

COST GUIDELINE

LBG CLINICAL RESEARCH GROUPS

CALL 2022/23



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The Cost Guideline at hand is a translation of “Kostenleitfaden LBG Klinische Forschungsgruppen” published by the LBG. Please note that the original version of the Cost Guideline published in German is valid in case of doubt.

1 GENERAL CONDITIONS

The Ludwig Boltzmann Gesellschaft (LBG) performs the tasks assigned to it as a funding agency on behalf and for the account of the Federal Government. Public funds must be used in accordance with the principles of economy, efficiency and effectiveness enshrined in European and Austrian law.

The Clinical Research Groups (CRG) programme is subject to the framework conditions and regulations of the Special Guideline for Clinical Research Groups and the LBG Call Specifications for Clinical Research Groups as amended, which are available on the LBG website.

This Guideline serves to specify the requirements of the underlying Special Guideline for Clinical Research Groups issued by the Federal Ministry of Education, Science and Research (BMBWF).

The funding recipients must fulfil the following conditions in particular prior to the submission of projects and associated applications for funding:

Total funding

The financial viability of the Clinical Research Group must be ensured, taking into account the funding requested. This must be substantiated by appropriate evidence. The funding recipients must prove in the application that they will contribute at least 10 % of the total project costs from their own resources. This must be done by submitting a Letter of Commitment listing these contributions, which must be signed by the Head and the Lead Institution. The signature confirms that the contributions have been specified in consultation and agreement with all consortium members.

Incentive effect

Only projects that have an incentive effect are eligible for funding. An incentive effect shall be deemed to exist if the project cannot, or cannot adequately, be carried out without federal funding.

Avoidance of multiple funding

Only those costs that are not subject to multiple funding are eligible for funding. Applicants must state whether they have received funding from public funds, including EU funds, for the same activity in the last three years preceding the submission of the funding application, albeit for different purposes. The obligation to notify shall continue until the completion of the funding project and shall also include any funding that has already been promised and funding that has not yet been granted. The obligation to notify also includes funding for which the applicant still intends to apply.

If, during the term of the Clinical Research Group, the LBG determines that multiple funding has occurred or circumstances emerge that do not clearly allow multiple funding to be ruled out, the LBG reserves the right to discontinue funding and to reclaim funding that has already been granted in accordance with section 6.3 of the Special Guideline for Clinical Research Groups.

The above paragraph shall not apply if the funding contract includes mutually agreed amendments to prevent multiple funding, if proper implementation and accounting of the funded activity can be assumed, and if the other funding requirements are met.

Qualification of the funding applicant

On the basis of the information and evidence provided in the funding application and in the absence of any indications to the contrary, it can be assumed that the funding recipient meets the following conditions:

- sound business management;
- the funded activities can be expected to be carried out appropriately, in particular due to the applicant meeting the relevant professional, economic and organisational requirements;
- there are no legal grounds for exclusion;
- the Special Guideline does not stipulate other reasons for exclusion.

Obligation to notify

Significant changes to the funded project shall require the written consent of the LBG in order to ensure continued funding.

2 REASONABLE CONTRIBUTION OF OWN RESOURCES

Funding recipients must contribute an appropriate share of their own resources (including but not limited to personnel costs, direct financial contributions, material costs, material, equipment and access to and use of existing infrastructure) to the project.

The amount and extent of these contributions must be disclosed in the detailed cost plan of the application and confirmed in a Letter of Commitment (see item 1, Total funding). The adequacy of these contributions to the project must be examined and justified as part of the review. However, it must in any case amount to at least 10 % of the total project costs. There is no specification as to how this contribution is to be divided among the consortium partners.

Overhead costs are not eligible direct costs, nor may they be claimed as contributions from own resources. Furthermore, neither third-party funds nor contributions from companies are recognised as in-kind contributions.

