

The Foundation for Polish Science

Cost Eligibility Guide for Measure 4.4 of the Smart Growth Operational Programme

TEAM-NET COMPETITION

Warsaw, 22 August 2018 (version updated – 28 September 2018)



Contents

- I. Background 3**
 - 1. Aim of the Guide..... 3**
 - 2. Legal basis 4**
 - 3. Scope of the Guide..... 4**
 - 4. Cost eligibility rules..... 4**
 - 4.1 Timeframe of eligibility..... 4
 - 4.2 Verification of cost eligibility 5
 - 4.3 Eligible costs 5
 - 4.4 General rules of documenting the incurred expenditures,..... 7
 - 4.5 Prohibition of double financing..... 8
 - 4.6 Audit 8
 - 5. VAT 8**
 - 6. Public procurement rules 9**
 - 7. Income generated as part of the project implementation..... 10**
 - 7.1 Projects with a total eligible cost exceeding EUR 1 million..... 10
- II. Catalogue of eligible costs under Measure 4.4 Increasing the human potential in R&D sector 11**
 - 1. W – Remuneration costs..... 11**
 - 1.1 General information 11
 - 1.2 Employment relationship 13
 - 1.3 Contract of mandate 14
 - 2. E – Subcontracting costs 14**
 - 3. C – Cross-financing 15**
 - 4. Op – Other direct costs 15**
 - 4.1 Low-cost research and scientific equipment..... 15
 - 4.2 Costs of land and buildings..... 16
 - 4.3 Project publicity costs..... 16
 - 4.4 Other direct costs 16
 - 5. O – flat rate..... 19**
- III. Catalogue of ineligible costs..... 21**
- IV. The methodology of calculating simplified costs under the Smart Growth Operational Programme 23**
- V. The methodology of calculating simplified costs for scales of unit costs in projects implemented under Measure 4.4 The development of R&D personnel: TEAM-NET, within the Smart Growth Operational Programme 2014-2020.....28**

I. Background

The Cost Eligibility Guide for Measure 4.4 of the Smart Growth Operational Programme (hereinafter: the *Guide*) has been prepared on the basis of the legal regulations currently in force.

The main aim of the *Guide* is to facilitate the classification of expenditures for Beneficiaries, at the stage of project planning and during the subsequent settlement of the received funding. At the same time, the provisions of the *Guide* shall not constitute an interpretation basis for arrangements and results of inspections carried out by competent authorities on the basis of separate regulations.

Expenditure Eligibility Guidelines, binding as part of the European Regional Development Fund, the European Social Fund and the Cohesion Fund for 2014-2020 (hereinafter: the Guidelines) take precedence over the Guide.¹

Definitions:

Beneficiary – an entity referred to in Article 2 (10) of Regulation No. 1303/2013 of the European Parliament and of the Council of 17 December 2013.

Whenever the term “Beneficiary” is used in the Guide in relation of projects implemented by a consortium, it should be understood as all members of the consortium implementing the project. It is permissible for a consortium member to be the owner of part of the property created in connection with project implementation The Beneficiary is responsible for:

- a) the accuracy of the material and financial implementation of the project and for the correctness of all eligible expenditures incurred under the project,
- b) ensuring project durability in line with Article 71 of *Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006.*

1. Aim of the Guide

The aim of the Guide is to describe and provide details on the issue of the eligibility of costs incurred by Beneficiaries with regard to the purpose and nature of operations funded under Measure 4.4 of the SGOP, to assist Beneficiaries in the development of a cost schedule within the prepared projects and the settlement of received funds, and also to improve the monitoring of projects at various stages of evaluation, by providing effective and efficient public finance management and equal opportunities in access to funding by creating uniform and transparent cost eligibility rules.

¹ In the event of changes to the Guidelines, in relation to any unsettled expenditures, incurred before the entry into force of the new version of the Guidelines, Beneficiaries may use the new Guidelines if they introduce solutions that are more advantageous to them.

2. Legal basis

This Guide has been created taking into account the existing regulations governing finance management in projects subject to financing from the ERDF, including in particular *the Guidelines*.

3. Scope of the Guide

3.1 The *Guide* sets forth the rules of cost eligibility for projects implemented under Measure 4.4, *Increasing the human potential in R&D sector*, of the Smart Growth Operational Programme; it contains a catalogue of eligible costs and a catalogue of ineligible costs.

3.2 The eligibility of a given cost in a specific project depends on compliance with general rules of eligibility, in particular those provided in the *Guidelines* and in this *Guide*, as well the specific character of the project and compliance with the material scope of the project included in the grant application.

3.3 The rules refer to all eligible expenditures incurred by the Beneficiary under the project.

3.4 Depending on the type of the project, additional eligibility criteria may be specified in the applicable legal regulations or Competition Rules and Regulations.

3.5 The *Guide* is an attachment to the Regulations of the TEAM-NET competition and is valid from the day it is published on the FNP website (www.fnp.org.pl).

3.6 The Guide may be amended or updated², in particular for the following:

- a) increasing the flat rate (referring to category O – costs settled using a simplified method); - an amended flat rate is applied as of the starting date of the project implementation;
- b) increasing the % limits assigned to the following cost categories: cross-financing, project publicity costs, costs of land and buildings, costs of the purchase of low-cost equipment - the amended flat rate is applied as of the starting date of the project implementation;
- c) other changes introducing more favourable solutions for the Beneficiary. The changes may be applied as of the starting date of the project only to expenditures unsettled under the direct costs of the project.

4. Cost eligibility rules

4.1 Timeframe of eligibility

4.1.1 The term “cost eligibility period” refers to the period during which eligible expenditures may be incurred and settled within the project. Costs incurred and settled outside the eligibility period shall be ineligible costs. The cost eligibility period for each project is specified in the grant agreement.

² Amendments or updates of the *Guide's* content do not constitute a basis for changing, and particularly increasing, the amount of funding awarded for the project.

4.1.2 The incurred costs must be listed in the payment request submitted by the Beneficiary on a cash basis; i.e. only actually incurred expenditures (cash payments or money transfers from the bank account of the Beneficiary) may constitute eligible costs. Exceptions from this rule are the following:

- expenditures settled on the basis of flat rates, i.e. expenditures settled at flat rates
- expenditures settled on the basis of a standard unit rate
- depreciation costs
- deductions specified in Article 498 of the *Polish Civil Code*.
- settlements made on the basis of an internal debit note, except for the situation referred to in section 11 of the Catalogue of ineligible costs in the *Guide*;
- allowances for the Employee Benefit Fund.

4.1.3 All expenditures listed in the payment request have to be actually incurred and paid during the cost eligibility period and prior to the submission of the payment request (in which they are listed).

4.1.4 In the case of invoices or other accounting documents issued in a foreign currency, the amount of the eligible expenditure should be converted into PLN in accordance with the applicable legal regulations and the accounting policy adopted by the Beneficiary. If the payment for the invoice or other accounting document issued in a foreign currency is made in tranches, then the amounts of individual instalments of the eligible expenditure should be converted into PLN under the rules described above.

4.2 Verification of cost eligibility

4.2.1 During the evaluation of the grant application, the initial assessment of cost eligibility consists of the analysis of compliance with the applicable EU and national regulations, including the *Guidelines*, and the Rules and Regulations of the TEAM-NET Competition, valid for the given edition of the competition, and the *Guide* applicable as at the date of announcing the competition. The verification shall be based on information contained in the grant application.

4.2.2 During the evaluation of the payment request, the verification of cost eligibility consists of the analysis of its compliance with the applicable EU and national regulations (including the *Guidelines*), provisions of the grant agreement (based on the material scope of the project and the project budget), and the *Guide*. Verification shall be based on the grant application, grant agreement, the payment request and the control or verification of documents confirming the incurred expenditures, including on the basis of a sample of accounting documents or other documents confirming the incurred expenditures (including those referring to economic operator's selection procedures).³

4.3 Eligible costs

4.3.1 A given expenditure may be deemed eligible if all of the following conditions are met:

- a) the expenditure was actually incurred during the period specified in the grant agreement;
- b) it has been incurred in line with the provisions of the *Guide* and the *Guidelines*;
- c) It is compliant with applicable European Union and national law;
- d) it is compliant with the *Smart Growth Operational Programme 2014–2020* and the *Detailed Description of the Priority Axes of the Smart Growth Operational Programme 2014–2020*;

³ In line with the grant agreement and pursuant to Article 22 (6) of the Act of 11 July 2014 on the Principles of Implementing Cohesion Policy Programmes Financed under the 2014-2020 Financial Perspective.

- e) it has been incurred in compliance with the provisions of the grant agreement;
- f) it is in line with the material scope of the project contained in the grant application;
- g) it is necessary for the implementation of the project and was incurred in connection with the implementation of the project;
- h) it has been incurred in a transparent, rational and efficient way, in compliance with the principle of achieving the best effects from the given expenditures;
- i) it has been appropriately documented;
- j) it has been listed in the payment request;
- k) it refers to delivered goods, provided services or performed works;
- l) it has been incurred in compliance with the Public Procurement Law or the principle of competitiveness, or the principle of performing and documenting market research, as applicable;
- m) it does not constitute an ineligible expenditure pursuant to European Union and national law;
- n) it is compliant with the conditions for deeming it an eligible expenditure specified in the Competition Documentation.

4.3.2 Eligible costs are costs calculated pursuant to the currently binding accounting principles, principles of sound financial management and the practices of the Beneficiary (accounting policy). Each Beneficiary shall apply the practices (guidelines) adopted by its organisation for project cost settlement. The possibility of settling the incurred expenditures pursuant to accounting principles applied by the given organisation does not mean that Beneficiaries may create separate accounting principles used solely for the purposes of the project.

4.3.3 The Beneficiary is obliged to incur expenditures in compliance with Article 44(3) and Article 162 (3) of the Public Finance Act.

4.3.4 Eligible costs may include advance payments (for a specific purpose) paid to the economic operator, provided that they were paid in line with the provisions of the agreement concluded between the Beneficiary and the economic operator; if the agreement was concluded on the basis of the Public Procurement Law, Article 151a of the Act shall apply.

4.3.5 As a rule, eligible costs may include expenditures incurred by the Beneficiary to the benefit of the economic operator being a party to the agreement, for supply, services or construction works concluded with the Beneficiary. In the case of bailiff's seizure of the payment for the economic operator, the expenditure incurred to the bank account indicated by the bailiff may be considered eligible if it was incurred in line with the remaining expenditure eligibility conditions.

4.3.6 The date of incurring a given expenditure shall be:

- a) for monetary expenditures:
 - i. made by a bank transfer or a debit card – the date of charging the Beneficiary's bank account, i.e. the transaction's posting date,
 - ii. made with a credit card or a similar deferred payment instrument – the date of the transaction resulting in debiting the account of the credit card or a similar instrument,
 - iii. made in cash – the date of the actual payment,
- b) in the case of depreciation – the date of making a depreciation allowance,
- c) in the case of a deduction – the date on which the deduction referred to in Article 498 of the Polish Civil Code becomes feasible, pursuant to Article 499 of that Code,
- d) in the case of a court deposit – the date of actually making the deposit at the court,
- e) in the case of settlements based on an internal debit note – the note's posting date.

4.4 General rules of documenting the incurred expenditures^{4, 5}

4.4.1 The costs should be documented in a manner that allows the evaluation of the project implementation from the financial and substantive perspective.

4.4.2 Beneficiaries implementing the project are obliged to keep separate bookkeeping records for the project in a manner that enables the identification of individual accounting and banking operations.

4.4.3 Beneficiaries who are not obliged to maintain any bookkeeping records pursuant to the existing regulations (the Accounting Act, tax laws) are obliged to maintain a register of documents related to operations connected with the project implementation (accounting books and tax books, respectively).

4.4.4 The evidence of incurring a given expenditure is a paid invoice or other accounting document of equivalent evidential value along with confirmation of payment. Each original accounting document (invoice, receipt, etc.) must be annotated, specifying the following information:

- a) name (title) of the project as specified in the grant agreement;
- b) date and number of the grant agreement;
- c) amount of the eligible cost;
- d) description of the connection between the cost and the grant agreement – the description of the invoice should provide information about the category of expenditures approved in the grant agreement to which the expenditure documented by the given invoice refers;
- e) information about the financing of the project from ERDF funds – i.e. “Project co-financed from the funds of the European Regional Development Fund”;
- f) assignment and item number of the document;
- g) information about formal and substantive correctness;
- h) annotation on the method of payment (if not stated in the document);
- i) if a given accounting document is only partly connected with the project, the description should unequivocally state the part of the expenditure, divided into eligible and ineligible costs, connected with the project, by specifying certain elements or the percentage share of the expenditure in the project based on the accounting document. In the event of preparing and applying a specific methodology for dividing expenditures, it constitutes a document required to confirm the accuracy of calculations.

Invoices or other accounting documents issued in a foreign currency should additionally contain the exchange rate used for the conversion of the foreign currency into PLN pursuant to the rules specified in section 4.1.4 of the *Guide*. If the payment for the invoice or other accounting document issued in a foreign currency is made in tranches, then the annotation should also contain the exchange rates for specific tranches.

4.4.5 Documents confirming costs connected with depreciation incurred as part of the project are, in particular, accounting documents or excerpts from accounting records that reflect the amount of the incurred costs, certified for compliance with the original document by authorised persons, or, in the case of entities that are not obliged to revalue property, plant and equipment, an appraisal prepared by an authorised entity.

