
HEALTH HUB TIROL GUIDELINE COST GUIDE

Call for tender 2022
Annex II

The funded part of the research and development project must come completely into one or more of the following categories:

- basic research
- industrial research
- experimental development

The eligible costs of research and development projects must be assigned to one of these research and development categories.

According to Article 1(4)(a) of the General Block Exemption Regulation (GBER) (Commission Regulation (EU) No. 651/2014), no new aid may be granted to an undertaking which is subject to an outstanding recovery order following a previous European Commission decision declaring an aid illegal and incompatible with the internal market.

According to Article 6 of the GBER No. 651/2014 (incentive effect), the beneficiary may only start the project once the written application for aid has been submitted. According to Article 2(23) of GBER No. 651/2014, the first legally binding order that makes an investment irreversible shall be considered as the start of the project.

All receipts must be recorded using separate accounting systems or using a separate accounting code (cost centre).

1. Economy, efficiency and effectiveness

For contracts with an estimated net value of € 5,000 or more, a written quote from three suppliers independent of the beneficiary must be obtained as proof of reasonableness. Any deviations from this proof of reasonableness must be justified and documented in a transparent manner.

Observance of the principles of economy, efficiency and effectiveness must be demonstrated even if the total invoice amount is less than € 5,000 net. The following can be used as possible types of proof:

- obtaining price quotations
- market price research
- relevant internal procurement guidelines

- fixed procurement systems
- reference systems for certain cost items
- other types of evidence, which must, however, be clarified with the funding agency before placing the order

In the event of a repeat order, the requirement to obtain three price quotations may be waived if similar services are ordered under at least the same terms and conditions, the price reasonableness of which has already been determined within the last 24 months.

2. Receipts

The expenditure incurred by the beneficiaries must be supported by receipts, which must be included in the list of receipts as specified in the report template.

Standortagentur Tirol and higher-level regulatory bodies must be given the opportunity to inspect the original receipts until the end of the retention period specified in the funding agreement.

By signing the respective receipt lists, the beneficiaries make a legally binding declaration that they shall not make unauthorised multiple submissions of receipts.

All receipts should be marked in such a way that they can be clearly associated with the project. Their allocation to the funded project and/or differentiation from other expenses/expenditure must be evident from the structure of the accounting or cost calculation.

It is advisable to instruct suppliers to state the project reference on the invoice.

3. Personnel costs

Personnel costs include expenses for researchers, technicians and other personnel, insofar as they are engaged for the project. The work activity must be documented by means of hourly records and assignment to the respective work package.

Expenditure on personnel is limited to the following costs:

- Wage/salary payments specified in a job or employment contract, appointment decision (hereinafter both referred to as "employment document"), or established by law, plus statutory employer's contributions.
- Costs for benefits in kind are not eligible.

Personnel costs are reimbursed as follows:

- a) For employees not engaged 100% in a project, the hourly rate is calculated by dividing the actual eligible personnel costs for a calendar or fiscal year or, for employees who have not been employed for the entire year, the period of employment by the actual hours worked during that period. The calculation shall be made using the form provided by the funding agency.
- b) For employees working full-time in a project, the personnel costs will be reimbursed in full.

Supporting documents

Personnel costs are only eligible if the following documents are provided:

- a) Proof of employment and the extent of employment in the form of an employment contract or freelance service contract
- b) Proof of calculation of personnel expenses in the form of an annual payroll
- c) Proof of calculation of the hourly rate through completion of the relevant document provided by the funding agency
- d) Project timesheets and associated activity logs should be signed and dated by both the employee and their supervisor or the project manager, and laid out in such a manner that they can be attributed to the project. In addition, records of workers' attendance ("clocked in/out") must also be submitted. At the request of the funding agency, project timesheets must also be submitted for all other publicly funded projects in which the employee is engaged.
- e) Proof of payment can be provided on the basis of a random sample of all individuals for whom personnel costs are charged in the project. Individual personnel cost items may also be verified on a random sampling basis.
- f) The reasonableness of the personnel costs must be demonstrated. For this purpose, reference shall be made to the relevant statutory provisions, collective agreements or company agreements or, in exceptional cases, customary organisational practices, set down in writing.

4. Overheads

Overheads shall be reimbursed at a flat rate amounting to 15% of the approved personnel costs.

Overheads are expenses that cannot be directly attributed to a project but serve to maintain the operations of the respective institution.

Indirect costs include the following in any event:

- a) rent, leasing
- b) insurance and taxes for buildings
- c) consumables and materials
- d) office supplies;
- e) accountancy and tax consultancy services
- f) maintenance, cleaning and repair
- g) communications (telephone, fax, Internet, postal services)
- h) secretarial, accounting, management, control, personnel accounting, human resources, IT, executive employees
- i) energy costs
- j) low-value assets
- k) copies, printed matter, technical literature, marketing
- l) education and training
- m) legal, consulting and auditing expenses
- n) operating costs

Supporting documents

Proof of overhead costs incurred must be provided as part of the application process.

Upon request, an overhead cost calculation must be submitted as part of the project accounting.

5. Entrepreneur salary

The entrepreneur salary is a fixed-cost compensation for verifiable work performed by self-employed persons who are acting in a managerial capacity in the company and have project-relevant professional qualifications.

Expenses for in-kind contributions in the form of unpaid labour or entrepreneur salary are eligible in the case of funding **for SMEs** pursuant to Article 69 (1)e of Regulation (EU) 1303/2013.

