



ANNEX 3 – BUDGETING PRINCIPLES

1. Basic Provisions

Allocation of the funds for projects is based mainly on the provisions of Act of the National Council of the Slovak Republic No. 172/2005 Coll. on Organization of State Support for Research and Development and on the amendment of Act No. 575/2001 Coll. on Organization of Government Activities and the Organization of the Central State Administration, as amended (hereinafter referred to as Act No. 172/2005 Coll.), Act No. 523/2004 Coll. on the Financial Rules of the Public Administration and on Amendments to certain acts as amended (hereinafter referred to as Act No. 523/2004 Coll.), Act of the National Council of the Slovak Republic No.131/2002 Coll. on Higher Education Institutions and on Amendments to Some Laws, as amended, Act of the National Council of the Slovak Republic No. 358/2015 Coll. On Regulation of Certain Relations in State Aid and de Minimis Aid and on the amendment of certain laws (hereinafter referred to as the State Aid Act), Act of the National Council of the Slovak Republic No. 18/1996 Coll. on Prices as amended, and Act of the National Council of the Slovak Republic No. 343/2015 Coll. On Public Procurement and on Amendments to Certain Acts.

The budgeting of the submitted project proposal shall be developed in accordance with the consolidated version of the public call DS-FR 2019, its annexes and generally binding legal regulations and other guidelines of the Slovak Research and Development Agency (hereinafter referred to as the “agency” or “APVV”).

Provision of the state budget funds to support the project for legal entities and natural persons - entrepreneurs is considered to be a state aid under the state aid act.

When providing funds outside the public sector, i.e. to natural persons - entrepreneurs and legal entities, these funds **shall not lose their public fund status**. An applicant, who will be provided with public funds, is responsible for their management and while using them, is obliged to maintain the economy, efficiency, expediency and effectiveness in accordance with Act No. 523/2004 Coll.

The maximum amount provided by the agency for a single project is **EUR 10 000** for the whole project period and EUR 5 000 for one calendar year if 3 countries are involved in the project; for 4 countries, the maximum amount is **EUR 12 500** for the whole project period and EUR 6 250 for one calendar year and a maximum of **EUR 15 000** for the whole project period, and EUR 7 500 for one calendar year for 5 countries.

Under this call, the funds are provided **in the form of current expenditures under Act No. 523/2004 Coll.**

Capital assets for the procurement of tangible and intangible assets are not covered by this call.

The funds are provided to cover the project costs exclusively for the applicant.

2. Budgeting Principles Required to Solve the Agency Fund s-Based Project

The budget and the estimated costs breakdown should be concise, in line with the project intention and objectives following the declared timetable in each project year. The agency recommends the principal investigator taking a consultation with the applicant's economic department concerning the budgeting principles presented and respecting

the internal guidelines, generally binding legislation and regulations related to the applicant's form of management.

Amounts in the project budget and the estimated costs breakdown for each project year shall be reported **in whole EUR**.

The estimated costs breakdown covered by the agency, should be developed so the reasoning proves their **direct relation to the objectives of the project in solution**.

2.1 Eligible Costs

Eligible costs within the multilateral cooperation are the reimbursements pursuant to Act No. 283/2002 as amended and other expenses demonstrably related to the project solution.

As part of the project budgeting, it is possible to plan the estimated project-related cost items and sub-items in the structure and limits as below.

01 Total planned costs are the costs of the activities demonstrably directly related to the project.

02 Travel and subsistence costs

They represent the costs spent on domestic and foreign business trips, made **on the territories of Slovakia and the participating partner countries**, which are demonstrably related directly to the project solution related **exclusively to the Slovak nominal RTMs** up to the amount as entitled under Act No. 283/2002 Coll. as follows:

- travel costs (travel tickets, air tickets, use of service vehicles, fuel and the necessary costs of transporting by taxi in justified cases);
- accommodation costs;
- subsistence costs;
- documented necessary extra costs (visa, conference fees, travel health insurance abroad, tolls/fees and parking fees demonstrably related to the business trip covered within the project solution, compulsory and recommended vaccination, etc.).

Costs of **domestic and foreign scientific conferences** for the **Slovak RTMs** are conditioned by their **personal attendance** at a conference, including presentation of their contribution, which needs to be published in a conference publication.

The pocket money provided to Slovak researchers in their foreign business trips **is not an eligible cost**.

An estimate of the expected costs **may be in breakdowns on domestic and foreign business trips indicating the expected number of trips, participants and focus (e.g. domestic conferences, foreign conferences, expert seminars, working meetings)**. Expected costs breakdown is given in the light of the information known at the time the application is prepared, and the breakdown **must show a direct relevance** to the project solution.