4.4.6 If expenditures are documented by an electronic invoice, an accounting document recorded on a digital carrier should be presented, which is equivalent to a copy of a traditional accounting

⁴ The detailed rules referring to particular types of expenditures were described in Chapter 2 of the Guide.

⁵ This does not apply to simplified expenditure settlement methods.

document, along with a description in an electronic form, in line with the requirements specified in section 4.4.4.

4.5 Prohibition of double financing

4.5.1 Total or partial double financing of a given cost is prohibited.

4.5.2 Double financing refers in particular to:

- a) fully or partially, and repeatedly settling the same expenditure as part of co-financing or own contribution in the same or different project(s) co-financed from EU funds and national public funds;
- b) settling the cost of VAT from EU funds, and then recovering that tax from the state budget, pursuant to the VAT Act of 11 March 2004 and regulations issued in connection with that Act;
- c) purchasing property, plant and equipment using EU funds and/or subsidies from national public funds, and then settling the costs of depreciation of such property, plant and equipment under the same project or other projects co-financed from EU funds;
- d) listing a cost as part of settlement of a subsidy and then listing the same cost under the co-financed project;
- e) settling an expenditure incurred by the lessor for the purchase of a leased asset under financial leasing, and then settling the instalments paid by the Beneficiary in connection with leasing that asset;
- f) financing pursuant to a civil-law contract of the tasks performed by a project staff member which fall into the scope of their normal duties under their employment relationship;
- g) the purchase of used property, plant and equipment that was co-financed from EU funds and/or subsidies from national public funds during the previous 7 years (10 years for real property);⁶
- h) situations where the funds for pre-financing of the EU contribution had been obtained in the form of a credit or loan which was later written off;
- i) receiving non-repayable financial support from several sources (national, EU or other) for the eligible costs of a given project or part of the project in a total amount exceeding 100% of eligible costs under the project or its part;
- j) covering the eligible costs of the project by both loan and guarantee support;
- k) settlement of the same expenditure as part of costs settled using a simplified method and direct project costs.

4.6 Audit

The Project in which funding exceeds PLN 3 million is subject to an obligatory external audit pursuant to Article 34 of the Act on the Principles of Financing Science. The cost of the audit is an eligible cost if the audit began after making at least 50% of the planned expenditures related to the project implementation but not later than before making 80% of the planned expenditures related to the project implementation.

5. VAT

⁶ The 7- or 10-year periods are calculated in calendar months, starting from the purchase date (e.g. 7 years from 9 November 2014 is the period from that date to 9 November 2021).

5.1 VAT constitutes an eligible cost only when, in line with the VAT regulations valid in a given Member State, it cannot be recovered by the taxpayer.

5.2 Beneficiaries who allocate VAT to eligible expenditures are obliged to attach to their grant application “The VAT eligibility declaration.”

5.3 In line with the Guidelines, in order to consider VAT an eligible cost, the right to deduct VAT must be inapplicable not only to the beneficiary but also to “any other entity involved in the project and using products constituting project outcomes in their taxable activities both in the implementation and operational phase.” VAT should constitute ineligible expenditure regardless of which entity recovers it.

5.4 The option provided for in Article 113 of the VAT Act, stipulating a general VAT exemption for taxpayers with low turnovers (with a possibility for these taxpayers to resign from such exemption) shall not be considered the right to deduct VAT.

5.5 VAT may be eligible only for a part of a project. In such a situation, the beneficiary shall be obliged to ensure a transparent system of settling the project, so as to avoid any doubts regarding the part and the scope in which the VAT may be deemed an eligible cost.

5.6 If there is a basis for the Beneficiary to recover VAT, the Beneficiary obliges itself to inform the Foundation of this fact and to return the tax recovered from funding.

5.7 In the case of deducting a part of VAT according to the proportion determined on the basis of the applicable provisions of the VAT Act,⁷ the tax may be eligible.

5.8 Adjustments of settlements associated with a change of the VAT structure index shall be made cumulatively in the current application or in the request for the final payment and may apply also to completed tasks. In the case of a change of the VAT structure rate made after filing the request for the final payment the Beneficiary is obliged to inform the Foundation of the adjustment and to return the funds (the ineligible part of VAT) at the Foundation's request.

6. Public procurement rules

6.1 A public contract is an agreement made for consideration, and entered into between a contracting authority and an economic operator (including natural persons hired on the basis of a civil-law agreement), with the object of providing services, supplies, or construction work necessary to implement the Project.

6.2 In order to incur expenditures within the project, the Beneficiary shall prepare and conduct the procurement procedure in a manner enabling fair competition and equal treatment of bidders in accordance with Chapter 6.5 of the *Guidelines*.

6.3 If the Beneficiary breaches the terms and procedures of public procurement, the Foundation for Polish Science shall consider all or part of the expenditures related to the contract to be ineligible, according to the regulation of the minister in charge of regional development, issued pursuant to Article 24(13) of the Act of 11 July 2014 on the principles of conducting cohesion policy programmes in the financial perspective 2014–2020.

⁷ In line with the VAT Act as at the date of the Guide's becoming valid these are Article 86 (2a) and Article 90 (2).

7. Income generated as part of the project implementation

7.1 Projects with a total eligible cost exceeding EUR 1 million

7.1.1 The Beneficiary is obliged to a proportionate return of income according to the principles stipulated in the document *“The income calculation and monitoring procedure for Beneficiaries receiving funding under Axis IV of the Smart Growth Operational Programme.”*⁸

⁸ Document developed by the National Centre for Research and Development. As at the date of this Guide's entry into force, the document in version 01 of 21 July 2016 is valid.

II. Catalogue of eligible costs under Measure 4.4 Increasing the human potential in R&D sector

Eligible costs of Beneficiaries under Measure 4.4 of the SGOP include the following cost categories:

Direct costs	<ul style="list-style-type: none"> a) Remuneration (W) b) Subcontracting (E) c) <i>Cross-financing (C)</i>: <ul style="list-style-type: none"> • scholarships • placements • training courses d) Other direct costs (Op), including: <ul style="list-style-type: none"> • Low-cost research and scientific equipment • Costs of land and buildings • Project publicity costs • All the remaining direct costs, including the costs of depreciation of equipment and intangible assets
Indirect costs (O)	

1. W – Remuneration costs

1.1 General information

1.1.1 This category covers the following eligible costs: **cost of remuneration and non-wage labour costs**, including social and health insurance contributions of **persons employed for research**⁹ (research staff, substantive management staff, technical staff and other auxiliary staff) **and technology brokers** in the part that such remuneration is directly related to the implementation of the project covered by the grant.

NOTE: The eligibility conditions for the remuneration of research staff settled on the basis of standard unit rates are set out in Chapter V. of this Guide.

⁹ Personnel directly involved in the research process, as per the range of duties of the personnel, may be settled through direct costs.

1.1.2 Expenditures connected with hiring a person who performs tasks within the project(s) are eligible provided that:

- a) they were incurred in line with national regulations, in particular in accordance with the Act of 26 June 1974 – the Labour Code or the Act of 23 April 1964 – the Civil Code;
- b) the resulting workload does not prevent the person from the proper and effective performance of all tasks entrusted to him or her;
- c) the total professional involvement of the person, regardless of the involvement form, in the implementation of all projects financed from EU funds and in any activities funded from other sources, including the Beneficiary's or other entities' own funds, shall not exceed 276 hours per month¹⁰;

The above conditions should be met throughout the whole period of eligibility of the remuneration of the given employee in the project.

1.1.3 The following payroll and non-payroll elements of personnel remuneration constitute eligible costs, subject to section 1.2 or 1.3 of this *Guide*:

- a) base remuneration;
- b) bonuses and awards (apart from service anniversary awards), including appreciation bonuses resulting from the internal remuneration rules of a given organisation specifying uniform rules for all employees (also those not involved in the implementation of projects co-financed from the SGOP);
- c) task- or function-related allowance for tasks or roles in the project, or a special allowance resulting from the specific character of performed tasks (up to 40% of the base remuneration, including contributions, provided that any exceeding of this limit may only result from generally binding regulations);
- d) allowance for long-term work;
- e) remuneration for the period of holiday leave (proportionally to the percentage of involvement of a given employee in the implementation of the project in the month when the leave took place, or if this is impossible to determine, in the month preceding the month in which the leave took place);
- f) remuneration for the period of inability to work pursuant to applicable social security regulations (proportionally to the percentage of involvement of a given employee in the implementation of the project in the month when the inability to work occurred, or if this is impossible to determine, in the month preceding the month in which the inability to work occurred);
- g) additional annual remuneration,¹¹ including social security and non-insurance fund contributions, is eligible proportionally to the period during which the employee performed the tasks for the purposes of the project, and corresponds to the proportion in which the base remuneration providing the basis for its calculation is settled as part of the project;
- h) contributions for:
 - pension, including the Employee Pension Plan,
 - disability insurance,
 - sickness insurance,
 - health insurance,
 - accident insurance;
- i) Labour Fund contributions;

¹⁰ The above limit of 276 h of professional involvement referred to in section 1.1.2 (c) concerns persons involved in the implementation of project tasks or activities based on an employment relationship, and takes into account the number of work days in a given month arising from the employment relationship is taken into account, and the limit includes the employee's absence due to sick leave and holiday leave, with the exclusion of unpaid leave.

¹¹ Additional annual remuneration of project staff members is eligible only if it results from the regulations of labour law.

- j) contribution for the Guaranteed Employment Benefit Fund;
- k) personal income tax advance payment;
- l) allowances for the Employee Benefit Fund.

NOTE: Allowances mentioned in section 1.1.3 are eligible provided that they were granted on the basis of an employment relationship pursuant to the Act of 26 June 1974 – the Labour Code.

1.2 Employment relationship

1.2.1 When personnel are hired on the basis of an employment relationship, expenditures on such personnel's remuneration are eligible when all of the following conditions are met:

- a) an employee is hired or assigned¹² in order to perform tasks directly associated with project implementation,
- b) remuneration is eligible only up to the final eligibility date for expenditures specified in the grant agreement. The remuneration for students and PhD students is eligible in the period specified in the first sentence, but only by the end of the month in which their Master's thesis (for students) or doctoral dissertation (for PhD students) was defended; the above does not mean that the employment relationship may not continue beyond the project implementation period,
- c) employment or assignment for the performance of tasks associated with the project implementation is properly documented in the employment contract or the scope of the employee's professional duties or job description; proper documentation should be understood as, for instance, identifying in the aforementioned documents the tasks to be performed by the person under the project.

1.2.2 If the employment relationship of a Beneficiary's employee only partially involves tasks under the project (e.g. 1/2 FTE, 1/4 FTE under the project) expenditures in relation to remuneration under the project are eligible proportionately, unless the range of responsibilities, the complexity or level of competence required for a given position justifies the difference between the expenditure's share and the work time arising from the employment relationship.

1.2.3 Eligible expenditures for personnel remuneration may be awards (excluding service anniversary awards) or bonuses, provided that they¹³:

- a) are included in the work regulations or remuneration regulations of a given organisation or in other applicable labour law regulations, the principles of awarding them are the same in the case of personnel hired for the implementation of projects and for other employees of the Beneficiary,
- b) are awarded in relation to the implementation of project tasks based on an employment relationship,
- c) were introduced by a given institution at least 6 months before submitting the grant application.

1.2.4 In the case of periodically increasing the scope of professional duties of a given person, eligible expenditures associated with personnel's remuneration may be allowances mentioned in section 1.1.3 of the Guide, provided that they were granted in line with the applicable labour law regulations, subject to section 1.2.5; the allowance may be granted both as sole eligible

¹² Assignment should be interpreted as a clear designation of an employee's professional duties associated with the project for the period of their involvement in the project implementation.

¹³ In the case of part-time employment for the project, payments from the award fund, awards and bonuses granted only for work associated with the implemented project may be eligible in their full amount.

remuneration in the project or as a supplementation of the eligible project personnel's remuneration under the project.

1.2.5 The allowances mentioned in section 1.1.3 of the Guide may be eligible if they meet all of the following conditions:

- a) they are included in the work regulations or remuneration regulations of a given organisation or in other applicable labour law regulations,
- b) the principles of awarding them are the same in the case of personnel hired for the implementation of projects and for other employees of the Beneficiary,
- c) they are eligible only in the period of a given person's involvement in the project,
- d) they are eligible up to the amount of 40% of the base remuneration, including non-wage labour costs, provided that exceeding that limit may result solely from generally applicable law regulations,
- e) their granting depends on the scope of additional duties,¹⁴
- f) the possibility of granting an allowance arises directly from labour law.

1.2.6. Payroll shall be the basis for documenting labour-contract-related remuneration costs.

1.3 Contract of mandate

1.3.1 In the project there is a possibility of hiring individuals on the basis of a contract of mandate.

1.3.2 A person hired by the Beneficiary on the basis of an employment contract may not be hired for the implementation of tasks within the project on the basis of a contract of mandate.

1.3.3 A receipt and an acceptance report forms the basis for documenting contract-of-mandate-related remuneration costs.

2. E – Subcontracting costs

2.1 Subcontracting costs should be understood as **subcontracting to third parties part of the substantive work under the project** that is not performed on the premises and under direct supervision of the Beneficiary, and the costs of resources made available by third parties, e.g. the costs of lease of the laboratory along with research equipment.

