

Guideline for the Project Budget Proposal

1. Budget

As described in the *Framework for ICARS' Demonstration Projects*, the ministry/institution having the Finance Manager role is responsible for managing the finance, including financial reporting in addition to overall fiduciary oversight. See *Tasks and Responsibilities of the Project Coordinator and the Lead Researcher* for more detailed information.

The Project Proposal must contain a budget for the research project, which should be developed using the *Budget Template*

It is important to involve ICARS Finance and Grant Manager in the budget discussions prior to submitting it for the approval.

The budget forms must be filled in USD with the amounts applied for from ICARS (not including co-funding). It is expected that the Responsible Ministry and co-applicant institutions or universities and partner stakeholders will provide additional resources to the research project in the form of co-funding. Co-funding may be provided in the form of monetary contributions **or** as payment 'in kind', i.e. by making equipment, office space, staff etc. available, in which case this should be detailed in the budget notes (budget form 5). The in-kind contribution should be expressed in monetary value. Where such value is not available, the market value of similar goods/service/provision must be used.

The budget of subcontractors must be included in the budget of one of the partner co-applicant research institution or universities or partner stakeholders if applicable, and should be clearly explained in the budget notes (budget form 5).

Eligible budget items (please see following text for further explanation of eligibility)

- Salaries and emoluments
- Tuition fees/educational grants
- Expenses for trips and fieldwork
- Research equipment and material
- Publication, dissemination and outreach
- Overhead
- External audit
- Contingency

Ineligible budget items

Only costs directly related to the project should be charged to the project.

The following costs will not be allowed:

- Cost of alcohol is not allowed at any time.
- Costs of non-project related activities, such as parties, socialising events, etc.
- Office and other costs not directly related to the project, such as purchase of shared printer, kitchen and other shared equipment.
- VAT in cases where the downstream partner is eligible for VAT refund.

Salaries and emoluments

This budget item covers salaries and emoluments for staff, depending on national structures for reimbursement of time spent working on the project. This reimbursement is termed "salary" in the remainder of this document for simplicity.

The salaries are expected to reflect the actual compensation ranges according to the local cost norms (e.g. organisational policies, salary brackets, comparable roles). The markup of up to 15% of the actual salaries is allowed to ensure sufficient engagement of persons working on the project. The specific salary rates should always be agreed with ICARS.

The partner must provide institutional documentation for the applicable national cost norms. Where such cost norms are not available, the relevant ministry / research institution must provide documentation confirming that the salary levels used in budget preparation are at the levels that exist for similar positions within the country. Salaries are either compensation/replacement salary paid to the institution for the time the staff allocated to the research project, or compensation payment for over-time, either hourly or performance based. Payment for consultancy fees is explicitly precluded.

ICARS will not cover salary for the time spent related to the research project in the Responsible Ministry (or ministries), since this is regarded as an in-kind contribution from the country. However, salary and economy travel costs of the Project Coordinator and other ministry staff for involvement in the co-operation and coordination of the research project can be covered, even if the person is working in the Responsible Ministry.

By signing off on the Project Proposal, the ministry/institution in charge of the financial management of the grant verifies that the budgeted project salaries and fees in the budget for co-applicant research institutions or universities, partner stakeholders and subcontractors comply with applicable collective labour agreements and national legislation. The ministry/institution must also ensure that current remuneration ranges at all co-applicant research institutions or universities and partner stakeholders are applied and that salaries in the budget are based on gross salaries and do not include double payment or payments on consultancy terms.

It is the responsibility of the ministry/institution to ensure that the budget for salaries will comply with local tax structures and include any additional allowances, holiday allowances, labour market pension schemes, pension contributions, salary increases triggered by labour market agreements and seniority etc.

The lead research institution, responsible ministry, co-applicant research institutions and partner stakeholders are responsible for insurance of individual project participants (including during travel). Thus, ICARS cannot be held responsible for injuries and accidents in connection with implementing the research project.

Tuition fees/educational grants

Tuition fees, educational grants and research costs for master's and PhD students can be covered for the duration of the research project. The educational grants must follow the rules and regulations of the institution in question and at a national level. The grant is placed at the disposal of the institution and is intended to cover expenses incurred in connection with the grant, i.e. direct research costs, courses, brief trips, stipend for student living expenses and study periods at other national or international institutions. Throughout the research project ICARS will also provide supervision where needed, including through dedicated international research expertise.

When the research project has come to an end, ICARS does not have any financial commitments. Therefore, the institution in which the students are enrolled must clearly state in the budget notes that they will provide the financial support needed to finalise the master's or the PhD project, if it has not been completed by the end of the ICARS funding.

The research should be conducted within the borders of the partner country. ICARS may cover costs for PhD students enrolled outside the partner country if specific programs or competences, are not available nationally, or the quality of such education within the country is not at the required level for the project. If PhD costs are covered by the funding, travel expenses for planned trips and fieldwork for the students must be included in the budget under the budget item "expenses for trips and fieldwork".

