



## **ANNEX 3 - BUDGETING PRINCIPLES**

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### **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 SK-TW 2024, its annexes and generally binding legal regulations and other guidelines of the Slovak Research and Development Agency (hereinafter referred to as the “agency” or “SRDA”).

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 solving one project is **EUR 14 000** for the whole project duration and a maximum of **EUR 47 000 per a calendar year of the project**.

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 Funds-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 Project Costs

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

**Costs under the SK-TW 2024 call are exclusively dedicated for the applicant, thus not for a partner organisation.**

### 01 Travel and subsistence costs

They represent the costs spent on domestic and foreign business trips, made **on the territories of Slovakia and the partner country**, 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 implementation).

**Eligibility of the costs of participation at domestic and international scientific conferences is subject to the following conditions:**

- the participant shall be a member of the Slovak research team
- the conference shall be held either in Slovakia or in the partner country
- the Slovak research team members shall be actively participating, *i.e.* they are obliged to have a presentation resulting in a published abstract

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

An estimate of the expected costs **may be categorized into costs for domestic and international business trips, respectively, indicating the expected number of trips, participants and focus (e.g. domestic conferences, international conferences, meetings, seminars)**. The breakdown of the expected costs shall be provided in connection to the information known at the time of the application, and it **must show a direct link** to the project implementation. Intra-company supplies of materials or services are eligible costs if they are in accordance with generally binding legal regulations and with the existing internal regulations of the recipient (this does not affect the provisions of § 17 paragraph 8 Act No. 172/2005 Coll.).

### 02 Other expenses

Other expenses represent the costs of project-related material and/or services, and must not exceed **30% 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, such as:
  - operating machines (incl. fuel), 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 (kits, chemicals, etc.);
  - purchase of books and magazines
  
- costs of **the services** directly related to the project implementation provided by natural persons (not by the research team members), and/or natural persons (entrepreneurs) and legal persons, such as:
  - rental and repair costs of the instrumentation used for the project implementation;
  - delivery and shipping fees;
  - rental of the premises used for the project implementation;
  - journal subscriptions, license extensions, rental of bottles, rental of equipment, access to databases, etc.;
  - 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, an early-bird fee solely for the purpose of publishing the results in a conference proceedings without personal attendance);
  - costs related to the publication of a book, monograph, etc. (text wrapping, graphic layout, proofreading, reviews, etc.), incl. printing in a maximum of 101 pieces, that must not be used for commercial purposes;
  - research, analysis, expert consultation and special measurement costs related to the project activities;
  - costs related to the organisation of conferences, seminars and other meetings; it may include publishing costs and printing of a conference proceedings for the participants + maximum 20 pcs. extra), coffee breaks, rental of the venue, equipment, etc., while the promotion, popularization, gift and promotion items, and advertising costs (such as gift vouchers or meal vouchers) are not eligible;
  - online conference participation fees related to the Slovak research team members' presentations; the online conference must be held in Slovakia or in the partner country
  - bank charges for the management of an 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.

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

## 2.2 Ineligible Project Costs

Ineligible costs are all the costs that go beyond the conditions set out in **chapter 2** of this document. 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-partner country;
- costs related to online conferences in other than the partner country;
- any costs incurred for members of a foreign research team;
- value added tax costs of VAT payers;
- various membership fees in domestic and foreign organisations (the fee can only be accepted if connected to admission fees of libraries, and/or with a discount for the purchase of 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 activities irrelevant to the project research activities;
- costs of popularisation and promotion other than set out in the Chapter 2 that do not demonstrate the publication/presentation of the results of the project solution to the public or cost of the project's website;
- costs of meals vouchers/gift vouchers for survey respondents;
- costs of gifts and advertising items, etc.;
- costs of printing monographs, book publications, textbooks, course literature, etc. for commercial purposes;
- cost of the project's website;
- 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 common use by the organisation;
- accreditation fees;
- waste removal and disposal fees (except for the specific one related to the project solution);
- 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 those 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 unrelated to the fulfilment of the project objectives;
- any costs associated with funding the partner organisation;
- catering costs (breakfasts, lunches and dinners) related to the organization of conferences, seminars and meetings other than coffeekbreaks

### **3. Basic Principles of Using the SRDA Funds**

The costs listed in the project must relate to the project activities and must comply with these principles. The costs must be defined briefly, clearly and unambiguously. The project-related costs must be applied exclusively within the project implementation period set forth in the SRDA conditions.