2.2 Auxiliary services necessary for the performance of project-related tasks, such as legal or accounting services, are not deemed to be subcontracting.

2.3 All contracts for specific work should also be settled within this category.

NOTE 1: In the case of contracts for specific work, the performance of tasks must be confirmed by an acceptance report confirming the material result of the work performed.

NOTE 2: Contracts for specific work should meet the requirements specified in Article 627 of the Civil Code and may not cover continuous tasks.

2.4 Subcontracting costs are excluded from the basis for calculating indirect costs.

¹⁴ The "scope of additional duties" should be understood as both new work duties which do not result from the existing scope of duties and increased involvement as part of the existing work duties.

NOTE: In the case of **subcontracting costs (category E)** the total amount of eligible costs in the project **may not exceed 25%** of the total **eligible costs of the project**.

3. C – Cross-financing

3.1 The following types of costs are eligible within this category:

- a) **stipends** for students and PhD students involved in conducting research under the given project;
- b) **fellowships** by stipend holders or research team members within the scope related to the research work conducted as part of the project, the commercialisation of research results and state-of-the-art technology achievements or project management;
- c) **trainings** by scholarship holders or research team members within the scope related to the research work conducted as part of the project, the commercialisation of research results and state-of-the-art technology achievements or project management.

NOTE: Eligibility conditions for PhD student's research and training costs, including individual support in the form of a scholarship and PhD student career development costs, which are settled on the basis of standard unit rates, are specified in Chapter V. of this *Guide*

3.2 Cross-financing costs (category C) are excluded from the basis for calculating indirect costs "O."

NOTE 1: In the case of **cross-financing costs (category C)**, the total amount of eligible costs in the project **may not exceed 30%** of the total **eligible costs of the project**. As regards this amount, in line with the methodology adopted for the Knowledge, Education and Development Operational Programme, in relation to this category, a flat rate of 25% of the indirect costs incurred under this category is used.

4. Op – Other direct costs

4.1 Low-cost research and scientific equipment

4.1.1 The following types of costs are eligible within this category:

- a) expenditures for the purchase of **low-cost research and scientific equipment** (i.e. equipment of a value not exceeding PLN 500,000.00 for exact, engineering and life sciences or PLN 150,000.00 for humanities and social sciences) necessary for the implementation of the project;
- b) Expenditures on **transport, installation and start-up** of the research and scientific equipment purchased under the project along with **specialist training in the operation thereof**, expenditures on checking and testing the research equipment purchased under the project and **technical assistance** provided by the manufacturer during the initial period of operation of the research and scientific equipment purchased under the project.

4.1.2 Expenditures incurred on the purchase of property, plant and equipment referred to in section 4.1.1 and the costs of their delivery, installation and start-up may be eligible in whole or in part as

determined by the Beneficiary based on the actual use of the property, plant and equipment for the purposes of the project.

NOTE: In the case of *low-cost research and scientific equipment costs (category Op 4.1)* the total amount of eligible costs in the project [(referred to in Point 4.1.1 (a) and (b))] **may not exceed 10%** of the total **eligible costs of the project**.

4.1.3 The grant application should list the planned purchases of low-cost research and scientific equipment along with a substantive justification stating expressly that the unit does not possess any equipment that could be used as a substitute and that obtaining access to such equipment in another unit would not be justified from the economic point of view. Planned purchases of low-cost research and scientific equipment shall be subject to evaluation by experts. In the case of a necessity to introduce changes in the scope of low-cost research and scientific equipment purchases planned in the grant application it is necessary to apply to the Foundation and to obtain a written approval of the changes.

4.2 Costs of land and buildings

4.2.1 The costs of land and buildings are eligible within the scope and during the period necessary for the implementation of the project¹⁵.

4.2.2 The following types of costs are eligible within this category:

- a) **land lease** – only leasing instalments, without interest;
- b) **perpetual usufruct of land** – only perpetual usufruct fees, without interest;
- c) **depreciation of buildings**¹⁶ – if the buildings are also used for purposes other than the project implementation, then only the part of the depreciation allowance corresponding to the proportional use of the buildings for project implementation purposes is eligible;
- d) expenditures connected with **adapting the laboratory space** owned by the Beneficiary.¹⁷

4.2.3 Property tax shall not constitute direct costs of the project.

4.2.4 In the case of costs of land and buildings specified above (4.2.2 a-d) the total amount of eligible expenditures in the project **may not exceed 10% of the total eligible costs of the project**.

4.3 Project publicity costs

Project publicity costs, including information and promotion materials, as well as website creation and maintenance costs, up to 1% of the eligible costs of the project.

4.4 Other direct costs

4.4.1 Other operating costs include the costs of materials, consumables and similar products incurred in direct connection with project implementation.

4.4.2 The following types of costs are eligible within this category:

¹⁵ The Op category may be used to settle the costs of land or buildings which are used in whole or in part for the purposes of the conducted research work, i.e. laboratories or other spaces used for research and for the purposes of equipment, materials and personnel of the project settled in direct costs.

¹⁶ If the building is also used in the project for administrative purposes, the depreciation cost of the building should be divided between the costs of buildings and land and the "O" category costs – a flat rate pro rata to its use in order to implement content-related works as part of the project.

¹⁷ Excluding renovation costs.

- a) **materials necessary for the project implementation**, raw materials, semi-finished products and reagents;
- b) **research equipment** (generally all purchases that do not meet the requirements to be qualified as property, plant and equipment pursuant to the Accounting Act and the adopted accounting policy), used for the project implementation;
- c) **cost of maintenance of technological lines** and experimental installations during the period and proportionally to their use in the project;
- d) **lease of laboratory space** (i.e. premises suitable for conducting research, e.g. due to the required certificates or applied security systems, without research equipment),¹⁸ used for the project implementation;
- e) **elements used for the construction and permanently installed in the prototype, pilot or demonstration installation;**
- f) costs of **the publication of project results** in open-access journals, journals listed in the JCR, **conference participation costs**, and – subject to obtaining FNP's consent – costs of preparing **presentations of project results;**
- g) costs of **intellectual property management** (for the purposes of ensuring intellectual property protection, valuation of agreements related to the commercialisation of results, verification of the solution patentability, protection strategy development, and extension of intellectual property protection);
- h) **operating costs of research and scientific equipment** owned by the unit or leased to such unit free of charge;
- i) costs incurred by the Beneficiary for the purpose of conducting and establishing **scientific co-operation (both domestic and international) within the project and co-operation with businesses** (including the implementation costs of the part of the project under the supervision of the Beneficiary's project staff in a strategic partner unit abroad or in a different unit co-operating within the project, in particular the costs of access to databases, library resources and the use of materials);
- j) the cost of an **external audit** if it began after making 50% of the planned expenditures related to the project implementation but not later than before making 80% of the planned expenditures related to the project implementation;
- k) expenditures **on the modernisation of research and scientific equipment, devices and other elements of research equipment owned** by the Beneficiary or **leased** to it free of charge – **only upon the written consent of the Foundation for Polish Science;**
- l) expenditures on the **purchase** of technological know-how and patents, i.e. **intangible assets (IA)**, obtained from third parties on market terms, in the form of patents (purchased or used pursuant to licences), licences, know-how, technological knowledge not protected by patents, expert opinions, analyses and research reports, etc., used for conducting research, in the scope and during the period necessary for the project implementation;
- m) **depreciation allowances or costs of paid use of:**
 - i. **research and scientific equipment** and other equipment used for the purposes of research;

¹⁸ The costs of lease of spaces other than laboratory space shall be covered by indirect costs. The costs of renting the laboratory including the equipment shall be deemed to constitute subcontracting.

- ii. technological know-how and patents **obtained from third parties on market terms, i.e. intangible assets (IA)** in the form of patents (purchased or used pursuant to licences), licences, know-how, technological knowledge not protected by patents, expert opinions, analyses and research reports, etc.
- **in the scope and during the period necessary for the project implementation.**
- n) **costs of transport services** related to the domestic or international transport of prototypes, equipment, materials, samples and products – necessary for the proper conduction of research work planned within the project;
- o) **transport and accommodation costs related to business trips** made by the R&D personnel involved in the project, and to trips made by scholarship holders¹⁹ (this does not concern per diem allowances and flat-rate expenses which need to be settled as part of indirect costs “O”).

4.4.3 Depreciation rules

Depreciation allowances due to a decrease in value constitute eligible costs if all of the following conditions are jointly met:

- a) at the moment of purchasing, the equipment meets the definition of a fixed asset (in line with Article 3(1)(15) of the Accounting Act: *tangible fixed assets with the expected economic usability term longer than one year, complete, ready for use, and intended for the entity's needs*;
- b) the equipment or IA is necessary for the proper implementation of the project and is used in direct connection with the project;
- c) the equipment or other devices for research purposes are listed in the register of fixed assets of entities that purchased them;
- d) depreciation expenditures have been calculated in compliance with accounting regulations and with the accounting policy of the entity;
- e) the eligible value of depreciation allowances refers only to the period of the project implementation;
- f) if the equipment or IA is also used for purposes other than the project implementation, then only the part of the depreciation allowance corresponding to the proportional use of the assets for project implementation purposes is eligible;
- g) the purchase of equipment or IA was not co-financed from national subsidies or EU funds;
- h) the purchase of equipment or IA was not settled as an eligible cost of the project;
- i) depreciation allowances refer to equipment or IA that have been purchased in a rational and efficient way, i.e. their prices do not exceed market prices and rates.

The residual value of the fixed tangible asset or the IA after the completion of the project implementation does not constitute an eligible cost.

4.4.4 Paid use of equipment/IA

4.4.4.1 Expenditures incurred as a result of paid use of equipment (leasing, hire) or intangible assets (licence fees) constitute eligible costs to the extent and during the period necessary for the project implementation.

¹⁹ The costs of transport and accommodation related to business trips made by the R&D personnel involved in the project, and to trips made by scholarship holders, may cover transaction and agency fees provided that they are necessary for such costs to be incurred.

4.4.4.2 As far as leasing (operational or financial) is concerned, the eligible cost is the **part of the leasing instalment** issued for the Beneficiary **connected with the repayment of the principal amount** (without interest and other fees) of the subject of the leasing agreement.

4.4.4.3 As far as leasing costs are concerned, the maximum amount of eligible costs must not exceed the market value of the goods subject to leasing. This means that the amount of eligible costs must not exceed:

- a) the amount stated on the receipt issued to the lessor by the provider of the co-financed goods – for goods purchased not earlier than 12 months prior to submission of the grant application by the Beneficiary;
- b) the market value of the goods subject to leasing specified in the valuation prepared by a certified appraiser or in the valuation prepared on the basis of the methodology presented by the Beneficiary – for goods purchased earlier than 12 months prior to the submission of the grant application by the Beneficiary. The valuation may be replaced with documentation justifying the selection of the subject of leasing in a tender procedure that guarantees compliance with the fair competition principle.
- c) in the case of a **financial lease with the depreciation period longer than the term of the lease agreement**, the eligible cost shall represent the depreciation allowance for the project implementation period.

5. O – flat rate

5.1 Costs settled under the “O” indirect costs category, incurred in relation to the Project implementation shall be settled in accordance with the *Methodology of calculating simplified costs under the Smart Growth Operational Programme*, included in part 4 of this *Guide*. The methodology was adopted for Axes I and IV of the Programme by the Programme’s Managing Authority. The eligibility guide provides further details and specifications of that methodology.

5.2 The flat rate method makes it possible for the project leader to incur the necessary project costs, including the costs that would otherwise require performing time-consuming and complicated calculations of distribution keys, and assigning particular specific cost items as eligible for the project. Indirect costs are not subject to reporting. In addition, the catalogue of indirect costs was removed from this Guide.

5.3 Indirect costs (“O”) may be incurred only in relation to the Project implementation. The Beneficiary's spending of funds provided within the project, including indirect costs, requires the Project Leader’s approval.

5.4 Indirect costs (“O”), incurred in connection with the implementation of the project are settled as a percentage of direct costs with the exclusion of subcontracting costs (category E) and cross-financing costs (category C), according to the following formula:

Flat rate – “O” = 25% x [direct costs – (subcontracting costs + the costs of resources provided by third parties which are not used in the premises/headquarters/project implementation location of the beneficiary project + cross-financing costs)]

5.5 Indirect costs (“O”) shall be deemed incurred expenditures. Under the project the Beneficiary is not obliged to collect or describe accounting documents confirming the expenditures reported as expenditures settled with the simplified method. The verification of expenditures declared according to simplified methods involves verifying whether the Beneficiary accurately reported the amount of

expenditures forming the basis for calculating the flat rate. The amount of indirect costs ("O") is based not only on costs included in financial reports but also on all deductions made within the project.

NOTE: Indirect costs ("O") may not be reported under direct costs of the project (under categories W, E, C and Op).