03 Other expenses

They represent the costs of project-related material and / or services of at least EUR 100, and at the same time, they may not exceed **20% of the total project costs provided by the agency in each financial year**.

Other expenses include:

- costs of **the material** directly related to the project, mostly as they follow:
 - operating machines, instruments, equipment, technics and tools;

- laboratory animals and feed;
 - special machines, instruments, equipment, technics and tools;
 - information technologies;
 - purchase of software and licenses;
 - general material (paper, toner, etc.);
 - specific material;
 - purchase of books and magazines
- costs of **the services** directly related to the project solution provided by natural persons (not by the research team members), and/or natural persons (entrepreneurs) and legal persons, mostly as they follow:
 - rental costs and repairs of the instrumentation used for the project solution;
 - costs of courier services and shipping;
 - the cost of renting the space to solve the project;
 - the cost of subscriptions to magazines, licenses, rental of bottles, rental of equipment, access to databases, etc., **the performance period of which applies exclusively to the given financial year**;
 - costs associated with the publishing the project results **exclusively to the expert public** (e.g. publication of an article in a scientific journal, preparing and printing the poster, a fee favoured by the conference organiser solely for the purpose of publishing the results in a conference publication without personal attendance);
 - costs related to preparation of the book publication, monograph, etc. (text wrapping, graphic layout, proofreading, reviews, etc.) for their publishing and printing in a maximum of 101 pieces, while may not be used for commercial purposes;
 - research, analysis, expert consultation and special measurement costs related to the project's activities;
 - the cost of organising conferences (including publishing and printing a conference volume for the conference participants), seminars and other working meetings, while no promotion, popularization and advertising costs are eligible;
 - management fees of the bank account to which the funds have been provided by the agency under the terms and conditions, and the fees related to payments for the direct project activities.

Material item may **not include** costs of tangible and intangible **fixed assets**, i.e. capital expenditures.

The breakdown of the costs item **shall identify the expected type of material, quantity, amount of the planned costs**, description of which proves a direct line to the project activities.

2.2 Ineligible Costs

Ineligible costs are all the costs that go beyond the conditions set out in **chapter 2 Eligible costs**. Also all costs contrary to the relevant provisions of Act No. 172/2005 Coll. are considered ineligible costs, for example:

- reimbursements related to a business trip to a non-participating partner country;
- any costs incurred for members of a foreign research team;
- costs of value added tax in case of VAT payers;
- various membership fees in domestic and foreign organisations (the fee can only be accepted if connected to admission fees of libraries, to a discount for the purchase of, for example, literature and magazines necessary for the project solution), respectively with a discount on the conference fee within the project conference/project-funded conference;
- fees for usual trainings, courses and seminars (e.g. language, statistical, computer courses, courses in personal development, etc.);
- costs of popularisation and promotion activities and of activities irrelevant to the research project activities (cost of the project's website);

- costs of printing monographs, book publications, textbooks, course literature, etc. for commercial purposes;
- costs of ethics commission;
- publishing of professional journals;
- costs of a business trip which was not made, in case no relevant reason for not making this business trip is proven;
- costs incurred before and / or after completion of the project solution;
- insurance of vehicles and other property;
- tolls / fees for obvious use by the organisation;
- accreditation fees, concession fees;
- waste removal and disposal fees (except for the specific project- related one);
- costs of promotion, marketing, advertising, sale and distribution of products, etc.;
- interests on debt and other financial commitments irrelevant to the project solution;
- costs of procurement and/or reconstruction of premises;
- costs of procurement and/or renewing the office furniture, and of equipping the work areas;
- public procurement costs;
- consultancy costs (e.g. legal), general consultations (e.g. intellectual property protection), etc.;
- costs of repair, maintenance and depreciation of passenger vehicles normally used by the organisation;
- bank charges other than related to management of the account for which the funds have been allocated by the agency under the terms and conditions, and non-specified bank charges not related to the fulfilment of the project objectives;
- any costs associated with funding of the partner organisation.

3. Basic principles of Using the APVV Funds

The costs listed in the project must relate to the activities of the project under solution and must comply with these principles. The costs must be defined briefly, clearly and unambiguously, and must relate to the project- related activities, actions, procurement in **the given financial year**, while the period of their performance must be by the end of the financial year. The project- related costs must be applied exclusively within the period set for the project solution in accordance with § 19 of Act No. 523/2004 Coll., which stipulates, inter alia, that the public funds budgeted for the respective year may be used **for the purpose** only for which they were approved for the given financial year and **only until the end of the budget year**.