3 SEPARATE ACCOUNTS

If an institution provides both economic and non-economic activities, the costs and financing of the economic and non-economic areas must be clearly separated. The reason for the separate accounts is

to prove that no cross-subsidisation takes place, which means that public funds are not used for subsidising economic activities.

The exact separation concerns not only the use of personnel but also the allocation of material costs; overhead costs are to be allocated appropriately.

Upon request, proof must be provided in the form of accounts.

4 TYPE AND AMOUNT OF FUNDING

Funding is granted in the form of non-repayable grants and may range from EUR 0.5 million to EUR 1 million per year per project. The amount of funding depends on the funding requirements of the project. The maximum funding intensity is 90 %.

If the maximum funding of EUR 1 million is not fully used and charged in one year, any surplus funds can be carried over to the following year. Any funds remaining after the end of the first funding period can be carried over into the second funding period. If the project is not extended, the funding period may be extended for a maximum of one year on a cost-neutral basis (phasing out); in this phase, surplus funds can be used up.

Provided that compliance with the objectives and projects of the approved funding application can be ensured, shifts between the cost categories of up to 20 % of the funding amount over the project term are possible without separate approval by the funding agency.

Financing example:

€ 1,111,111 Total project costs	max. € 1 million funding*	€ 800,000 direct costs
		€ 200,000 overheads++
	min. € 111,111 reasonable contribution from own resources+	

* max. 90 % of total project costs

+ min. 10 % of total project costs

++ 25 % of direct costs

Figure 1: Funding example 1 million/year. In this example, the total project costs consist of the (maximum) funding amount of € 1 million/year plus (minimum) € 111,111 reasonable contribution from own resources. The funding amount of € 1 million is made up of € 800,000 eligible direct costs plus € 200,000 overheads.

5 ELIGIBLE COSTS

Eligible direct costs shall include all personnel and material costs that are incurred directly, actually and additionally (to the normal operating costs) for the duration of the funded project and which are economically reasonable.

The following conditions must be observed with regard to the eligibility of costs:

- Only those costs that can be documented will be recognised;
- All receipts must comply with the invoice characteristics specified by VAT law;
- Any contracts for work and services and the relevant accounts shall list the amount of work expended in detail;
- The time records of the project staff must be complete and transparent;
- A clear project allocation and description of the funded project activities must be maintained throughout the project duration;
- A clear and direct reference to the project must be shown on all receipts and other accounts;
- The retention period for all project-relevant documents is ten years (longer in justified cases);
- If purchase orders or contracts exceeding a contract value of EUR 10,000 are awarded to third parties, three bids must be obtained in accordance with the provisions of the Federal Public Procurement Act (BVerG) and the order or contract awarded to the best bidder.

Funding is only provided for those expenses that were incurred after the approval date specified in the funding agreement.

5.1 PERSONNEL COSTS

Personnel costs for Mentors, Heads and Work Package/Sub-Project Leaders (incl. Deputy Heads) are not eligible for funding.

However, personnel costs for 5-15 CRG project members as well as personnel costs for release from clinical work ("rotational positions") are eligible for funding. These rotational positions are designed to enable employees of a clinic who are involved in patient care to participate in a CRG. The rotation allows clinicians (including doctors in training) to be released from clinical duties for a specified period of time (usually no longer than one year) so that they can work on one or more CRG work packages/sub-projects. The funding corresponds to the personnel costs incurred by the doctors who take over their clinical duties for the duration of the project.

A CRG may have no more than two rotational positions (based on FTE) per year.

The non-eligible personnel costs (see above) can be charged to the contribution from own resources to the extent of the work performed for the CRG.

Mentors will be charged at 10 % if they do not hold a Work Package/Sub-Project Leader role, and at least 20 % if they additionally act as a Work Package/Sub-Project Leader. The Head will be charged at 25 % and other Work Package/Sub-Project Leaders (including the Deputy Head) at 20 %.