III. Catalogue of ineligible costs

Ineligible costs include:

1. costs incurred outside the eligibility period specified in the grant agreement;
2. costs that do not meet the eligibility criteria specified in the *Guide* and the *Guidelines*;
3. undocumented or inappropriately documented costs;
4. VAT that may be recovered by the Beneficiary both in the implementation and operational phase pursuant to national regulations, i.e. the VAT Act of 11 March 2004 and the related secondary legislation;
5. commissions collected as part of foreign exchange transactions;
6. expenditures incurred pursuant to the cross-financing principle that exceed the limit specified for the given project;
7. expenditure settled in part by means of unit rates, and in the remaining part on the basis of actual expenses incurred;
8. interest charged on debt;
9. exchange gains;
10. costs of loans or credit incurred for the pre-financing of the grant;
11. fines and penalties;
12. settlement of the purchase of items owned by the Beneficiary or rights to which the Beneficiary is entitled by means of a debit note;
13. expenditures related to court proceedings, expenditures on the preparation and legal handling of court proceedings, costs connected with the functioning of arbitration committees and the costs of implementing any decisions that may be issued by courts or arbitration committees;
14. expenditures on the purchase of used property, plant and equipment that was co-financed from EU funds or national subsidies during the previous 7 years (10 years for real property)²⁰;
15. expenditures incurred on the purchase of developed or undeveloped real property, perpetual usufruct right or the acquisition of other legal titles to real property (e.g. limited property rights: lease, tenancy, usufruct) exceeding 10% of the total eligible costs of the project;
16. expenditures connected with preparing and filling out the grant application;
17. success fee for the co-author of the application who prepares, for example, the feasibility study;

²⁰ The 7- or 10-year periods are calculated in calendar months, starting from the purchase date (e.g. 7 years from 9 November 2007 is the period from that date to 9 November 2014).

18. cost of external audits of expenditures on science if the audit started before the implementation of 50% or after making 80% of the planned project expenditures;
19. expenditures connected with leasing agreements other than the principal amount of the leasing instalment – in particular the profit margin of the financing entity, interest on cost refinancing, insurance fees, overheads, costs of the assembly and adaptation of property, plant and equipment for use, and costs of spare parts for the leased equipment;
20. transactions²¹ in cash with a value exceeding the equivalent of the amount²² specified in Article 22 of the Business Freedom Act of 2 July 2004;
21. the following payroll and non-payroll elements of remuneration:
 - a) service anniversary award;
 - b) equivalent for unused holiday leave;
 - c) group life insurance contribution (treated as the taxable revenue of the employee);
 - d) additional health subsidy;
 - e) cash equivalent (e.g. reduced payment for electricity);
 - f) electricity subsidy (treated as the taxable revenue of the employee);
 - g) use of company car – commuting to/from work and home;
 - h) benefits from the Company Social Benefit Fund;
 - i) allowances financed from the state budget (e.g. nursing benefit, family benefit) or from the funds of the Social Insurance Institution (e.g. maternity, rehabilitation, paternity, attendance, compensation benefit);
 - j) benefit for the period of inability to work, pursuant to applicable social security regulations;
 - k) remuneration for overtime work;
 - l) subsidy for glasses;
 - m) benefits for foreign languages, for non-smoking, and other benefits of this type introduced by the employer, compensation under a non-competition clause, or other compensation that the employer is obliged to pay;
 - n) food vouchers for employees;
 - o) contributions for the State Fund for Rehabilitation of Disabled Persons (PFRON);
 - p) redundancy payments for employees of the project;
 - q) retirement/pension severance payments;
 - r) holiday leave subsidies;
 - s) costs of periodic and preliminary medical check-ups;
 - t) allowances for tasks or roles in the project, or a special allowance resulting from the specific character of performed tasks, up to 40% of the base remuneration, including contributions, unless any exceeding of this limit results exclusively from generally binding regulations.

Costs incurred in a manner non-compliant with the Public Procurement Law or the principle of competitiveness or the principle of performing and documenting market research (specified in the *Guidelines*) may be deemed ineligible in whole or in part.

²¹ Regardless of the number of payments arising from a given transaction.

²² In line with the Act as at the date of the Guide's becoming valid these are transactions exceeding PLN 15,000.

IV. The methodology of calculating simplified costs under the Smart Growth Operational Programme

I. Types of eligible costs and the suggested form of simplified costs

Indirect costs under measures 1.1, 1.2, 4.1, 4.3 and 4.4 of the *Smart Growth Operational Programme* (SGOP) are costs incurred in relation to the implementation of R&D projects and the pre-implementation phase:

- 1) costs of personnel: researchers, technology brokers, substantive managerial staff, technicians and other auxiliary staff in the scope for which they are employed for a given project;
- 2) costs of purchase or depreciation of equipment and devices, as well as intangible assets, to an extent in which they are used for the purposes of the project;²³
- 3) costs incurred in connection with the paid use of equipment (lease or rental) or intangible assets (licence fees during the research conduction stage) constitute eligible costs to the extent and for the period necessary for the project implementation;
- 4) costs of land and buildings²⁴ to an extent and for the period in which they are used for the purposes of the project. For buildings, eligible costs are depreciation costs corresponding to the project implementation period calculated on the basis of the generally applicable accounting principles, or laboratory area adaptation costs necessary to be incurred for the proper project implementation. For land, eligible costs are the costs of commercial transfer or actually incurred capital costs;
- 5) costs of contractual research, knowledge and patents bought or licensed from outside sources at market prices, where the transaction has been carried out at arm's length, as well as costs of consultancy and equivalent services used exclusively for project purposes;
- 6) costs of sub-contracting²⁵ understood as entrusting a third party with substantive project work and costs of resources provided by third parties (during the research conduction stage), or costs of consulting services or equivalent services rendered for the purpose of pre-implementation work carried out within the project (during the pre-implementation work conduction stage);
- 7) other operating expenses:
 - a) as part of the research conduction stage of the project: costs of materials, laboratory equipment, the maintenance of technological lines, the use of research and scientific equipment, lease of laboratory space, external auxiliary services, elements used for the

²³ As regards projects receiving public aid: costs of instruments and equipment, as well as intangible assets to the extent and for the period in which they are used for project purposes, i.e. if such instruments and equipment, as well as intangible assets are not used for project purposes for the entire period of their operation, eligible costs shall cover the costs of depreciation corresponding to the project implementation period, calculated on the basis of the generally adopted accounting principles.

²⁴ In the case of using parts of buildings for project administration and management purposes, an expenditure incurred on that purpose shall constitute a flat-rate indirect cost.

²⁵ Costs of sub-contracting are excluded from the flat-rate calculation basis of indirect costs of the project.

- construction and permanently installed in the prototype, pilot or demonstration installation, costs of intellectual property management for property protection, costs related to research admission fees, costs of transport services necessary for the proper implementation of research work, as well as project publicity and external auditing costs;
- b) as part of the pre-implementation work stage of the project: lease of laboratory space, materials, small tools and equipment, the maintenance of technological lines, patent agent's services, costs of external auxiliary services, costs related to administration fees, costs related to research admission fees, costs of transport services necessary for the proper conduction of pre-implementation work, as well as project publicity and external auditing costs;
 - c) moreover, as part of Measures 4.3 and 4.4 of the SGOP: costs of publishing project results in journals listed in the JCR and open-access journals, developing presentations of project results and costs of participating in conferences; costs of transport and accommodation of the project staff (including scholarship holders) related to the conduction of a part of the project on the project partner's premises, or to the partnership formation, as well as costs of research conducted by the project staff (including scholarship holders) incurred by the project partner indicated in the application; costs of operations of advisory bodies within the project – the international scientific committee or the scientific and economic committee (as indicated in the competition rules and regulations), excluding their salaries; expenditures on research and scientific equipment owned or leased free of charge.

The above-presented closed catalogue of direct costs may be further specified in Competition Documentation or in the Cost Eligibility Guide regarding a given measure.

The application of the simplified method for indirect costs is obligatory and was introduced in order to reduce the amount of documentation, the lack of necessity to perform time-consuming and complicated calculations of distribution keys and to assign particular specific cost items as eligible for the project. A crucial argument for the application of the flat rate is also to limit the risk of irregularities related to the settlement of indirect costs on the basis of actual costs.

Indirect costs are costs that cannot be identified by the Beneficiary as directly assigned to the project. These include the overall costs of the unit's operation connected with the implementation of a given project. In consequence, indirect costs will constitute eligible project expenses if direct costs are incurred properly, i.e. in line with the eligibility conditions laid down in the Expenditure Eligibility Guidelines, binding as part of the European Regional Development Fund, the European Social Fund and the Cohesion Fund for 2014-2020, and in the Cost Eligibility Guide.

However, no indirect costs may be indicated as part of direct costs.

The Intermediary Authority/the Implementing Authority, while assessing the verification of expenditures proposed in the project, and before signing the grant agreement, shall verify whether no costs have been indicated as part of the tasks determined in the project budget (within direct costs), which would constitute indirect costs. In addition, at the project implementation stage, the entity submitting a payment request shall verify whether no indirect costs have been indicated in the breakdown of direct expenditures, as attached to the payment request.

II. Assumptions and sources of data used to develop the methodology

Pursuant to Article 67 (5)(b) of Regulation (EU) No. 1303/2013 of the European Parliament and of the Council²⁶ and Article 20 of Delegated Regulation (EU) No 480/2014²⁷ there is a possibility of using a

²⁶ Regulation (EU) No. 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the

simplified form of settling direct costs in R&D projects with a pre-implementation phase of the SGOP based on the applied flat rate in line with Article 29 of Regulation No 1290/2013 of the European Parliament and of the Council²⁸: “Eligible indirect costs shall be settled according to a flat rate amounting to 25% of eligible direct costs, excluding eligible subcontracting costs and the costs of resources provided by third parties which are not used in the beneficiary's premises and financial support for third parties.”

It was assumed that the applied project funding system under the SGOP complies with the subsidy funding system under the Horizon 2020 Programme, and that it is possible to adopt the solution related to indirect costs used in the Horizon 2020 programme.

The compliance of the system of funding R&D projects used by the National Centre for Research and Development with the pre-implementation phase was based on compliance with the Horizon 2020 programme in several aspects:

1) Target group/recipients

An equivalent group of recipients – research units, enterprises (including awarded enterprises from the SME sector), scientific and industrial consortia, scientific consortia, industrial consortia, independent researchers, students, PhD students, special purpose vehicles, technology transfer centres.²⁹

2) Range of activities/works subject to funding

The thematic focus of measures 1.1, 1.2 and 4.1 of the SGOP is in line with one of three main priorities of the Horizon 2020 Programme “Industrial leadership” with an aim of streamlining the development of technology and innovation to provide foundations for the future operations of enterprises and to support innovative companies from the SME sector to successfully enter the world market. The priority covers the area “Leadership in enabling and industrial technologies,” where emphasis is placed on supporting scientific research and innovations ending with implementations. The goal is to improve competitiveness, create jobs and support economic development. The support provided may be spent on the research and development aspect (industrial research and development work) and on supporting the commercialisation of projects’ results and other forms of transferring them to the economy.

Measure 4.1 of the SGOP further corresponds to the priority of Horizon 2020 “Excellent science” with an aim of improving the quality of science in the EU and to increase the competitiveness of scientific research and innovation of the European Union on a global scale by funding interdisciplinary projects which will bring superior results by joining the potential of various fields of science and varying disciplines of advanced engineering so as to implement the studied solutions and create completely new technologies.

On the one hand, measures 4.3 and 4.4 of the SGOP are directly related to the challenges of Horizon 2020, contributing to fulfilling its priorities (in particular “Excellent science” through ERC grants³⁰ or

European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No. 1083/2006.

²⁷ Delegated Regulation (EU) No. 480/2014 of 3 March 2014 supplementing Regulation (EU) No. 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund.

²⁸ Regulation (EU) No. 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in “Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)” and repealing Regulation (EC) No. 1906/2006 (OJ EU L 347 vol. 56 of 20.12.2013).

²⁹ Technology transfer centres of higher education institutions.

³⁰ The European Research Council

the Marie Skłodowska-Curie Actions), detailed objectives and cross-cutting issues. On the other hand, they also support the involvement of Polish entities in Horizon 2020 programme through e.g. the requirement of submitting an application for the implementation of a project under Horizon 2020 as a condition for extending the duration of the project under Measure 4.4. of the SGOP.

The aforementioned SGOP measures (similarly to the Horizon 2020 Programme) are directed at financing work with a potential for commercialisation, driving innovation and supporting cooperation between science and industry. Activities carried out under the SGOP also have a purpose of stimulating economic growth by boosting innovation, and the support provided was prepared in such a way as to cover as much of the innovation creating process as possible. Horizon 2020 covers the following activities:

- Innovative research – research projects focussing on clearly defined challenges in order to gain new knowledge or develop a new technology and implement them on the market
- Innovation – funding focussing on activities closer to the market, i.a. prototype preparation, testing, demonstration, modelling, scaling, etc., if the activities are aimed at developing new, improved products or services
- Innovation in SMEs (Fast track to innovations, Innovation actions – IA) – instruments supporting the innovative SME sector with an option of assistance throughout the innovation creation process, starting from feasibility studies to the R&D phase and the commercialisation of results.
- ERC grants – funding projects assessed only on the basis of the scientific excellence criterion in any field of research carried out by one national or multinational research team supervised by the main researcher.
- Support for education and career development (the Marie Skłodowska-Curie Actions) – funding international scholarships for research in the public and private sector, training in the field of scientific research and personnel exchanges.

III. The method of calculating the amount or rate

Eligible indirect costs in SGOP projects were calculated as follows:

Indirect costs = 25% x [direct costs – (subcontracting costs + the costs of resources provided by third parties which are not used in the premises/headquarters/project implementation location of the beneficiary project)]

Indirect costs, as all the remaining costs, will be funded in conformity with state aid intensity assigned for a specific measure (works) for a given beneficiary.

