

Dato: 30. April 2024

Please be advised that the departmental decision approved and signed by the department head is in Norwegian. This document serves as a translated version for reference. For any clarification, please refer to the original Norwegian document.

## Department Decision: IBV Guidelines for Budgeting in Project Applications

IBV is facing financial challenges that need to be resolved in the coming years. One of the department's most important sources of income is our externally funded activities. We already have extensive and very good activity in external financing, but we need to do more to bring balance to the department's costs and revenues. To achieve this, clear guidelines for budgeting for external project applications are necessary. These guidelines are crucial to ensure the financial sustainability of our projects and to address the current financial situation of the department. Please note that for commissioned projects, there are additional considerations, which are described in a separate section at the bottom.

We have the following guidelines for the preparation of future research-project applications with external funding:

- All project budgets must be reviewed with an economist/research advisor before being submitted to the department for approval.
- When the project leader and economist/research advisor develop the project and budget, they must cover all direct and indirect costs associated with the project within the maximum application amount.
- Permanent researchers (position code 1108/1109/1183) should budget for 12 months of work per year to cover their own salary, unless there is already funding for salaries in an existing project.
- All projects using laboratories should be charged the maximum site rental cost ("leiested"). It is only when it is strategic and/or economically beneficial for the department that it is possible to obtain a reduction in these costs. The site rental costs ("leiested") will be updated annually.
- All work in the project to be carried out by technical or administrative staff at IBV should be covered without the department providing its own input. It is also possible to cover the release of scientific staff, in full or in part. This applies as long as the announcement allows it.
- All need for operating funds must be included in the budget of the application. Depreciation costs on existing IBV equipment should, as far as possible, be included in the budget, except for equipment included in site rental costs.
- There should be a minimum of 45% overhead in UiO's total budget form, and if this deviates, explicit approval from the department head is required. High net



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contributions can compensate for this.

- Even when IBV staff are partners, the economist/research advisor should participate in the budget preparation with particular responsibility to ensure that IBV's share of the budget is in line with the guidelines.
- In cases where IBV is a partner (i.e. not the project owner), all technical and administrative work performed by IBV employees, as well as site rental costs, should be included in the budget. It is also possible to release scientific staff, in full or in part.
- To ensure that all budgets are quality checked and follow IBV's guidelines, deadlines from the research administration must be adhered to. Special deadlines may be set for applications from Research Council of Norway with fixed deadlines.
- Applications with operating and salary budgets (operating costs and salary) lower than 30,000 NOK do not require a project number and do not need to be budgeted. These should be recorded on a basis.

### Commissioned project:

Commissioned-financed activity refers to projects that the institution carries out against payment from external clients when there is a requirement for consideration from the institution when the agreement/contract is entered into.

Consideration in commissioned-financed activity typically consists of research results or an educational program. As a rule, the client will own the research results, but UiO shall, under any circumstances, have the opportunity to use the results for further research and education.

In commissioned-financed activity, the client shall cover all direct and indirect costs associated with the project, and the institution shall be able to document this. In addition, a reasonable profit shall be calculated for the project, in accordance with the EEA regulations that aim to prevent illegal distortions of competition through public support. This means that the institution cannot partially finance commissioned projects or cover other indirect costs that may arise from the project. Commissioned projects cannot be classified as grant-funded activity based on an evaluation of the project's academic interest.

All commissioned projects must develop a budget in collaboration with an economist/research advisor and be approved by the Head of the Department at IBV. The administration shall be informed and included in negotiations regarding payment, contract agreements, etc., well in advance of the commencement of a project. All expenses, including all work hours from scientific, technical, and administrative staff, shall be fully covered, including social expenses and full cost coverage. Furthermore, all expenses related to operations/travel, etc., shall be covered. Additionally, 30 - 40% of the aforementioned expenses shall be added to cover risks associated with the client's payment ability, unforeseen expenses, required profit to prevent state subsidization, and more.