Personnel costs are to be based on current gross salaries, wages and costs related thereto (direct ancillary wage costs). Other benefits (e.g. remuneration for overtime) may be recognised. Provision for annual inflation adjustment of personnel costs is recommended.

The following personnel costs are eligible for funding in principle:

- Gross salary (incl. holiday and Christmas pay);
- Allowances specified in the employment contract, a company agreement, the collective agreement or by law;
- Flat rates for overtime.

The ancillary wage costs include:

- Health insurance contribution;
- Pension insurance contribution;
- Unemployment insurance contribution;
- Accident insurance contribution;
- Contribution to housing subsidies;
- Surcharge under the Insolvency Remuneration Guarantee Act (IESG);
- Employer's contribution to the Family Burden Equalisation Fund;
- Surcharge on the employer's contribution to the Family Burdens Equalisation Fund;
- Community tax;
- Contribution to the company employee pension fund;
- Employer's contributions to the pension fund (according to collective agreement or statutory provisions).

Non-eligible components of personnel costs are:

- Severance payments;
- Jubilee payments;
- Premiums;
- Remuneration in kind such as company cars and company apartments.

If personnel costs are partially borne by third parties (e.g.: Public Employment Service, AMS), these components shall also not be eligible for funding.

All personnel costs specified by law, collective agreement, company agreement or employment contract will be recognised. The personnel cost rates for university employees are defined in the collective agreements of the Austrian universities. Personnel costs for all other CRG employees will be capped at the standard rates of the Austrian Science Fund (FWF).

(For 2022 see <https://www.fwf.ac.at/de/forschungsfoerderung/personalkostensaetze>).

Time records

All project staff and rotational positions must keep project-related time records and clearly allocate their hours to the project. The time records and all receipts must contain a description of the funded project activities and/or other activities of the employee. These descriptions must be assigned to the individual activities (100 % of the activity must be recorded, the project activity must be presented in detail). This is designed to prevent any inadmissible double recording/double funding.

Time records shall be kept on an hourly and daily basis.

Eligibility of in-kind contributions

Overpayment of staff in excess of the guideline rates is permitted but cannot be claimed as an in-kind contribution.

5.2 TRAVEL COSTS

Travel and accommodation costs for scientific meetings and conferences, field research and expeditions may be funded under the Travel Expenses Regulation 1955, Federal Law Gazette No. 133/1955, as amended by Federal Law Gazette I No. 153/2020.

Travel costs (daily allowances, accommodation costs, travel costs, conference fees) are eligible if they can be claimed as business expenses according to the regulations applicable to the employee.

Personnel and travel costs are only eligible to the extent that they are in accordance with the salary scheme of the Federal Government or are based on relevant provisions laid down by law or collective agreement and are in compliance with the Travel Expenses Regulation for comparable federal employees.

It must be demonstrated that the travel expenses charged are clearly related to the research programme. Only travel costs incurred by CRG staff members are eligible for funding.

Reimbursements paid in lieu of per diem are limited to the respective amount of the per diem payment. Reimbursements for the use of a private motor vehicle are based on the statutory mileage allowance. The mileage allowance covers parking fees, tolls (including motorway toll sticker) and fuel.

The funding recipient must always consider aspects of sustainability and economic efficiency when choosing the means of transport.

5.3 COSTS FOR CONSULTING SERVICES

Costs for consulting services provided by the Coordination Centre for Clinical Studies or a comparable institution for the planning, coordination and implementation of clinical trials are also eligible for funding. If such services are provided by external third parties, however, at least three offers must be obtained prior to awarding the contract¹.

5.4 MATERIAL COSTS

Funding recipients are generally required to claim any discounts offered to them.

This category includes material costs that are used exclusively for the funded project. Advertising, sales and marketing expenses are not eligible for funding.

¹ The provisions of the Federal Procurement Act (BVerG 2018) shall apply.