Expenses for trips and fieldwork

For project staff, the project budget can only cover accommodation costs, per diem and other reimbursable costs according to their institution's policies, regulations and local cost-norms. However, should local per diem rates exceed ICARS applicable rates, ICARS rates must be applied. The cheapest fare should be applied, and frequent flyer points earned on the flights cannot be used for private purposes. Budgeted travel must be justified and directly related to project activities. The table outlining planned flights as part of the budget template must correspond with the travel expenses.

If a researcher is not covered by personal insurance or similar, an amount for health insurance per month for travel outside the home country may be included.

Travel expenses for master's or PhD students enrolled at institutions outside the partner country must be included under this budget item.

Research equipment and materials

Under this category, only equipment or any other device that is directly related to the project activity will be eligible for ICARS' funding. Equipment must have a clear justification for the project, and this should be included within budget notes.

All purchases must be in accordance with international and national procurement regulations. The budget items for project and research equipment cover the running costs and expenditure of acquiring necessary equipment, apparatus, literature, IT equipment, insurance, etc.

Project expenses must not include VAT, in the case that it is possible for ICARS, co-applicant research institutions or universities and partner stakeholders to receive VAT refund.

Publication, dissemination and outreach

Under this budget item, expenditures for ongoing, current or subsequent dissemination and publication of research findings may be included, for instance:

- Publishing of reports etc.
- Minor publications for local dissemination
- Production of material for dissemination through websites and other electronic media
- Participation in conferences
- Holding of workshops and seminars
- Alternative forms of dissemination

Research results must be published open access in peer-reviewed journals in accordance with *ICARS' Intellectual Property and Open Access Policy*. Publishing costs should be included in the budget.

Travel expenses and salaries in connection with workshops and conferences must be included under their respective budget lines.

Please note that ICARS' communications team will support the project's communication and dissemination of research findings.

Overhead

Overheads are calculated as a fixed percentage of direct costs following the rates given below in Table 4. For partner private sector stakeholders and for-profit organisations the budget can only include salaries and travel expenses covering their direct contribution to the project activities, meaning that no overhead to cover indirect administration costs can be included.

The following indirect costs are considered to be covered by the overhead:

- Management involvement in the cooperation and coordination of activities at participating research institutions and universities
- Recurrent office and office set-up expenses (office furniture, rent, cleaning, stationery, transport, electricity and water, support staff, and other general recurrent expenses)
- Expenses related to staff carrying out general administrative tasks, such as budget, accounting, HR, IT and legal tasks.

Additional funds cannot be allocated to these types of expenses that are greater than the overhead.

TABLE 4. MAXIMUM OVERHEAD RATES

Type of Institution	Maximum Overhead
LMIC-based research institutions, universities and non-profit organisations	15 %
Research institutions, universities and non-profit organisations based elsewhere	10 %

* For multilateral organisations the general norm to cover indirect costs is 10 % overhead. However in case the governing bodies of a multilateral organisation has a fixed overhead/indirect cost rate that is higher, ICARS may on a case-by-case basis make an exemption to this rule.

The overhead rates provided above are the *maximum* rates allowed. If a co-applicant research institution, university or partner stakeholder has an actual overhead/indirect cost rate that is lower, the lower rate will apply and the institution/university/stakeholder may *not* increase the funding request to the maximum overhead rate allowed. Co-applicant research institutions or universities and partner stakeholders are required to provide documentation if they have a general overhead/indirect cost rate.

Example

A participating non-profit organisation based in an LMIC has an organisational actual overhead/indirect cost rate of 8 %, i.e. for every 1,000 dollars in direct costs, it has 80 dollars in indirect costs. Rather than defaulting to the maximum rate of 15 % overhead, 8 % must be included in the budget.

The actual overhead awarded in a grant budget may vary up to the maximum overhead rate and is based on a case-by-case decision depending on factors including, but not limited to, the type of research project, the level of administrative effort required, the overall grant size and the extent of sub-awards.

Contingency

For flexibility purposes, contingency of maximum of 5% of the direct costs can be included. It will be possible to use this amount for the cost items directly related to the project that were encountered in the process of project implementation and that were unforeseen in the process of budget preparation. These costs should not include items that otherwise should be absorbed by the project overhead. Utilisation of the contingency must be communicated and agreed with ICARS during project implementation.

Audit

The annual and the final accounts must be externally audited, and the audit is to include the entire set of project accounts, including the accounts of every partner institutions/stakeholders. The maximum amount to be used for audits is 4,500 USD per year and 7,700 USD for the final audit. The funds for audit are earmarked. Additional expenses will not be accepted, but must be borne by the research institution or ministry responsible for the financial reporting. The audit expenses are not subject to overhead. See *Guideline for Project Administration* for more information.

2. CVs of the Project Coordinator and Key Researchers

CV's of the Project Coordinator and key researchers must be enclosed. It is important that:

- The individual CVs do not exceed five A4 pages (ensure to include experience applicable to the project, as well as key scientific publications and reports relevant to the application)
- All CVs **must be compiled to a single PDF** where the names of everyone are clearly stated in a table of contents which constitutes the front page of the appendix.
- CVs should be concise and specific to the project requirements, in line with the above page limit.

Projects can use their own template, or alternatively may use the ICARS *Template for CVs of the Project Coordinator and Key Researchers*. The same requirements apply regardless of the format used.