For verifiable unpaid work performed by self-employed persons (sole proprietors, non-employed partners, freelancers, etc.) as beneficiaries, a lump sum of **€34.08** per hour (Horizon 2020) based on timesheets can be approved, up to a maximum of **860 hours** per person per year, provided that the following conditions are met:

- a) The service provider is verifiably active in the company with a high level of professional qualification relevant to the project.
- b) The beneficiary demonstrably participates in the funded project with this relevant qualification.

Supporting documents

The following supporting documentation must be provided by the beneficiary to verify the eligibility for funding of the unpaid labour costs:

- a) Proof of SME status
- b) The project-relevant qualification of the beneficiary should be demonstrated by the documents submitted in accordance with the funding application.
- c) Proof that the beneficiary is self-employed for the company must be provided for the funding period by submitting a confirmation of registration with the Austrian Social Insurance Institution for Commerce and Trade (Sozialversicherung der gewerblichen Wirtschaft) or, if possible, by submitting an excerpt from the Commercial Register (Firmenbuchauszug).
- d) Project timesheets and associated activity logs should be signed and dated by the beneficiary, and laid out in such a manner that they can be attributed to the project.
- e) It shall be documented that on completion of the project, the total amount of public funding is less than the total cost of the project excluding the entrepreneur salary.

6. Travel expenses

Travel and accommodation expenses are expenses incurred exclusively for the purpose of project-related domestic or international travel by the aid recipient's personnel who have been assigned to the project.

The following expenses are eligible:

- a) public transport fares

- b) official mileage allowance or car rental expenses
- c) accommodation expenses

Supporting documents

The beneficiary is required to submit the following supporting documents to verify the eligibility of travel and accommodation expenses:

- a) receipts
- b) proof of payment
- c) Proof of project relevance of the respective travel in the form of
 - I. invitation and
 - II. program or description of the purpose and scope of the trip and
 - III. the signed attendance list or a confirmation of participation.

Daily allowances for travel are excluded from funding.

7. Instrument and equipment expenses

Expenses for instruments and equipment are eligible insofar as and for as long as they are used for the project. If such instruments and equipment are not used for the project during their entire lifespans, only the depreciation in value during the duration of the project, as determined by generally accepted accounting principles, shall be considered eligible for funding.

Supporting documents

The expenses can only be reimbursed if:

- purchase orders and proper invoices are provided
- in the case of a total invoice amount of € 5,000.00 net or more, price quotations from three suppliers have been obtained as proof of reasonableness. Deviations from this proof of reasonableness must be justified and documented in a transparent manner. Compliance with the principles of economy, efficiency and effectiveness must be demonstrated for a total invoice amount of less than € 5,000 net in the manner provided for in paragraph 1 of this guideline.

- In the case of settlements between affiliated companies or partner companies, three price quotations must be obtained as proof of reasonableness irrespective of the amount. Deviations from this proof of reasonableness must be justified and documented.
- when the depreciation amount is recognised, the asset register showing the acquisition value and service life is available.
- in the case of fractional depreciation, the pro rata use is documented in an appropriate form.
- Beneficiaries who meet the criteria of a public contracting authority under the Public Procurement Act must comply with the provisions of the Public Procurement Act when subcontracting work to third parties.

8. Third-party costs

Costs for external services (third-party costs) are costs incurred in a project for the procurement of services and settled on the basis of work contracts or written agreements.

Costs for external services (third-party costs) are eligible for reimbursement provided that these costs are directly related to the funded project to the extent that they are necessary for achieving the project objective and have been agreed as a cost category in the co-financing contract.

Supporting documents

The beneficiary must provide the following supporting documents to verify the eligibility for reimbursement of direct costs for external services:

- a) in the case of public contracting authorities, compliance with procurement rules (award of contracts) and adequate documentation of the procurement process
- b) a detailed service specification
- c) price reasonableness
- d) a service contract or a written agreement must be submitted showing the project relevance of the procured service, the scope of the service including the detailed service specification, the fee amount and the time period of the service provision
- e) performance of the service in accordance with the contract
- f) an invoice for the charges
- g) proof of payment of charges

The principles of economy, efficiency and effectiveness according to Item 1 of this Cost Guide shall be observed by all means.

9. Ineligible expenses

In any case, the following costs are ineligible:

- a) costs for goods and services that are not consistent with the approved scope of the project
- b) costs based on individual receipts for amounts of less than € 200 (net)
- c) costs exceeding € 5,000 net, paid in cash
- d) costs that are not clearly attributable to the beneficiary – not even by means of transparent partial payment calculations
- e) costs that are definitively borne by third parties
- f) value added taxes on eligible goods and services, unless they are verifiably, de facto and definitively borne by the beneficiary
- g) unpaid or unused partial invoicing amounts (e.g. claims for damages, warranties, cash discounts, rebates, security deposits, etc.)
- h) costs of business lunches/hospitality offered to own employees by the beneficiary, business lunches/hospitality for project partners, and beneficiary's expenses for third-party hospitality, with the exception of hospitality for events, if they are specified in the co-financing agreement
- i) [business] gift expenses
- j) tips
- k) fines, penalties and legal costs
- l) costs related to exchange rate fluctuations and financial transaction fees
- m) daily allowances for travel by beneficiary's employees
- n) lessor's expenses and lease financing costs