Eligible material costs include the following:

- Project-related consumables;
- Low-value assets²;
- Inventory withdrawals, provided they are valued using a legally recognised inventory accounting method (e.g.: FIFO, specific identification, weighted average);
- Publication costs (including but not limited to open access fees and repository fees);
- Proportional licence fees;
- Fees for data use and administration;
- Fees for ethics commissions and approval by the competent national authority;
- Fees for Core Facilities services, study drugs or medicines;
- Use of Core Facilities;
- Costs for CRG-related consumables;
- Insurance for study participants.

The focus of the programme is on the promotion of young scientists. Therefore, in addition to financing "rotational positions" for research purposes, applications should also include a plan for training young clinical researchers to develop skills as clinical or physician scientists. This may include, for example, participation in doctoral programmes and mentoring programmes. Such costs are eligible for funding.

Internally sourced materials shall be charged at manufacturing cost.

5.5 COSTS FOR THIRD-PARTY SERVICES (THIRD-PARTY COSTS)

This cost category includes costs for contract research, technical/scientific know-how, costs for technical/scientific consulting and equivalent services that are directly connected with or are an integral part of the funded research activity. Furthermore, the costs for purchased personnel services (personnel leasing, contracts for work and services) should also be reported in this cost category.

Contracts for work and services³ are also eligible costs. They must include a detailed breakdown of the work performed.

Only legal entities, partnerships or sole proprietorships that are not part of the Austrian federal administration are eligible for funding.

² According to § 13 of the Income Tax Act (EStG), the acquisition and production costs of depreciable fixed assets can be deducted as operating expenses if these costs do not exceed EUR 1,000 for the individual asset (low-value assets).

³ Cf. § 1151 of the General Civil Code (ABGB); according to the Austrian Federal Economic Chamber (WKÖ), a contract for work and services shall be deemed to exist if a person undertakes to produce a certain result for another person. Wirtschaftskammer Österreich (29/12/2017), Werkvertrag (arbeitsrechtlich), Begriff - persönliche Unabhängigkeit - Abgrenzungen, available at [https://www.wko.at/service/arbeitsrecht-sozialrecht/Werkvertrag_\(arbeitsrechtlich\).html](https://www.wko.at/service/arbeitsrecht-sozialrecht/Werkvertrag_(arbeitsrechtlich).html), last viewed on 28/02/2022.

Costs for internal services provided by one CRG consortium partner to another are generally not eligible for funding.

5.6 SERVICES PROVIDED BY AFFILIATED COMPANIES

Services provided by affiliated companies must be evidenced in the same way as own costs. In addition, payments or offsets must be documented. Any profit mark-ups must be deducted.

Only actual and verifiable direct costs incurred are eligible for funding.

All related organisations and cooperation partners are considered to be affiliated companies as defined in the Cost Guideline.

5.7 OVERHEAD COSTS

25 % of the direct costs are included in the total funding as overheads. Costs charged directly to the project as individual costs may not also be included in the overhead costs. Direct costs include personnel and material costs as well as the depreciation of project-related investments.

This flat rate covers all general and administrative costs that cannot be charged as direct costs, including but not limited to the following:

- General office management, controlling, accounting, payroll accounting, business management;
- Tax consultancy, auditing, legal advice;
- IT (other than IT hardware);
- Communication costs;
- Office supplies and printed matter;
- Workplace equipment (office furniture, IT, etc.);
- Depreciation, maintenance, repair of buildings;
- Rent and lease for general premises;
- Operating costs;
- Cleaning, disposal;
- Licence fees (for basic equipment);
- Packaging and transport costs;
- Technical literature;
- Insurance (other than patient insurance);
- Taxes;
- General education and training.

5.8 ACQUISITION OF EQUIPMENT

The acquisition of equipment requires a justification and explanation to the effect that the necessary tools are not accessible via a central facility or through collaborations.

A distinction must be made between small equipment, research equipment and large-scale equipment.