IV. Other rules applicable to the measure/project referring to the adopted simplified forms of expenditure settlement

In projects involving outsourcing services (subcontracting) and third party contribution, the value of these items will be separated from direct costs forming the basis for calculating the flat rate of indirect costs.

Furthermore, all SGOP measures are subject to the rule that beneficiaries incur their expenditures in accordance with the *Cost Eligibility Guide*. The Guide contains information on and methods for settling project costs, identifies differences in approaching indirect and direct costs and provides all information essential for Beneficiaries.

In the case of measures 4.3 and 4.4 of the SGOP, funding projects consists of funding grants and scholarships on the basis of grant agreements and scholarship agreements with team members (if scholarships are planned by the Project Leader).

For measures 1.1, 1.2 and 4.1 of the SGOP, funding projects takes place on the basis of agreements signed with Beneficiaries or consortia of Beneficiaries. Funds will be paid in line with the schedule included in the agreement kept in an electronic system.

V. Verification of expenditures settled using a simplified method

The value of indirect costs will be verified in relation to actually incurred direct costs of the project. Each reduction of the amount adopted as a result of a verification of direct costs (e.g. a financial adjustment) will proportionately affect the indirect costs amount.

Indirect costs will be settled proportionately in the respective documents confirming the incurring of direct costs.

Beneficiaries will not present accounting evidence or equivalent accounting documents and will not be obliged to keep separate records in the accounting systems for expenditures referring to indirect costs. In practice this means that they are not subject to control under the SGOP. The only controlled aspect will be whether the share of indirect costs in the direct costs of a given project does not exceed the permissible limit specified in line with the methodology.

VI. Use of the simplified cost calculation methodology

Since the approval of the simplified cost calculation methodology by the MA, it shall be binding in respect of new competitions announced for Measures 1.1, 1.2, 4.1, 4.4 and 4.3 of the SGOP. Moreover, as part of Measures 4.4 and 4.3 of the SGOP, the updated version may govern the competitions launched prior to its approval, provided that the form and mode of its implementation is agreed with the MA.

V. The methodology of calculating simplified costs for scales of unit costs in projects implemented under Measure 4.4 The development of R&D personnel: TEAM-NET, within the Smart Growth Operational Programme 2014-2020

1. Background and premises

The methodology of calculating standard scales of unit costs for eligible costs in projects implemented under Measure 4.4, Increasing the human potential in the R&D sector: TEAM-NET within the Smart Growth Operational Programme 2014-2020, was developed to simplify the cost financing rules, which will contribute to reducing the administrative burdens on the Beneficiary at the stages of project planning and settlement.

Support under Measure 4.4 of the SGOP: The TEAM-NET is dedicated to the implementation of interdisciplinary research from at least two different fields of science carried out through a network of cooperating research teams based in research units of the applicant. The support is provided in respect of the development of R&D personnel through projects carried out by experienced researchers throughout the world and researchers at early stages of their career, including postdoctoral internships, as well as junior postdoctoral researchers establishing their first research teams. The obtained financing can be allocated for covering the costs encompassing the following cost categories: personnel remuneration costs, costs of subcontracting, costs of cross-financing, and other direct costs including those of equipment and devices, intangible assets, costs of land and buildings, project promotion costs and other operating costs, in line with the Cost Eligibility Guide for Measure 4.4 of the SGOP.

The TEAM-NET Competition regulations specify the rules for engaging research personnel in the project. Work within the project is conducted by research teams led by team leaders or junior team leaders selected on terms specified by the Competition regulations. Each research team may consist of researchers with the status of a 1st- or 2nd-cycle student, PhD student or junior postdoctoral researcher. The team may also include technical staff and people with a scientific degree necessary for conducting research work or for supervising junior team members. The Implementing Authority's acceptance of the justification of their employment forms the condition for the remuneration of such employees being funded. In the case of key research personnel, i.e. research team leaders, junior research team leaders, junior postdoctoral researchers and PhD students, the eligibility of their remunerations is confirmed on the basis of employment contracts. Furthermore, in accordance with the TEAM-NET Competition regulations, support for PhD students and 1st- or 2nd-cycle students within cross-financing is granted through scholarships, internships and training courses.

This Methodology covers the following categories of cost expenditures:

- I. **Remuneration of key research personnel** employed based on an employment relationship:
 - Remuneration of research team leaders
 - Remuneration of junior research team leaders / Remuneration of junior postdoctoral researchers 6-9 years after obtaining their PhD degrees.

- Remuneration of junior postdoctoral researchers up to 5 years after obtaining their PhD degrees³¹
 - Remuneration of PhD students
- II. Costs of research and training of PhD students involved in research under the individual research group, who are not employed based on an employment relationship.

The costs of research and training of PhD students are financed under cross-financing measures. In accordance with the principles adopted in Measure 4.4 of the SGOP, the costs incurred within cross-financing concern expenditure on training or internships for scholarship holders or research team members, as well as on scholarships for students and PhD students involved in research in the project. The scale of unit cost covering costs of research and training applies only to PhD students who are not employed on the basis of an employment relationship. The rate is used to finance the costs of scholarships, internships and training financed within cross-financing for the development of PhD students – scholarship holders who conduct research in research teams. Other financial costs within cross-financing will be settled outside unit costs.

Other costs of remuneration of other members of the project staff, subcontracting costs and overheads are settled on the basis of actually incurred costs (this applies especially to research team members other than key personnel: 1st- or 2nd-cycle students, technical staff and persons with a scientific degree) in accordance with the applicable rules on the eligibility of costs under the programmes financed by the European Funds for 2014-2020. Before signing a grant agreement, the Implementing Authority verifies whether the costs determined by scales of unit costs do not include costs settled as actually incurred costs. Furthermore, at the project implementation stage, the IA verifies, whether the submitted breakdown of incurred direct expenditures, appended to the request for payment, includes expenditures incurred using the simplified methods in the catalogue of expenditures settled using the actual cost method. It is not acceptable for indirect costs to be listed under direct costs.

Standard scales of unit costs covered by this methodology concern direct expenditures of the project. Indirect costs under Measure 4.4 of the SGOP: TEAM-NET are settled using a flat rate in accordance with the adopted *Methodology of calculating simplified costs under the Smart Growth Operational Programme* and the *Cost Eligibility Guide for Measure 4.4. of the SGOP*. Based on Chapter 6.6 (3) of the Guidelines on the eligibility of expenditures under the European Regional Development Fund, the European Social Fund and the Cohesion Fund for the years 2014-2020³² expenditures settled using various simplified methods can be pooled at the project level, only when each of such methods concerns other costs. Therefore, it is possible to settle within the project indirect costs calculated in line with the *Methodology of calculating simplified costs under the Smart Growth Operational Programme* and the scales of unit costs settled in accordance with this methodology.

³¹ Period of determining the junior postdoctoral researcher seniority: starting from the year of title conferral and ending in the year of filing a competition application to act as a junior member of the team financed under the TEAM-NET project.

³² Guidelines on the eligibility of expenditures under the European Regional Development Fund, the European Social Fund and the Cohesion Fund for the years 2014-2020, Ministry of Economic Development, 19 July 2017, Warsaw

2. Sources of data used to develop the methodology of calculating simplified costs

This Methodology is based on the provisions of Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (hereinafter Regulation No 1303/2013). In order to develop the methodology, a form of financing was selected in respect of the costs of remuneration and costs of research and training based on scales of unit costs referred to in Article 67(1)(b) of the aforementioned Regulation. In accordance with the Guidance on Simplified Cost Options by EFSI, grants and repayable assistance can take the form of financing calculated on the basis of quantified activities, input, outputs or results multiplied by standard scales of unit costs established in advance. This form can be used for any type of project or part of a project, when it is possible to define quantities related to an activity and standard scales of unit costs.

To calculate the proposed scales of unit costs within Measure 4.4 of the SGOP: the TEAM-NET competition, two methods types were assumed based on Regulation No 1303/2013:

I. Scales for the remuneration of key research personnel:

The scales are based, pursuant to Article 67 (5)(a)(i), on a fair, equitable and verifiable calculation method based on statistical data or other objective information. In accordance with the Guidance on Simplified Cost Options³³, statistical data can take the form of benchmarking with similar types of operations, with the most common being the statistical analysis of historical data, which can use certified expenditure from the past as sources. The data adopted for this methodology were calculated based on the MORE2 Report³⁴, analysing the remuneration of researchers. The MORE2 study was prepared in 2013 for the European Commission, Research Directorate-General, Directorate B – European Research Area. MORE2 was a report used by the European Commission to develop the methodology of calculating scales of unit costs for MSCA under the Horizon 2020 programme. The objective of MORE2 was to “provide internationally comparable data, indicators and analysis in order to support further evidence-based policy development on the research profession at European and national level.” It is currently the largest and most objective international report on the professional situation of researchers. Within the MORE2 – *Report on case study of researchers remuneration*³⁵ analyses of researcher remuneration from 45 countries based on country

³ European Commission Guidance on Simplified Cost Options (SCOs) of September 2014 Flat rate financing, Standard scales of unit costs, Lump sums; http://ec.europa.eu/regional_policy/pl/information/publications/guidelines/2014/guidance-on-simplified-cost-options-scos-flat-rate-financing-standard-scales-of-unit-costs-lump-sums

³⁴ Report MORE2 – Introduction in: Final Report: Support for continued data collection and analysis concerning mobility patterns and career paths of researchers, 2013 IDEA Consult, <https://euraxess.ec.europa.eu/content/more2-study-mobility-patterns-and-career-paths-researchers-2013>

³⁵ *Report on case study of researchers remuneration* in MORE2 Study on Mobility Patterns and Career Paths of Researchers, 2013, IDEA Consult; <https://euraxess.ec.europa.eu/content/more2-study-mobility-patterns-and-career-paths-researchers-2013>

profiles were carried out. The results of the analysis presented in the report constitute a basis for calculating remuneration of key research personnel.

1. Reference to the selected type of researcher remuneration in the MORE2 Report:

As indicated in the MORE2 Report there are major differences in gross remuneration among EU member states. Remuneration in most of the Eastern European countries (including Poland) is substantially lower than in the EU15. Major differences in setting wage levels and raises for academics exist between countries of different innovative capacities. For R4 researchers the differences between the EU12 and the EU15 amount to more than 30%, and for R3 researchers, to more than 25%. When comparing remuneration in OECD countries and the UE15 the difference diminishes for R1-R4 researchers.

Table 0.1: Gross annual salaries and PhD stipends of university researchers as percentage of the best paying country within career stages. EU countries

	EU	EU15	EU12	non-EU	OECD non-EU	other Eur.	OECD Eur.	non-OECD Eur.	non-Eur.	OECD non-Eur.
Salaries										
Salary R1	45	60	30	50	60	40	65	30	70	60
Salary R2	50	60	35	50	60	45	70	35	55	55
Salary R3	55	65	40	55	65	50	65	40	65	65
Salary R4	55	70	35	60	70	55	70	45	65	70
Annual Stipends for PhD candidates										
R1	40	55	20	40	45	40	60	35	40	40

Given the identified international differences in the remuneration levels, the calculation takes into account the average remuneration levels in relation to OECD countries, which to a greater extent correspond to the requirements of Measure 4.4 of the SGOP: the TEAM-NET competition, in which a researcher can become a leader or a member of a research team, regardless of their nationality. This prevents the remuneration levels from being limited only to those in force within the EU; therefore, increasing the attractiveness of the projects worldwide. Competing for the best researchers requires offering similar conditions to those available in countries which are innovation leaders. In line with the methodology of the MORE2 Report, the expert evaluation included in the report presents the remuneration of researchers at various career stages, based on career profiles R1-R4 presented within the European Framework for Research Careers. Separate reports were prepared for each country as regards salary levels, stipends, individual purchasing power parity adjusted salaries, or the degree of autonomy of entities to decide on remuneration-related aspects. Based on all the reports, a breakdown of researcher remuneration with R1-R4 profiles at the international level was prepared. In order to facilitate comparison of remuneration levels on such a wide scale, the remuneration levels presented in the comparison include net salaries plus obligatory tax and social security contributions in force in a given country.

2. Justification of the proposed calculation method:

Pursuant to Article 67 (5)(a)(i) of Regulation 1303/2013, the calculation method should meet the principle of a fair, equitable and verifiable calculation method based on statistical data or other objective information. The MORE2 Report is the only known study which follows the evidence-based principle at the global level in relation to researcher remuneration. The methodology adopted for the

study was based on the analysis of actual, objective data from Eurostat and OECD databases, as well as from a large-scale survey. Owing to this, the report provides the most credible and verifiable breakdown of researcher remuneration levels internationally.

The consistency of the target group of researchers with specific career profiles, defined in the MORE2 Report and in Measure 4.4 of the SGOP: the TEAM-NET competition, compared to the assumptions of Measure 4.4 of the SGOP and the TEAM-NET competition, has been ensured by the use of similar definitions to those used by the European Commission in the field of research, based on the Frascati Manual and the European Framework for Research Careers³⁶.

1) Target group/recipients

The methodology of the MORE2 Report presents the definition of a researcher in accordance with the Frascati Manual³⁷. According to this definition, a researcher is a person who:

- a) carries out research OR
- b) supervises research OR
- c) works on improving or developing new products / processes / services OR
- d) supervises the improvement or development of new products / processes / services.

