



**FFG**  
Forschung wirkt.

**COST GUIDELINE VERSION 3.0**

**VALID FROM 1 SEPTEMBER 2023**

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**COST ELIGIBILITY IN FFG PROJECTS**

**THE QUICK AND EASY WAY TO COST PLANNING  
AND ACCOUNTING**

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## 1 IMPORTANT TO KNOW

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All costs attributable to the project incurred **directly, actually** and **additionally** (to the normal operational costs) during the funding period in accordance with the funding agreement are eligible for funding. The guidelines or the funding agreement may specify additional details or restrictions.

No funding is available, for example, for entertainment or hospitality, marketing and sales or patent maintenance costs. Imputed costs are not eligible for funding. The application of lump-sum costs is only permitted if explicitly provided.

The final amount of eligible total project costs and funding will only be determined after project completion in the course of the audit.

## 2 HOW TO PREPARE A COST PLAN

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When preparing the funding application, you are requested to read and observe all provisions (including the call guideline, guideline for the funding instrument) relevant to the project in order to avoid subsequent corrections and cutbacks. Use of the FFG's eCall system is obligatory. The eCall Tutorial will assist you in completing the application (<https://ecall.ffg.at/Cockpit/Tutorial-Hilfe>). The Tutorial also contains all information you need to create user rights and to optimise your access to the eCall system. We ask you to complete the cost plan and to specify all the individual cost items as clearly as possible.

The reviewers, jury and advisory board must assess the **reasonableness of the costs** in relation to the planned activities and results. Your project will therefore be in competition with other projects in this respect. Please note that the value/quantity structure may change in the course of the approval process.

In order to prove the reasonableness of the costs (infrastructure, costs of materials, third-party costs), comparative offers must be obtained for amounts exceeding EUR 100,000, or justification provided where this is not possible. The process must be documented.

Other funding provided for the project, parts of the project or individual cost items must be indicated both in the funding application and in the final report. This information is required to check compliance with state aid regulations and to prevent multiple funding.

Costs for services provided by affiliated enterprises are subject to the same regulations as those provided by funding recipients.

## 2.1 Personnel cost

The following regulations apply to:

- employed project staff,
- freelancers (if social security contributions are paid),
- public sector employees,
- shareholders involved in the project.

**Hourly rates** are calculated using a formula embedded in the cost plan: personnel costs are to be determined on the basis of the gross wages and salaries including related charges. Other payments or payments in kind (e.g. dirty work allowance, overtime allowance, benefits in kind) can be charged. Personnel costs are eligible to the extent that they are prescribed by law, collective agreement, a company agreement with legally binding effect or provided for in employment contracts customary in the industry.

You can charge a **fixed hourly rate** (acc. to Tax Amendment Act, AbgÄG 2022) of a maximum of EUR 45 within the scope of eligible costs for the following persons actively involved in the project (no salary statement):

- shareholders,
- sole proprietors,
- owners,
- association officials registered in the association register,
- staff of foreign funding recipients.

However, the amount charged must not exceed EUR 77,400 per person per year for all funded projects.

Personnel costs for **freelancers** shall be calculated according to the same principles as for employed project staff.

In cases where the full project staff is not known during the planning stage you may insert placeholders by way of exception. You should, however, provide a detailed description of their role in the project.

Personnel costs of **public sector employees** may only be charged as part of a funded project if the services provided by them are outside the responsibility of public administration. University employees are not considered public sector employees.

A fixed **denominator** of 1,720 **annual hours** shall be applied for full-time employees (this also includes overtime allowances or all-in contracts). For part-time project staff the denominator must be reduced accordingly.

Example: full-time acc. to collective agreement 38.5 h, part-time 25 h

$$\frac{1,720 \times 25}{38.5} = 1,117$$

Alternatively, hours of attendance can be used as a denominator (calendar year) subject to the condition that an appropriate time and attendance system is in place.

**Research organisations** as per EU definition may use 1,290 annual hours as a fixed denominator for full-time employment. This is **only possible**, however, if the difference between 1,290 and 1,720 annual hours is used for activities in support of the institution's research activities (e.g. dissemination of research know-how, scientific training, etc.). For project staff working fewer hours the denominator must be reduced accordingly.

Please note that annual project hours charged per person – especially if the person is involved in several funded projects simultaneously – must not exceed the annual working hours used as the denominator. Likewise, where persons are simultaneously employed by different funding recipients, the hours charged per year may not exceed the denominator for all funded projects in which that person is involved. The total personnel costs charged for funded projects (e.g. FFG, EU, aws, FWF, federal provinces) must not exceed the costs as per the annual wage account. It must be ensured that an overall annual evaluation for each funding recipient can be carried out across all funded projects.