The purchase of small equipment including IT equipment (purchase price below EUR 1,500) is eligible for funding in compliance with the institutional procurement guidelines.

The purchase of research equipment is also eligible for funding. This includes scientific instruments, system components, self-assembly devices (generally assembled from small devices and material) and other durable assets as well as intangible assets such as permits, industrial property rights and associated licences, if their acquisition costs exceed EUR 1,500.00 (incl. VAT, if the research institution is not entitled to deduct input tax) and the equipment is predominantly (more than 50 % of the total equipment costs) financed from BMBWF funds.

A current offer (not older than 12 months) must be submitted for equipment with a value of EUR 5,000.00 (incl. VAT) or more.

In order to support the efficient use of equipment in general, the applicant signs the application form for equipment with a value over EUR 24,000.00 (incl. VAT), confirming (1) that no comparable equipment is available for shared use within a reasonable distance and (2) that the possibility of co-financing by third parties has been considered. Furthermore, the applicant shall bear any costs arising from operation and maintenance.

Large-scale equipment is taken to mean large-scale research infrastructure(s) whose establishment and expansion accounts for a substantial part of the institution's research budget, which is correspondingly large and extensive and is shared by many research groups. Equipment is defined as large-scale equipment if its acquisition costs exceed EUR 50,000.00 (incl. VAT, if the research institution is not entitled to deduct input tax). The purchase of large-scale equipment is not eligible for full or partial funding.

The equipment shall be ordered and pre-financed by the research institution on the instructions of the Head or the Sub-Project Leader. The procurement guidelines of the relevant research institution must be observed. The equipment shall be inventoried at the research institution and the acquisition costs reimbursed from the project budget in accordance with the agreement concluded between the research institution and the LBG. Large-scale equipment is not part of the financing agreement.

Cost of equipment use

Equipment that is used exclusively for the project and is not classified as large-scale equipment can be depreciated on a pro-rata basis over the term of the project.

Proportional depreciation is calculated based on the useful life specified in the fixed-asset schedule. If the asset is capitalised on the 16th of the month or later, this month cannot be taken into account for calculating the useful life in the reporting period. As a rule, the total useful life as specified in the fixed-asset schedule must be stated. The costs of low-value assets are to be reported as costs of materials at total acquisition costs.

If the payback period of a fixed asset (§ 285 ABGB) acquired for the performance of the work exceeds the term of the project, funding will be limited to the portion of the cost corresponding to the

depreciation for the project period according to the Income Tax Act (EstG 1988, Federal Law Gazette No. 400/1988, as amended).

The equipment becomes the property of the research institution upon payment. An obligation to operate the equipment may be specified in the funding agreements.

If the funding recipient uses the funding granted (including all federal funding) exclusively or predominantly to acquire an asset whose price (value) exceeds the limit set for low-value fixed assets under the applicable income tax regulations by a factor of four, the funding recipient must immediately inform the LBG when the purpose of use ceases to apply or changes significantly. In this case the funding recipient must, at the LBG's request, pay appropriate compensation or make the item in question available to the LBG for further use or transfer it to the ownership of the federal government.

The fair market value of the asset at the time of the cessation or change of use shall be payable as appropriate compensation. If the item was not exclusively acquired from federal funding, a pro-rata share of the market value corresponding to the federal funding shall be payable. If the funding is provided by several budget-managing bodies, they must work out a coordinated approach (§ 13 ARR 2014).

Acquisition of prototypes

A separate cost breakdown must be drawn up for funded or financed prototypes.

Internal development costs can be fully charged as personnel costs. If funding recipients continue to use the prototype after expiry of the funding period, they can apply the proportional depreciation of the costs of material and third-party costs incurred in the manufacture/design of the prototype. If the prototype cannot be used after expiry of the funding period the full costs can be charged.

The useful life of the prototype shall commence at the beginning of the funding period for calculating the depreciation. The total useful life must always be stated according to the fixed-asset schedule. If the prototype is exploited commercially after completion, the proceeds must be deducted from the prototype costs charged.