Projects implemented within the TEAM-NET competition also apply the definition of R&D work and R&D personnel adopted in the Frascati Manual, which ensures consistency of the support for the same target group in the SGOP with the MORE2 study.

2) Researcher professional profiles

The MORE2 Report defines 4 researcher groups, in line with the European Framework for Research Careers (European Commission, 2011), which correspond to the profiles of key research personnel in the TEAM-NET competition:

1. R1: First Stage Researcher (PhD students who carry out research under supervision)
2. R2: Recognised Researcher (PhD holders who have not yet established a significant level of research independence)
3. R3: Established Researcher (researchers who have developed a level of independence);
4. R4: Leading Researcher (researchers who lead in their area or field)

Measure 4.4 of the SGOP: TEAM-NET puts particular emphasis on the recruitment procedures of research personnel for the project – in accordance with the Project Selection Criteria for funding for Measure 4.4 of the SGOP³⁸, the personnel recruitment strategy adopted by the Applicant is subject to project evaluation by experts. Furthermore, the TEAM NET Competition regulations specify the conditions for recruiting research personnel for the project, necessary for confirming the eligibility of researchers' remuneration. One of the conditions is the selection of leaders and other research team members in an open competition based on transparent criteria. The competition must also be

³⁶ OECD (2002), Frascati Manual: Proposed Standard Practice for Surveys on Research and Experimental Development, OECD, Paris. (Section 2.1 and 5.2.1): "All persons employed directly on R&D should be counted, as well as those providing direct services such as R&D managers, administrators, and clerical staff."

³⁷ Towards a European Framework for Research Careers, 21 July 2011 (final). Report adopted by the ERA Steering Group on Human Resources and Mobility; http://ec.europa.eu/euraxess/pdf/research_policies/Towards_a_European_Framework_for_Research_Careers_final.pdf

³⁸ Appendix No. 2 to Competition regulations No. 1/4.4/2018 under Measure 4.4: TEAM of 22.08.2018

announced in English at least on the EURAXESS Jobs website³⁹. This database is the largest source of job offers for researchers from various European institutions, universities, research institutes and private companies. All job offers are posted on the profile by determining the profile of the sought researcher based on the profiles specified in the European Framework for Research Careers, i.e. the four professional profiles (R1-R4). The same professional profiles were applied in the MORE2 study, which confirms the consistency of the defined target group in both cases.

II. Scales for costs of research and training of PhD students:

The scales are based, pursuant to Article 67 (5) (b), on the similar simplified costs developed by the Commission for the specific type of beneficiary and operation within EU policy for a similar type of operation and beneficiary. The data adopted for the methodology were calculated using the scale of unit cost applied in the Marie Skłodowska-Curie Action under the Horizon 2020 Programme in respect of the action: Innovative Training Networks (ITN). Both the objectives and the catalogue of costs eligible for funding within Measure 4.4 of the SGOP: TEAM-NET, correspond to the assumptions of ITN MSCA.

1. **Justification of the proposed calculation method:**

The Marie Skłodowska-Curie actions (MSCA) provide grants at all stages of researchers' careers – be they doctoral candidates or highly experienced researchers – and encourage transnational, intersectoral and interdisciplinary mobility. The MSCA enable research-focused organisations (universities, research centres, and companies) to host talented foreign researchers and to create strategic partnerships with leading institutions worldwide. The programme responds to the challenges sometimes faced by researchers, offering them attractive working conditions and the opportunity to move between academic and other settings. The MSCA are open to all domains of research and innovation, from fundamental research to market take-up and innovation services. Research and innovation fields are chosen freely by the applicants (individuals and/or organisations) in a fully 'bottom-up' manner⁴⁰. Under MSCA, there are four types of support provided, within which First Stage Researcher (R1) support is offered under Innovative Training Networks (ITN). The rules for granting support constitute the basis for calculating the scale of unit costs for the costs of research and training of PhD students. In accordance with the rules for the application of corresponding scales of unit costs, lump sums and flat rates applicable in Union policies, the scales can be determined for a similar type of operation and beneficiary.

The Smart Growth Operational Programme is included in the system of coordinating the activities of the SGOP and other EU and national support instruments, in particular the Horizon 2020 Framework Programme. The following mechanisms ensuring complementarity between the two programmes are indicated in the SGOP:

- codification of the rules for the provision of support (e.g. common criteria for the selection of projects),
- determination of common strategic objectives,
- harmonisation of the rules concerning the eligibility of costs,

³⁹ The portal is maintained by the European Commission: <https://euraxess.ec.europa.eu/jobs/search>

⁴⁰ The official MSCA website: <https://ec.europa.eu/programmes/horizon2020/en/h2020-section/marie-sklodowska-curie-actions>

- ensuring the possibility to combine funding from both sources,
- preparation of common or synchronised schedules for calls for proposals and examination of projects

Furthermore, in line with the results which the Member State intends to achieve with the support of the EU, as defined in the Smart Growth Operational Programme⁴¹, part 2.A.5, it is desirable to harmonise project financing rules between Priority Axis IV of the SGOP and the Horizon 2020 Framework Programme:

“Harmonisation of the support provision rules under SG OP with the rules of Horizon 2020 Initiative is a factor conducive to effective application for funds from the international programme; it will also result in improvement in the quality of management of R&D projects in Poland.”

Annex No. 4 to the Smart Growth Operational Programme⁴² indicates model solutions which facilitate synergy and complementarity between the SGOP and H2020. One of these is the possibility of determining certain financing rules – standard scales of unit costs, lump sums in line with the rules of H2020, for a similar type of operation and beneficiary. The Foundation for Polish Science provided for the use of solutions synergistic with H2020, as part of the support provided, already at the stage of preparing competition implementation under Measure POIR of the SGOP. In accordance with the Competition regulations (Part 1 Introduction, Section 3), the TEAM-NET competition continues the objectives of Measure 4.4. implemented within the Team, Team Tech, First Team and Homing/Powroty competitions, pre-implemented by FNP as the beneficiary of grant (non-competition) projects. This competition assumed complementarity with Horizon 2020 from the very beginning.

The consistency of the project financing method under Measure 4.4. of the SGOP: TEAM-NET and MSCA ITN within Horizon 2020 refers to the similar group of recipients, operation and expected results of the programmes.

1) Target group/recipients

The Horizon 2020 Programme as well as the Smart Growth Operational Programme are aimed at similar groups of beneficiaries. In line with point 2.A.6.1 of the Smart Growth Operational Programme of 3 May 2018⁴³, support is addressed to research units, individual researchers, students, PhD students, enterprises, scientific and industrial consortia, scientific consortia and industrial consortia. Support within MSCA is addressed to beginner and experienced researchers of all nationalities from EU member states, as well as from the associated countries of H2020 and other countries (third countries). Both programmes support prominent researchers of all nationalities with

⁴¹ as above

⁴² Annex No. 4 to the SGOP – Information on the complementarity of the SG OP with Horizon 2020, COSME and ETC programmes and programmes financed from the state budget of 23.02.2015, http://www.poir.gov.pl/media/1523/Zal_4_POIR_Informacja_o_komplementarnosci_z_Programami_H2020_COSME_EWT_prog_krajowymi.pdf

⁴³The Smart Growth Operational Programme 2014-2020 of 03.05.2018, Priority Axis IV,

http://www.poir.gov.pl/media/56480/Program_POIR_aktualizacja_maj_2018.pdf

recognised scientific achievements as well as early-stage researchers who have the potential to achieve scientific excellence. The measures also support the development of research personnel at all stages of their research careers, promoting the involvement of students, PhD candidates and junior postdoctoral researchers carrying out research work.

2) The scope of co-financing of operations/measures:

The MSCA and Measure 4.4. of the SGOP: TEAM-NET are compatible also in terms of the type of supported operations. The MSCA provide support and encourage transnational, intersectoral and interdisciplinary mobility. The MSCA aim to equip researchers with the necessary skills and international experience for a successful career, either in the public or the private sector. The primary objective of MSCA Innovative Training Network (ITN), as indicated in the Horizon 2020 Work Programme 2018-2020, published by the European Commission on 24 July 2018, is to train creative early-stage researchers and enhance their career perspectives in various sectors by conducting research within international research teams (also in nonacademic sectors) and to develop new skills, e.g. in technology transfer, entrepreneurship, and research team and project management⁴⁴. The types of supported operations are in line with the objectives pursued under Measure 4.4. of the SGOP, which primarily aims at increasing the human potential in the R&D sector through, among other things:

- developing R&D personnel in team projects carried out by eminent researchers from around the world, irrespective of their nationality – at research units or enterprises working in the most innovative fields and conducting research which is groundbreaking on an international level, involving the participation of a foreign partner;
- implementing research projects in research units or enterprises in Poland, with a particular focus on the return to the country of renowned scientists of Polish origin or other persons after a break in research work;
- developing R&D personnel under the direction of a scientist with outstanding experience in cooperation with business in team projects, involving students, PhD students and junior postdoctoral researchers, implemented in the field of technology development or the provision of research services for enterprises;
- developing skills in research management, cooperation with enterprises or in the latest scientific achievements and commercialisation of results of R&D work (within the above-mentioned instruments and new instruments enhancing competence of the staff of research units and the degree of commercialisation of the results of research and development work).

All the aforementioned objectives are pursued within the TEAM-NET competition and directly or indirectly influence the development research staff, in particular junior researchers. These objectives are consistent with the activities carried out under the Marie Skłodowska-Curie actions. The MSCA are funded based on simplified costs. The budgets are created automatically on the basis of the number of person-months for which the researchers have been employed or seconded, in line with the scales of unit costs adopted by the EC. Financing covers researchers' remuneration and

⁴⁴ Horizon 2020 - Work Programme 2018-2020 - Marie Skłodowska-Curie Actions; European Commission Decision C(2018)4708 of 24 July 2018; <https://ec.europa.eu/programmes/horizon2020/en/h2020-section/marie-sklodowska-curie-actions>

secondment costs, the costs of conducting research, organising and/or participating in conferences, training and courses, as well as management costs and indirect costs. Pursuant to Commission Decision C (2017)6855 of 16.10.2017 eligible costs within MSCA Innovative Training Networks include the costs of researchers (salaries, mobility allowance and family allowance), management and indirect costs, and institutional costs. Institutional costs within MSCA ITN are associated with:

- enhancing participants' skills directly linked to career development,
- costs of training, seminars, materials, books and publications,
- networking,
- costs related to managing a research project and accommodation.

3) The types of simplified costs and the method of calculating amounts or scales

SCALES OF UNIT COSTS:

Cost categories: Remuneration of key research personnel involved in research and employed based on an employment relationship

a) Remuneration of research team leaders

In the case of Measure 4.4 of the SGOP: TEAM-NET, the scale of unit costs was calculated using data related to researchers' remuneration published in *MORE2 Study on Mobility Patterns and Career Paths of Researchers*, based on *Report on case study of researchers remuneration*. In accordance with the MORE2 Report, 4 groups of researchers were identified, of which R4 corresponds to the profiles of research team leaders within Measure 4.4 of the SGOP: TEAM-NET:

- **R4: Leading Researcher** (researchers leading their research area or field)

The leaders sought are eminent researchers with excellent achievements who have substantial managerial experience in conducting research and working in the most innovative fields. The researcher may be a citizen of Poland or of another country, also from outside the European Union. The leaders should be experts in their research areas and demonstrate the originality of their discoveries and/or groundbreaking implementations. Therefore, the appropriate group, meeting the requirements of the TEAM-NET competition, based on the MORE2 Report, is the group of researchers at the **R4 level – Leading Researcher**. In accordance with the profile defined on the basis of the *European Framework for Research Careers*⁴⁵ a R4 researcher is a researcher leading his/her research area or field who has an international reputation, and who:

- makes a substantial contribution (breakthroughs) to their research field;
- develops a strategic vision on the future of the research field;
- recognises the broader implications and applications of their research;

⁴⁵ "Towards a European Framework for Research Careers", 21 July 2011 (final). Report adopted by the ERA Steering Group on Human Resources and Mobility <https://euraxess.ec.europa.eu/europe/career-development/training-researchers/research-profiles-descriptors>

- publishes and presents influential papers and books, works in workshop- and conference-organising committees and delivers invited talks

Table 3.2.5: Gross annual salaries of leading researchers (R4) in national currency (and in 2011 PPP €)⁴⁶

Country Groups - Average Salaries		Minimum	Average	Maximum	Year	Currency
EU						
EU		37,077	44,068	60,367	2011	PPP €
	EU15	46,503	54,068	69,252	2011	PPP €
	EU12	23,462	28,067	47,674	2011	PPP €
NON-EU						
	non-EU	37,394	47,706	67,652	2011	PPP €
	other Europe	32,742	40,145	67,504	2011	PPP €
	non-Europe	41,464	56,348	67,825	2011	PPP €
	OECD	41,311	58,468	78,377	2011	PPP €
	OECD (Europe)	39,619	46,219	87,221	2011	PPP €
	OECD (non-Europe)	42,157	62,551	73,070	2011	PPP €
	non-OECD (Europe)	27,583	38,120	52,717	2011	PPP €

Source: MORE II expert survey. PPP € (2011) in brackets. Salaries in national currency are converted into PPP US-Dollar (2011) and the resulting PPPs are converted into EURO using the currency exchange rate of Eurostat 1,3920\$ = 1EURO; if the year of the salary or the stipend is not 2011, the amount was grossed up to 2011 using the unit labour costs index of the AMECO database.

