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SI 2025 financial guidelines

24 October 2024

Summary

Introduction

2. Financial framework

3. Budget lines

4. Scholarships



1. Introduction

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General principles

Why is the budget **important?**:

- Part of the **selection process**. Budgets should be realistic and reflect what is being described in the project proposal.
- Upon selection, the budget is a part of the **formal agreement/contract** between VLIR-UOS and the project. (Annex)
- The budget **instalments** will be planned according to the approved budget
- Upon selection, it is a reference document that will be used during the **yearly control & reporting process**. (this of course in general terms)

General principles (2)

A **partner institution** must always be located in **one of the 18 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.)

2. Financial Framework

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Financial Framework

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



General

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**

Framework & Guidelines - SI

- Max. SI budget is 70.000 EUR

- 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

- **Budget transfer** (roll-over between activity years) is possible

- **Projects cannot be extended**; max. duration is 2 activity years 1 sept X – 31 Aug X+2

Basic information

SI programme – SUMMARY	
Countries	18 partner countries: Benin, Bolivia, Burundi, Cuba, DR Congo, Ecuador, Ethiopia, Indonesia, Kenya, Morocco, Palestine, Peru, Philippines, Rwanda, South Africa, Tanzania, Uganda and Vietnam
Budgeting	Free, the project is free to spread the total budget over the different activity years
Project duration	2 years maximum. No extension is possible.
Budget transfers	• Underspending approved annual budget: proved annual budget: no specific 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	Projects report on expenditures compared to overall project budget/balance. Annual Reporting deadline is determined by contracting Flemish HEI, in line with VLIR-UOS general timeline for reporting.