6 NON-ELIGIBLE COSTS

Non-eligible costs include:

- Costs that are not directly necessary for the successful completion of the programme;
- The value added tax (VAT) payable on eligible costs.

If, however, this VAT can be proven to be actually and definitively borne by the funding recipient, i.e. if the latter is not entitled to deduct input tax, then VAT can be taken into account as an eligible cost element. VAT that can be reclaimed in any way is not eligible for funding even when the funding recipient does not actually receive it back. If the tax authority considers a funding as remuneration for

services provided by the funding recipient to the funding provider which is taxable according to the Value Added Tax Act (MWSTG 1994, Federal Law Gazette No. 663) and the funding recipient is therefore liable to pay VAT to the tax authority, the remuneration shall be treated as a gross amount. Any additional, separate compensation of value added tax by the funding provider – on whatever legal grounds – shall thus be excluded.

Federal funding may not be used to create reserves or provisions under the Income Tax Act (EstG 1988, Federal Law Gazette No. 400/1988, as amended) or the Austrian Business Code (UGB, dRGBL. S 219/1897, as amended).

Furthermore, the funding does not apply to studies of direct commercial interest, and does not cover the cost of registering intellectual property rights.

7 ACCOUNTING AND AUDITING OF THE PROJECT

The form provided by the funding agency must be used to present a breakdown of all income and expenditure which are related to the funded project and can be substantiated by original supporting documents.

The LBG checks the supporting documents and presents the accounts.

The authorised bank and company signature of the funding recipient on the final accounts and the project cost statement confirm the following:

- The statement was checked against supporting documents (invoices, payment receipts, bank statements, etc.) and found to be in order;
- The funded project has been fully completed;
- The requirements and conditions defined in the funding contract have been met.

Incorrect information can lead to the reclaiming of funding already received and to further legal consequences.

Auditing of project costs

The approved project costs and interim accounts do not imply a recognition of costs. The final amount of the eligible costs and the funding will only be determined once the funding agency has examined and approved the report on the use of funds (discharge). The annual (interim) reports on the use of funds are examined by the LBG. The funding agency approves the eligible costs and informs the funding recipient accordingly.

List of supporting documents

The costs relevant to funding are checked on the basis of the list of supporting documents.

These documents essentially include:

- Invoices (if necessary, including purchase orders, delivery notes, offers, contracts, etc.);
- Payment documents (payment slips, electronic payment statements, etc.);
- Bank statements and receipts as proof of payment made;
- Fixed-asset schedule (inventory, general ledger accounts);
- (Audited) balance sheets and profit and loss accounts;
- Proof of capitalisation by auditor;
- Project-related individual transparent time records (timesheets) or the like;
- Payroll records;
- Material withdrawal slips or the like;
- Cost accounting;
- Other appropriate documentation.

Ongoing auditing

Officials or representatives of the funding agency, the federal government and the EU shall be entitled at any time to inspect the books and accounts as well as other documents (originals only) required to verify the performance of the activity on the premises of the funding recipient or third parties, or request the submission of these documents. On-site visits shall also be permitted. Upon conclusion of the funding contract, the funding recipients shall also provide or arrange for the provision of any information required by such officials or representatives and appoint a suitable contact person for this purpose. Any decision concerning the context between these documents and the funded activity shall be at the discretion of the auditor. Alternatively, the supporting documents must be submitted at the request of the aforementioned institutions. The documents may also be submitted in electronic form if they can be reproduced in a complete, consistent, authentic, true and verifiable manner, and if inspection of the original documents or their subsequent submission is still possible.

The LBG may audit the project results and accounts during the project and/or after submission of the final report (on site upon request). The funding recipient must provide all necessary supporting documents and records upon request.

The funding recipient will be notified of any audit in advance and receive a list of all documents required for the audit.