Calculating the scales of units costs:

- A – average gross annual salary of an R4-Leading Researcher in OECD: EUR 58,468.00
- B – number of months in a calendar year
- C – EUR to PLN exchange rate: PLN 4.2213⁴⁷

$$\text{SCALE OF UNIT COST} = [A/B] \times C$$

b) Remuneration of junior research team leaders / Remuneration of junior postdoctoral researchers 6-9 years after obtaining their PhD degrees.

In the case of the TEAM NET competition, support for junior research team leaders is addressed to researchers who have had the academic title of doctor for no more than 9 years (starting from the year of title conferral and ending in the year of filing a competition application to act as a junior research team leader financed under the TEAM-NET project), who are experienced in R&D work, which is supported by international achievements, acting as the leaders of a research group in a project⁴⁸. This group also includes junior postdoctoral researchers 6-9 years after obtaining their PhD degrees, even if they act as junior research team leaders. In both these cases, the desired research profile corresponds to researchers at the MORE2 **R3 level – Established Researcher**. In line with the report, a R3-level researcher is a researcher who has developed a level of independence, has an established reputation and makes a positive contribution to the development of knowledge and research in his or her field, and furthermore:

- identifies research problems and opportunities within their area of expertise;

⁴⁶ MORE2: Report on case study of researchers remuneration, 2013, IDEA Consult; <https://euraxess.ec.europa.eu/content/more2-study-mobility-patterns-and-career-paths-researchers-2013>, p. 46

⁴⁷ The average NBP rate for the last 6 months of 2018 was applied to convert amounts expressed in EUR: 4.2213

⁴⁸ Competition regulations For Measure 4.4 of SGOP No. 1/4.4/2018, TEAM NET, point I.16, definitions

- identifies appropriate research methodologies and approaches;
- independently conducts research which advances a research agenda;
- can take the lead in executing collaborative research projects in cooperation with colleagues and project partners;
- publishes papers as lead author, organises workshops or conference sessions.

The role of a junior research team leader in the **TEAM NET** competition continues the objective of the **FIRST TEAM programme (FNP grant project in Measure 4.4. of the SGOP)**. A junior leader is an early-stage researcher who leads his/her first research team. In accordance with Competition regulations No. 1/4.4/2018 for the TEAM NET competition, a junior research team leader should meet the same criteria as for regular team leaders, i.e. should be a scientist experienced in R&D work, which is supported by international achievements, acting as the leader of a research group in the project. The only differentiating condition is the time of holding a scientific degree, which in the case of a junior leader should not exceed 9 years from being conferred the scientific title. A candidate for a junior research team leader, in accordance with the leader recruitment conditions indicated in the TEAM NET Competition regulations point 5.2.5, should have individual research and/or implementation achievements in the form of his/her own publications, patents, successful implementation resulting from the conducted research and scientific activities.

Table 3.2.4: Gross annual salaries of established researchers (R3) in national currency (and in 2011 PPP €)⁴⁹

Country Groups - Average Salaries	Minimum	Average	Maximum	Year	Currency
EU					
EU	29,171	33,337	44,419	2011	PPP €
EU15	34,407	40,259	50,726	2011	PPP €
EU12	20,008	20,877	33,609	2011	PPP €
NON-EU					
non-EU	29,447	33,378	44,420	2011	PPP €
other Europe	25,395	28,032	39,661	2011	PPP €
non-Europe	33,499	39,487	49,859	2011	PPP €
OECD	33,642	41,817	54,258	2011	PPP €
OECD (Europe)	35,905	36,885	54,091	2011	PPP €
OECD (non-Europe)	32,511	43,461	54,341	2011	PPP €
non-OECD (Europe)	19,090	25,082	31,003	2011	PPP €

Source: MORE II expert survey. PPP € (2011) in brackets. Salaries in national currency are converted into PPP US-Dollar (2011) and the resulting PPPs are converted into EURO using the currency exchange rate of Eurostat 1,3920\$ = 1EURO; if the year of the salary or the stipend is not 2011, the amount was grossed up to 2011 using the unit labour costs index of the AMECO database.

Calculating the scales of units costs:

A – average gross annual salary of an R3-Established Researcher in OECD: EUR 41,817.00

B – number of months in a calendar year

C – EUR to PLN exchange rate: PLN 4.2213⁵⁰

SCALE OF UNIT COST = [A/B] x C

⁴⁹ MORE2: Report on case study of researchers remuneration, 2013, IDEA Consult; <https://euraxess.ec.europa.eu/content/more2-study-mobility-patterns-and-career-paths-researchers-2013>, p. 44

⁵⁰ The average NBP rate for the last 6 months of 2018 was applied to convert amounts expressed in EUR: 4.2213

c) Remuneration of junior postdoctoral researchers up to 5 years after obtaining their PhD degrees

In the case of Measure 4.4 of the SGOP: TEAM-NET, the scale of unit costs for the remuneration of junior postdoctoral researchers was calculated using data related to researchers' remuneration corresponding, in the MORE2 Report, to the **R2 level – Recognised Researcher**. In accordance with the MORE2 Report, the **R2** group corresponds to the profiles of junior postdoctoral researchers within Measure 4.4 of the SGOP: TEAM-NET. He or she is a PhD holder or equivalent who is not yet fully independent. Such a researcher has not yet established a significant level of independence, and:

- has demonstrated a systematic understanding of a field of study and mastery of research associated with that field;
- has demonstrated the ability to conceive, design, implement and adapt a substantial programme of research in accordance with scientific integrity principles;
- demonstrates critical analysis, evaluation and synthesis of new and complex ideas;
- can communicate with their peers - be able to explain the outcome of their research and value thereof to the research community
- takes ownership for and manages own career progression, sets realistic and achievable career goals, identifies and develops ways to improve employability;
- co-authors papers at workshop and conferences.

Table 3.2.3: Gross annual salaries of recognised researchers (R2) in national currency (and in 2011 PPP €)⁵¹

Country Groups - Average Salaries	Minimum	Average	Maximum	Year	Currency
EU					
EU	22,825	26,272	35,203	2011	PPP €
EU15	27,625	32,069	38,393	2011	PPP €
EU12	15,360	16,997	29,278	2011	PPP €
NON-EU					
non-EU	23,537	24,695	35,815	2011	PPP €
other Europe	21,316	21,825	34,734	2011	PPP €
non-Europe	25,758	27,974	37,077	2011	PPP €
OECD	27,476	30,987	43,680	2011	PPP €
OECD (Europe)	31,259	32,526	48,149	2011	PPP €
OECD (non-Europe)	25,207	30,474	40,998	2011	PPP €
non-OECD (Europe)	13,859	18,258	24,672	2011	PPP €

Source: MORE II expert survey. PPP € (2011) in brackets. Salaries in national currency are converted into PPP US-Dollar (2011) and the resulting PPPs are converted into EURO using the currency exchange rate of Eurostat 1,3920\$ = 1EURO; if the year of the salary or the stipend is not 2011, the amount was grossed up to 2011 using the unit labour costs index of the AMECO database.

Calculating the scales of units costs:

A – average gross annual salary of an R2-Recognised Researcher in OECD: EUR 30,987.00

B – number of months in a calendar year

C – EUR to PLN exchange rate: PLN 4.2213⁵²

$$\text{SCALE OF UNIT COST} = [A/B] \times C$$

⁵¹ MORE2: Report on case study of researchers remuneration, 2013, IDEA Consult; <https://euraxess.ec.europa.eu/content/more2-study-mobility-patterns-and-career-paths-researchers-2013>, p. 42

⁵² The average NBP rate for the last 6 months of 2018 was applied to convert amounts expressed in EUR: 4.2213

d) Remuneration of PhD students

In the case of Measure 4.4 of the SGOP: TEAM-NET, the scale of unit costs for the remuneration of PhD students was calculated using data related to researchers' remuneration corresponding, in the MORE2 Report, to the **R1 level – First Stage Researcher**. In accordance with the MORE2 Report, the **R1** group corresponds to the profiles of PhD students within Measure 4.4 of the SGOP: TEAM-NET. This profile includes individuals doing research under supervision in industry, research institutes or universities. It includes doctoral candidates.

Researchers with this profile will:

- carry out research under supervision;
- have the ambition to develop knowledge of research methodologies and discipline;
- have demonstrated a good understanding of a field of study;
- have demonstrated the ability to produce data under supervision;
- be capable of critical analysis, evaluation and synthesis of new and complex ideas;
- be able to explain the outcome of research (and value thereof) to research colleagues.

Table 3.2.2: Gross annual salaries of first stage researchers (R1) in national currency (and in 2011 PPP €)⁵³

Country Groups - Average Salaries	Minimum	Average	Maximum	Year	Currency
EU					
EU	16,315	16,269	23,922	2011	PPP €
EU15	22,719	18,648	28,959	2011	PPP €
EU12	9,911	12,105	16,727	2011	PPP €
NON-EU					
non-EU	17,329	17,824	27,543	2011	PPP €
other Europe	14,154	15,365	23,239	2011	PPP €
non-Europe	23,681	22,741	39,021	2011	PPP €
OECD	19,906	23,186	36,322	2011	PPP €
OECD (Europe)	21,670	24,076	33,623	2011	PPP €
OECD (non-Europe)	18,143	22,741	39,021	2011	PPP €
non-OECD (Europe)	9,644	12,462	17,009	2011	PPP €

Source: MORE II expert survey. PPP € (2011) in brackets. Salaries in national currency are converted into PPP US-Dollar (2011) and the resulting PPPs are converted into EURO using the currency exchange rate of Eurostat 1,3920\$ = 1EURO; if the year of the salary or the stipend is not 2011, the amount was grossed up to 2011 using the unit labour costs index of the AMECO database.

Calculating the scales of units costs:

A – average gross annual salary of an R1-First Stage Researcher in OECD: EUR 23,186.00

B – number of months in a calendar year

C – EUR to PLN exchange rate: PLN 4.2213⁵⁴

$$\text{SCALE OF UNIT COST} = [A/B] \times C$$

⁵³ MORE2: Report on case study of researchers remuneration, p. 40

⁵⁴ The average NBP rate for the last 6 months of 2018 was applied to convert amounts expressed in EUR: 4.2213

Cost category: *Costs of research and training of PhD students involved in research within a research group*

a) Costs of research and training of PhD students – scholarship holders

The manner of calculating the scale of unit cost for scholarships for PhD students consists in the direct application of the scale of unit cost used in the MSCA –Innovative Training Network. The MSCA ITN is addressed to early-stage researchers, especially PhD students, of all nationalities from any country of the world, who have up to four years' experience in research, starting from the moment of being conferred the degree of *magister* (Master's Degree) or an equivalent degree. ITN includes research and training projects implemented by a consortium of several institutions from several countries and, usually, various sectors. Under the supervision of an experienced mentor, young researchers carry out individual research, participate in substantive, interdisciplinary and, when possible, cross-sectoral training courses (academic and non-academic sectors), as well as soft skills courses, take part in conferences, workshops and project meetings. There is also the possibility of temporary secondment to another project partner, if the research issues are compatible with career development. Researchers can become engaged in the popularisation of science and results achieved during the implementation of the grant.

The base scale of unit cost, which includes training, research, networking costs⁵⁵, is transferred to the entity providing support in the amount of EUR 1800 per person-month. The MSCA ITN unit cost for training, research and networking costs is EUR 1800 per person-month managed by the beneficiaries to cover the costs associated with, i.a.:

- the participation of researchers in training activities;
- expenses related to research costs;
- costs for visiting researchers;
- tuition fees (where applicable);
- Visa, residency card for the recruited researchers and their families (where applicable);
- accommodation costs for secondment.

Personnel costs financed under Measure 4.4 of the SGOP: TEAM-NET include the cost of remuneration of personnel involved in research. These costs include all components of remuneration of persons employed based on an employment relationship, in line with the adopted remuneration regulations in force in a given project-implementing institution (also bonuses). Costs related to the hiring of research personnel can also be paid in the form of a scholarship for PhD students or 1st- or 2nd-cycle students. Furthermore, support may also be used to cover the costs of internships and training of research personnel, especially scholarship holders.

The proposed scale of unit cost would include similar model types of costs, which means that they can be used to cover costs related to PhD student's participation in research, training or their secondment in the form of an internship, costs of legalisation of stay, costs of travel, living and accommodation. The research and training costs of a PhD student will be financed provided that he/she is involved in the project – has been recruited in line with the Competition regulations. Furthermore, another condition is that the unit allocates 50% of the scale of unit cost for the

⁵⁵ H2020 Programme – Guide for Applicants, MSCA- ITN, v.3.1-2018, point 5.4 Research, Training and Networking Costs;

http://ec.europa.eu/research/participants/data/ref/h2020/other/guides_for_applicants/h2020-guide-appl-msca-itn_en.pdf

payment of individual support for the PhD student as scholarship (in accordance with the Rules for awarding scholarships appended to the Competition regulations), covering their cost of living and stay, including the costs of teaching materials such as course-books and scientific publications. The remaining amount will be allocated for the unit to cover development costs related to the research and training activities of a PhD student. Costs of training concern training within the scope determined in the Competition regulations, i.e. related to the research work conducted as part of the project, the commercialisation of research results and state-of-the-art technology achievements or Project management.

