

## **Recommendation of the Austrian Council for Research and Technology Development regarding the financing of university staff in the framework of projects funded by EFRE (European Regional Development Fund)**

With the subarea of EFRE the Structural Funds represent an important source of funding for regional research activities. The universities are an indispensable partner for such projects and make a key contribution to the country's innovation system through the expertise of their professors and non-professorial university staff. In its analysis the Austrian Council identified problems which lead to uncertainty in acknowledging the eligibility for funding of university staff. The recommendation of the Council contains clear-cut findings and advises swift clarification of the situation, in the interests of Austria as a centre of research, to make participation in research projects more attractive in relation to the Structural Funds for universities.

Following legal analysis the Austrian Council is of the opinion that the labour costs of university staff should be recognised as being fully eligible for funding. This recommendation prompted Austria's Federal Chancellery to examine these issues more closely in discussions with its Ministry for Finance and Ministry for Science and Research, and this has brought clarity here for the benefit of the staff concerned.

The recommendation in translation: *Recommendation of the Austrian Council for Research and Technology Development regarding the financing of university staff in the framework of EFRE-funded projects*

### **General**

The Austrian Council for Research and Technology Development was invited in the course of the working session of the RTI-Platform Austria to submit a recommendation regarding the problems described below.

## Status quo

The eligibility for funding of university staff on EFRE-cofinanced projects is not recognised by the auditing authority. Here the authority bases its decision on the national guidelines governing eligibility for funding, § 8 (6) and (7) in the version dated 14.9.2007). This states that public-sector employees – with university staff being specifically mentioned – shall only be recognised as eligible for aid where the duplicate charging of public budgets can be ruled out.

Opinions are however divided on the legal interpretation of this issue. The main bodies responsible for questions of eligibility for funding are clearly defined in a statement (VIII/50958) summarised by the Finanzprokuratur, the statutory lawyer and legal advisor of Austria.

The legal nature of the universities has been redefined by the Austrian Universities Act 2002. § 4 states that the universities are legal entities under public law.

§ 12 (10): *The universities shall report their receipts from third-party funds and investment income. These shall remain at the disposal of the universities and shall not reduce state allocations.*

In the budgeted expenses finance provided by the Austrian government for universities is designated as ‘expenditure’ and under budgetary law thus does not constitute funding. § 16 para. 2 of the general funding guidelines for the granting of funding from federal resources (ARR 2004) *states that without funding from federal resources rendering of the service should not be possible or not possible to the required extent.* Furthermore, §18 of the guidelines makes reference to funding for “*the same activity*”, whereby the global funding cannot be seen as duplicate financing in two respects. Firstly, a funded research project is an additional activity, and secondly, the global funding does not constitute funding and cannot thus encompass the same activity. University staff with teaching and research as one of their defined core tasks are to be exempted from their normal duties on submission of the project application to the head of department and the rectorate and their release under §§ 26, 27 and 28 of the Austrian Universities Act 2002 in accordance with the attached project plan, schedule and scope of duties of permanent and new staff for carrying out the content of the project.

In its guideline for the handling of project costs in funding applications and reports for funded projects with EU co financing the Austrian Research Promotion Agency (FFG) makes reference to § 8 (6) of the national guidelines on eligibility for funding and states in a separate para.: “*University staff shall not be deemed to be publicsector employees.*”

## **Recommendation**

In view of the available information the Austrian Council for Research and Technology Development does not share the opinion of the auditing authority and sees no reason for deducting university staff from the reimbursable costs.

The Austrian Council recommends recognising the cost of university staff as fully eligible for funding and to also apply this to projects for the ongoing programme planning period (2007– 2013).

To clarify both the current situation and future guidelines the Austrian Council for Research and Technology Development recommends deleting the specific designation of “university staff” (UniversitätsmitarbeiterInnen) from the underlying national regulations and guidelines. The Austrian Council for Research and Technology Development furthermore recommends improving quality where it is a question of documenting billed services in the university sector. This can be achieved with the successive introduction of a cost accounting procedure similar to those used in industry, in particular the use of all-inclusive timesheets for staff engaged on a project.

The Austrian Council for Research and Technology Development considers it advisable for all players in the process, first and foremost the administrative, certification and auditing authorities to come together to agree how to proceed in future and to submit the result in writing to the funding applicants concerned.