## 2.2 Costs of infrastructure use

The costs can be charged on the basis of proportional depreciation of the R&D related facilities, a calculated machine hour rate or leasing instalments.

**Proportional depreciation** is calculated based on the useful life specified in the fixed-asset schedule (monthly allocation) corresponding to the proportional use in the project. In principle, the total useful life as specified in the fixed-asset schedule must be stated. The costs of low value assets (acc. to Sec 13 of the Income Tax Act, EStG) are to be reported as costs of materials at total acquisition costs.

The **machine hour rate** is calculated based on the costs of the preceding completed financial year at the relevant date:

- Eligible cost items:
  - accounting depreciation (no replacement value),
  - consumables and supplies, energy,
  - maintenance costs if a maintenance contract has been concluded for the machine, as well as servicing and repair,
  - wages/salaries of specifically trained staff (these persons may not be charged as direct costs).
- Denominator for machine hours, four options are available:
  - actual operating hours according to machine hour records,
  - average of actual operating hours according to machine hour records of the past three years or
  - maximum operating hours according to operating manual.
  - If none of the above options is possible, a fixed denominator of 1,720 annual hours may be applied.

Costs of infrastructure use are calculated by multiplying the project hours of machine/facility utilisation by the corresponding machine hour rates. The project relevant machine hours must be properly evidenced.

Larger (laboratory) units may be combined to calculate one machine hour rate in agreement with the FFG.

Funding is available for the **leasing instalments** paid to the leasing company by the funding recipient during the funding period, less interest and charges contained therein. In the case of leasing transactions without transfer of ownership, the leasing costs must be entered as costs of materials.

## 2.3 Costs of materials

This cost category includes costs for project-related consumables, low value assets, inventory withdrawals and proportional licence fees.

**Inventory withdrawals** must be valued using a legally recognised inventory accounting method (e.g. FIFO, specific identification, weighted average).

Costs of materials produced internally or supplied by affiliated enterprises are to be charged at manufacturing costs.

### **Prototypes:**

Costs for prototypes can be charged fully, except where the prototype is capitalised in the fixed-asset schedule or exploited commercially.

If the prototype is capitalised as a fixed asset you can declare the material and third-party costs (proportional depreciation) incurred in the manufacture/design of the prototype as costs of infrastructure use. Alternatively, instead of the capitalisation date, the beginning of the funding period can be used for calculating depreciation. The useful life specified in the fixed-asset schedule must be stated as the total useful life. Internal development costs can be fully charged as personnel costs. A separate cost breakdown must be uploaded via eCall together with the final report.

If the prototype is exploited commercially after completion, either in whole or in part, the entire revenue obtained must be deducted from the prototype costs charged.

## 2.4 Third-party costs

This cost category includes costs for contract research, technical/scientific knowledge, technical/scientific consulting and equivalent services etc. that form an integral part of the funded research activity. Costs for services provided by external personnel (personnel leasing, contracts for work and services) should also be included here.

In contrast to the costs of materials, the service aspect must be **predominant** in this cost category.

The eligibility of third-party costs may be restricted in the relevant guidelines.

Costs charged between project partners are not eligible for funding as a matter of principle.

## 2.5 Travel costs

Evidence must be provided that the travel costs charged are clearly related to the project. Eligibility is restricted to travel costs incurred by project staff.

Travel costs (daily allowances, accommodation costs, travel costs, conference fees) are eligible for funding if they can be claimed as business expenditure pursuant to the provisions applicable to the employees.

Cost refunds paid instead of daily allowances shall be limited to the respective amount of the daily allowance. Reimbursement for the use of a private car shall be in accordance with the statutory mileage allowance. The mileage allowance is taken to cover parking fees, toll fees (including motorway vignette) and fuel.

The funding recipient must, as a matter of principle, choose the most economical means of transport.

## 2.6 Overhead costs

Overhead costs are added to the personnel costs, costs of infrastructure use, costs of materials and travel costs charged at a fixed rate. The amount is calculated automatically by the eCall system in accordance with funding legislation and the details provided in the funding application. A fixed overhead rate of 20% is automatically applied for all funding recipients (primarily companies) that are subject to EU state aid legislation (GBER). A fixed overhead rate of 25% is applied for research organisations as per the EU definition. Please note any special regulations contained in the relevant call guideline.