Calculating the scales of unit costs:

PhD students

A – MSCA-ITN scale of cost: training, research, networking costs - unit cost: EUR 1,800.00 per person-month

B – EUR to PLN exchange rate: PLN 4.2213

$$\text{SCALE OF UNIT COST} = [A \times B]$$

The table below presents the calculation of standard scales of unit costs for Measure 4.4. of the SGOP: TEAM-NET,

SCALES OF UNIT COSTS			
Cost type		Unit of measurement	Standard cost
Remuneration of key research personnel (employment relationship)	Research team leader	Person-month	<p>PLN 20,000.00</p> <p>Calculating the scales of unit costs:</p> <p>A – MORE2 – average gross annual salary of an R4-Leading Researcher in OECD: EUR 58,468.00</p> <p>B – number of months in a calendar year</p> <p>C – EUR to PLN exchange rate: PLN 4.2213⁵⁶</p> <p>SCALE OF UNIT COST = [A/B] x C</p>

⁵⁶ The average NBP rate for the last 6 months of 2018 was applied to convert amounts expressed in EUR: 4.2213

	<p>Junior research team leader / Junior postdoctoral researcher 6-9 years after obtaining a PhD degree</p>	<p>Person-month</p>	<p>PLN 15,000.00</p> <p>Calculating the scales of unit costs:</p> <p>A – MORE2 – average gross annual salary of an R3-Established Researcher in OECD: EUR 41,817.00</p> <p>B – number of months in a calendar year</p> <p>C – EUR to PLN exchange rate: PLN 4.2213⁵⁷</p> <p>SCALE OF UNIT COST = [A/B] x C</p>
	<p>Junior postdoctoral researcher up to 5 years after obtaining a PhD degree</p>	<p>Person-month</p>	<p>PLN 10,000.00</p> <p>Calculating the scales of unit costs:</p> <p>A – MORE2 – average gross annual salary of an R2-Recognised Researcher in OECD: EUR 30,987.00</p> <p>B – number of months in a calendar year</p> <p>C – EUR to PLN exchange rate: PLN 4.2213⁵⁸</p> <p>SCALE OF UNIT COST = [A/B] x C</p>

⁵⁷see above

⁵⁸see above

	PhD student	Person-month	<p style="text-align: center;">PLN 8,000.00</p> <p>Calculating the scales of unit costs:</p> <p>A – MORE2 – average gross annual salary of an R1-First Stage Researcher in OECD: EUR 23,186.00</p> <p>B – number of months in a calendar year</p> <p>C – EUR to PLN exchange rate: PLN 4.2213⁵⁹</p> <p>SCALE OF UNIT COST = [A/B] x C</p>
Costs of research and training of PhD students	PhD student – scholarship holder	Person-month	<p style="text-align: center;">PLN 7,600.00</p> <p>Calculating the scales of unit costs:</p> <p>A – MSCA-ITN scale of cost: training, research and networking unit cost EUR 1,800.00 per person-month</p> <p>B – EUR to PLN exchange rate: PLN 4.2213</p> <p>SCALE OF UNIT COST = A x B</p>

The scales of unit costs applied in the table are scales calculated based on the method of calculating simplified costs presented in point 3, and are rounded up to whole PLN. The final value of the cost in a given item will correspond to the product of the given scale and the number of full months of research personnel's involvement in research work carried out under the project on site or during an internship. Advance payments are allowable. The scales are maximum and may not be exceeded. The maximum scale corresponds to the involvement of research personnel of 1 FTE in the case of personnel employed based on employment contracts and 100% FTE in the case of individuals receiving scholarships. In the case of personnel being involved to a lesser extent, the scale of unit cost will be paid proportionately, depending on the % of personnel's involvement in the project. In the case of PhD students' research and training costs the scale of unit cost is ineligible if the scholarship holder is not involved in 100% of FTE.

⁵⁹see above

4. Verification method of simplified costs settlement

The assessment of the adopted rate shall be based on the Competition Regulations for Measure 4.4. of SGOP: TEAM-NET, including the applicable project selection criteria. Furthermore, the project implementing entity and the research group leader shall enable the representative of the Implementing Authority to participate as an observer in the work of the selection committee responsible for hiring personnel for the project. The Authority reserves the right to accept recruitment reports in terms of their conformity with the Competition regulations. In line with the rules provided in the Competition regulations, the Foundation for Polish Science has obtained the *HR Excellence in Research* logo, and thus is obliged to report to the European Commission (EC) the rules for the recruitment of researchers applied by the beneficiaries in FNP's programmes, and is monitored by the EC in respect of the OTM-R (Open, Transparent and Merit-Based Recruitment) strategy. Furthermore, research team leaders are recruited in a process supervised by the Scientific Committee (the International Scientific Committee – in IRAP and the Scientific and Economic Panel – in TEAMNET), while the remaining team members are recruited in a process supervised by the Selection Committee.

The verification of expenditures declared according to scales of unit costs is based on the actual project implementation progress and the achieved indicators. The verification involves checking whether the Beneficiary applied the correct scales of unit costs arising from the Competition Regulations and whether the expenditure amount forming the basis for calculating scales of unit costs was correctly reported. The verification also covers the Beneficiary's use of the scales of unit costs calculator.

Document for settling scales of unit costs

The document which the Beneficiary is obliged to present in order to confirm the incurred expenditures with the application of scales of unit costs is:

- In terms of remuneration costs of key research team personnel:
 - A report containing a named list of individuals involved in R&D work as the key research team personnel divided into their respective roles with information on their levels of involvement in the project.

- In terms of the costs of research and training of PhD students:
 - A report containing a named list of individuals involved in R&D work not employed on the basis of an employment relationship receiving individual support in the form of scholarships
 - A report containing a list of training forms in which PhD students participated in the specific reporting period

The documents provided above shall be verified by the Foundation for Polish Science together with a payment request submitted by the Beneficiary receiving support.

The Beneficiary is not obligated to report the amounts of actually incurred expenditures under the standard scales of unit costs. Therefore, the project does not generate savings, and the Beneficiary shall not return funds if it spent less than the specified scales of unit costs. Correspondingly, no refund shall be paid if expenditures are higher than the scales of unit costs.

5. Indicators confirming the performance of tasks settled with simplified costs

The amount of eligible expenditures settled on the basis of scales of unit costs is calculated by multiplying the specified scales of unit costs by the number of months (person-months) in which the personnel actually performed work for the project based on an employment relationship or a scholarship.

For the scales of unit costs for the remuneration of the key research team personnel and for research and training costs under the project, the following indicator shall be assigned:

Scale of unit costs		Measurement unit	Indicator
Remuneration Research team leader		Person-month	The number of team leaders performing R&D activities under the project
Remuneration Junior research team leader or junior postdoctoral researcher 6-9 years after obtaining a PhD degree		Person-month	The number of junior team leaders or junior postdoctoral researchers 6-9 years after obtaining their PhD degrees performing R&D activities under the project
Remuneration Junior postdoctoral researcher up to 5 years after obtaining a PhD degree		Person-month	The number of junior postdoctoral researchers up to 5 years after obtaining their PhD degrees performing R&D activities under the project
Remuneration of a PhD student		Person-month	The number of PhD students performing R&D activities under the project
Research and training costs of PhD students	Individual support in the form of scholarships	Person-month	The number of PhD students – scholarship holders performing R&D activities receiving support for the development of R&D personnel under the project
	Development costs of a PhD student		

Indicator measurement method:

In line with the definition of R&D adopted in the Frascati Manual and the definition of R&D work applied in the SG OP, remuneration indicators comprise a total of individuals involved in R&D projects belonging to the key personnel calculated separately for: team leaders, junior team leaders, junior postdoctoral researchers or PhD students. The indicator determining research and training costs shall be calculated as the number of persons involved in R&D projects with a status of PhD students not employed based on an employment relationship receiving individual support in the form of a scholarship and development support for PhD students.

Basic indicator reporting method:

The Beneficiary shall include in its payment requests a list of persons performing R&D activities under the project in a specific settlement period on an accrual basis.

Basic indicator verification method:

The Implementing Authority shall monitor the indicator performance level during the project implementation and at the end of its implementation by checking the list of persons provided in each payment request / final payment request.

SCALES OF UNIT COSTS					
Cost type		Measurement unit	Standard scale of unit costs	Scales of unit costs calculation method	Cost eligibility criteria
Remuneration of the key research team personnel (employment relationship)	Research team leader	Person-month	PLN 20,000.00	<p>Scale of unit costs calculation method</p> <p>The scales are calculated on the basis of:</p> <p>Y – scales of unit costs per employee</p> <p>Z – the number of months worked</p> <p>VALUE OF THE SCALE OF UNIT COSTS = Y x Z</p>	<p>Conditions:</p> <p>Eligible expenditure, provided that the person was employed on the basis of an employment relationship as a result of a competition carried out in line with the applicable Competition documentation for a specific measure. Research group leaders and other team members shall be selected in competitions according to the rules of employing researchers provided in the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers (downloadable from the Foundation's website) and according to the rules provided for in these Regulations. FNP has obtained the HR Excellence in Research logo, and thus is obliged to report to the European Commission (EC) the rules for the recruitment of researchers applied by the beneficiaries in FNP's programmes, and is monitored by the EC in respect of the OTM-R (Open, Transparent and Merit-Based Recruitment) strategy. In particular, the selection must take the form of an open competition based on transparent criteria, and job offers should be published on FNP's website and EURAXESS. FNP shall from time to time monitor the selection process of research team leaders and members.</p> <p>Costs covered by the scales:</p> <p>Scales of unit costs shall cover remuneration and non-salary employment costs, including social and health insurance contributions,</p>
	Junior research team leader / junior postdoctoral researcher 6-9 years after obtaining a PhD degree	Person-month	PLN 15,000.00		
	Junior postdoctoral researcher up to 5 years after obtaining a PhD degree	Person-month	PLN 10,000.00		

	PhD student	Person-month	PLN 8,000.00			<p>in line with the applicable national regulations. In the case of part-time employment, costs shall be eligible in the part directly related to the implementation of the project.</p> <p>Document verifying the correctness of incurring unit costs:</p> <p>A report containing a named list of individuals involved in R&D work in a given reporting period as the key research team personnel divided into their respective roles with information on their levels of involvement in the project.</p>
Research and training costs of PhD students (scholarship)	PhD student – scholarship holder	Person-month	PLN 7,600.00 of which	<p>PLN 3,800.00 is designated for: Individual support in the form of scholarships</p> <p>PLN 3,800.00 is designated for: Development costs of a PhD student</p>	<p>Scales of unit costs calculation method:</p> <p>The scales are calculated on the basis of:</p> <p>Y – scales of unit costs per PhD student – scholarship holder</p> <p>Z – the number of months worked</p> <p>VALUE OF THE SCALES OF UNIT COSTS = Y x Z</p>	<p>Conditions:</p> <p>Scales of unit costs are eligible provided that the PhD student not employed on the basis of an employment relationship for the performance of R&D activities within a research team in the project is provided with a total of two forms of support to which the scales apply. Both forms of support should be provided in line with the requirements stated below.</p> <p><u>1. Individual support in the form of scholarships</u></p> <p>Eligible expenditure, provided that it applies to a PhD student holding a certificate confirming their status of a third-cycle student engaged on the basis of the Regulations for the award of scholarships in line with the currently valid Competition Documentation for Measure 4.4 of the SG OP: TEAM-NET. Competitions for PhD students must be carried out in line with the rules for hiring researchers contained in the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers and according to the rules provided for in these Regulations. In particular, the selection must take the form of an open competition based on transparent criteria, and job offers</p>

					<p>should be published on FNP's website and EURAXESS. FNP shall from time to time monitor the selection process of research team members, including scholarship holders.</p> <p><u>2. Development costs of a PhD student</u></p> <p>Eligible expenditure, provided that it applies to a PhD student receiving individual support in the form of a scholarship. The condition is the provision of at least three forms of training to a single PhD student – scholarship holder within one reporting period. The forms of training include PhD student's participation in: training and courses in the field specified in the Competition Regulations, in summer and winter schools, in scientific seminars and scientific-research internships lasting at least 7 days. In the event of completing fewer forms of training than required in a given reporting period, the value of scales of unit costs for the development costs of the PhD student shall not be eligible.</p> <p>Costs covered by the scale:</p> <p>The value of the scale of unit costs covers two types of support:</p> <ol style="list-style-type: none"> 1. Individual support in the form of a scholarship (PLN 3800.00 per person per month) <p>The costs of the scholarship paid to a PhD student involved in the project not employed based on an employment relationship. The Scholarship shall cover the costs related to the maintenance and stay of a PhD student, including educational materials such as course books and scientific publications.</p> <ol style="list-style-type: none"> 2. Development costs of a PhD student (PLN 3,800.00 per person per month) <p>Costs associated with a PhD student's participation in research or training activities or assignments in the form of internships, costs related to residency approval, and travel and accommodation costs.</p>
--	--	--	--	--	--

						<p>Training costs refer to training related to the research work conducted as part of the project, the commercialisation of research results and state-of-the-art technology achievements or project management.</p> <p>Documents verifying the correctness of incurring unit costs:</p> <ol style="list-style-type: none"> 1. A report containing a named list of individuals involved in R&D work not employed on the basis of an employment relationship receiving individual support in the form of scholarships in a given reporting period 2. A report containing a list of training forms in which particular PhD students – scholarship holders participated in the specific reporting period, specifying their thematic scope.
--	--	--	--	--	--	--