3. Budget lines

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3. Budget lines

A. Investment costs

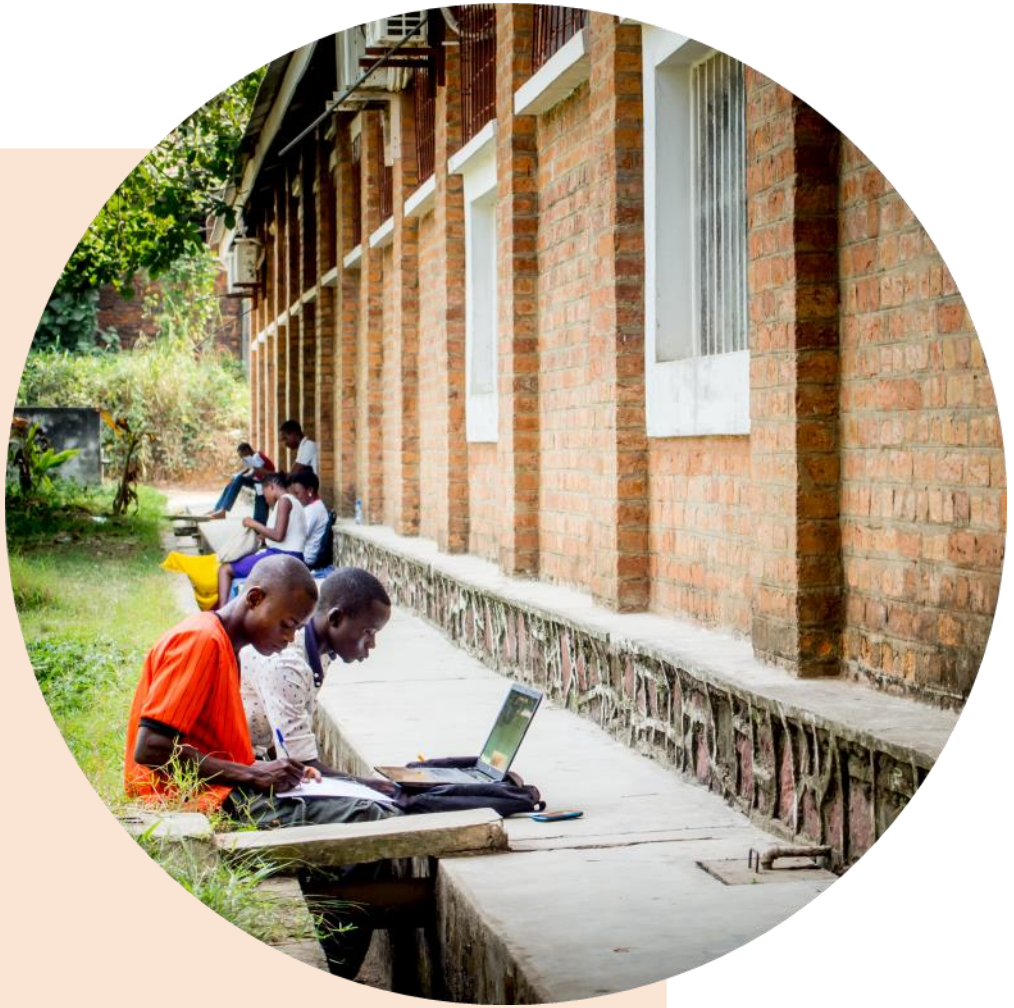
B. Operational costs

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 count
D.5. Study scholarship allowances in partner country
D.6. Research scholarship allowances in partner countr
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E. Coordination Costs
E.1. Coordination costs in Belgium
E.2. Partner coordination costs

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)

- Good practice: minimal spending, major infrastructure works are to be avoided.

A - INVESTMENT COSTS (A1 & A2)

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,…

A.2. Vehicles	
Definition	The purchase of different kinds of vehicles or means of transportation (electrical, motorized or other). Includes all costs prior to or related to the purchase and commissioning of a vehicle (registration, documents, shipment, …).
Examples	cars, motorcycles, bycicles, … (non-exhaustive list)

A - INVESTMENT COSTS (A3)

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 and to be budgeted under operational costs.

Good practice – Operational costs in Belgium Operational costs in Belgium are to be kept to a minimum and are only allowed, providing they are instrumental in reaching the project objectives and were foreseen in the budget proposal, and/or justified in the Annual Progress Reporting.

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 - OPERATIONAL COSTS

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, optimalisation of software, systems and equipment, (recurring) license fees, …

B - OPERATIONAL COSTS

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

- 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)
  - **Per diem**: threshold according to the country and the duration of stay
- ...

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 1,000 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, but a s(An expense report signed by the third party indicating the link to the project (activities) and mentioning at least name, date of service, calculation of the allowance according to the local rates. The beneficiary confirms that he/she does not receive any renumeration for this service by an employer and that he/she is aware of the tax and social security obligations if any.)

C - PERSONNEL COSTS

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

This budget line is not available for personnel costs at Flemish Institutions

C1 – Employment Contracts

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

The overall share of payment of individuals - personnel costs and service contracts - is to be kept to a minimum. An indicative amount of 25% of the budget going to combined personnel costs (C.) and service contracts (B.) is a good practice.

4. Scholarships

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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 having scholars study / conduct research either in Belgium or in the country/region of origin
- Scholarships may only be awarded to individuals with an **affiliation to the partner institution**, limited to persons with a nationality of an OECD-DAC country.
- If the affiliated scholar (of an OECD-DAC country) has a different nationality of the country the partner institution is located in, the scholar may receive scholarships provided there is sufficient assurance of long-term commitment within the institution.
- Details can be found in the Framework for scholarships in Belgium

D – Study/research scholarships

- Common monthly allowances “all-in” (lump sum), except for flight tickets

Study	1.400 EUR/month (no distinction 1- and 2-year programmes)
Research	1.900 EUR/month + 310 EUR research & supervision when in Belgium (up to max 24 months)

- This includes: board and lodging in Belgium, insurance, logistical allowance indirect travel costs, Tuition or registration fee

This does not include:

- airline tickets (contrary to earlier info on new guidelines, taking into account major differences per country)
- research and supervision cost will be apart

D – Good practices project Phds

- SI are short term projects so PhD costs are to be limited, rather focussed on the finalisation of ongoing PhDs.
- Considering that persons who are granted a PhD scholarship as part of a project are expected to be under contract at the partner institution, **deloading from normal duties** – academic and/or administrative – is expected so that sufficient time can be devoted to the scholarship.
- The Flemish institution is committed to ensure that study or research stays of scholars, being selected partner institution scientists, are organised in such a way that the results are of **maximum benefit to the project**.
- The Flemish institution and the partner institution will jointly establish procedures and **criteria for selection of candidates** for study or research stays abroad. The selection of scholars is the joint responsibility of the Flemish and local promoter.

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 – 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**.



Questions, remarks, reflections ?

Thank you!

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