This fixed rate **covers the following cost items**, which cannot be charged as direct costs:

- general activities in office management, controlling, accounting, payroll accounting, management
- tax consulting, certified accounting, legal advice
- IT, communication expenses
- office material, printed matter
- workplace equipment (office furniture, IT, etc.)
- building depreciation, maintenance, repair
- rent and lease for general premises, operating costs
- cleaning, disposal
- licence fees (for basic equipment)
- packaging and transport costs
- technical literature
- insurance, tax
- general education and training

### **3 TO BE OBSERVED AT PROJECT START**

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We can only accept costs that are substantiated by documentary evidence. The services must be provided in the funding period in accordance with the funding agreement. In justified exceptional cases the date of the invoice may be up to three months after the end of the funding period.

Please make sure from the start of the project that your **accounting system** meets the requirements of project accounting. The **obligation to provide evidence** applies to all project partners, even if they do not receive funding.

Please note that all project staff must keep **time records** for the project including a clear description of their activities. **Hours** must be recorded on a **daily basis**. The daily working time must not exceed 12 hours (with the exception of business trips, events, experiments).

In addition to project activities, project staff may also carry out supporting activities to a minor extent (e.g. project management/controlling by project manager, purchasing by technician). If these activities are carried out by administrative staff (e.g. accounting, assistance), they are covered by overheads.

The retention period for all project relevant documents is ten years and may even be longer in some cases (e.g. loans, EU co-financing).

## 4 HOW TO PREPARE INTERIM AND FINAL ACCOUNTS

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Before preparing an interim or final account, please read and observe all provisions relevant for the project in order to avoid subsequent corrections and cutbacks.

FAQs on the Cost Guideline can be found here: <https://www.ffg.at/recht-finanzen/kostenleitfaden>

Please note any requirements and provisions specified in the funding agreement or the relevant programme (e.g. cooperation requirement). Please also observe the instructions given above in Section 2 “How to prepare a cost plan”. Use of the templates provided is obligatory.

We ask you to complete the accounting tables in eCall in full by entering the **actual values (based on individual receipts)** and designating the individual cost items in accordance with the approved cost plan. You may also use an upload file for this purpose (see eCall Tutorial <https://ecall.ffg.at/Cockpit/Tutorial-Hilfe>). Your project supervisors will assess the costs charged in relation to the cost plan and the work carried out. Please note that any changes to the value/quantity structure must be explained in a transparent manner.

Your cost accounts and the details provided in eCall provide the basis for assessing and approving the eligibility of funding.

**Cost reallocations** between cost categories and project partners must be explained and justified in the interim and final reports.

Please provide explanations for any contracts awarded or additional offers solicited.

You may be requested to provide receipts for spot check purposes during the audit of the interim and final reports.

### 4.1 Personnel costs

The hourly rate is calculated using the annual wage account of the last completed calendar year. Deduct the non-eligible portions (e.g. voluntary social expenses, travel expenses) and enter this value into the hourly rate calculator in eCall. Evaluate the project-related time records documented for the accounting period and enter this value into the accounting table. Please observe the maximum number of project hours to be charged (see section [2.1](#)). Any deviations or changes in key project staff should be explained in the report.

### 4.2 Costs of infrastructure use

Enter the values from the fixed-asset schedule or machine hour calculation into the corresponding tables and explain any deviations in the report.

### 4.3 Costs of materials

List the individual costs of materials which can be attributed to the project and can be substantiated by documentary evidence.

If the project has resulted in a prototype, please describe its planned further use in the report.

### 4.4 Third-party costs

List all services provided by third parties (based on individual receipts).

Costs of services provided by **affiliated enterprises** may be declared as third-party costs. They must be evidenced in the same way as own costs. You will additionally be required to provide evidence of the relevant payment or offset transaction. Any profit mark-ups must be deducted. Affiliated enterprises may charge the applicable fixed maximum overhead rate. Alternatively, costs of affiliated enterprises may also be charged directly to the relevant cost types (as for the funding recipient) if access to the receipts is ensured (e.g. central corporate accounting).

### 4.5 Travel costs

Every single trip should be listed for each person separately (please give name). Explain the purpose of the trip and its relevance for the project in the report.

## 5 ON-SITE AUDIT

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The FFG is entitled to examine the project results and accounts on site during the project and/or after submission of the final report. You will receive a notification in time with a list of all documents required for the audit.

## 6 OTHER INFORMATION AND DETAILS

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All relevant legislation and information is available on the FFG website (<https://www.ffg.at/recht-finanzen>). If you subscribe to the FFG Newsletter (<https://www.ffg.at/FFG-Newsletter>), we will keep you informed about all the latest news regarding the eligibility and accounting of project costs.

For any (detailed) questions about cost eligibility, please refer to the FAQ section on the FFG website (<https://www.ffg.at/recht-finanzen/kostenleitfaden>). In the case of specific problems you can also send an email to [kostenleitfaden@ffg.at](mailto:kostenleitfaden@ffg.at).