7 days, days of travel not included. This applies regardless of whether the training is physical, online, or hybrid. The maximum duration of a consecutive training is 6 months.
D – Short term scholarship allowance

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

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

*Exceptionally, extra costs can be budgeted (esp. for accommodation, indirect travel costs)*
D – Local/online/hybrid scholarships

• The maximum amount for the local, hybrid or online scholarship allowance is the amount foreseen for a training held in Belgium.

• The amounts of a local scholarship are to be in line with partner institution and national guidelines.
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.
Questions, remarks, reflections?

Thank you!