

Recommendation Regarding the Simplification of Research Funding – in Particular Structural Funds (European Regional Development Fund)

Preamble

In recommendations made on 24 March 2011, 19 September 2012 and 27 March 2013, the Austrian Council for RTD dealt with the area of structural funds. In addition to the recommendations already issued, a number of points regarding the simplification of accounting will be highlighted and examined separately in this document.

In its recommendation dated 27 March 2013, the Austrian Council recommended the drafting of suitable guidelines to deal with problems which come about through application of the general framework guidelines. In addition to this, a number of specific examples are cited in the present recommendation.

The content of the recommendation addresses the European Fund for Regional Development (EFRD) but should also be applied to other national funding instruments.

Starting Position and Objectives

As things stand in November 2013 it is clear that nothing like all the available funding will have been allocated by the end of the current period. This can be explained first and foremost by the large amount of administrative work involved and by a lack of legal certainty with regard to the eligibility of costs after projects have been completed.

Mindful of the demands of the European Commission,¹ eleven funding priorities were defined for the period 2014-2020. Funding priority 1, Research, Technological Development and Innovation (R&D&I) should, together with the funding priorities ICT, SMEs and CO2, receive 80 percent of the available funds. To prevent a similar situation in which funding cannot be called up in the forthcoming period, the Austrian

¹ Europe 2020 Strategy

Council for Research and Technology Development has made the following recommendation.

Recommendation

To simplify jurisdictions and with a view to building up solid competency the Austrian Council recommends merging the many First Level Control (FLC) units currently in existence. This will alleviate the current situation in which a comprehensive knowledge of the many different guidelines has to be permanently maintained at more than 90 FLC units throughout Austria. Centralisation would allow members of staff to specialise and would support the greater build up of expertise. In combination with improved coordination of First and Second Level Control this must subsequently lead to a more transparent administration. The right to legal certainty for funding recipients must in future be noticeably improved, and in particular in respect of audits by Second Level Control.

As far as the drawing-up of eligibility guidelines is concerned, the Austrian Council recommends that the rules are appropriate to the implementation of Funding priority 1, R&D&I. As research projects usually involve a high proportion of personnel costs and individual invoices, a basis for a simple and manageable procedure must be created here. In particular, this includes:

- Simplifying the documentation of ancillary wage costs. Keeping personal records on a monthly basis requires a disproportionate amount of extra effort and expense. The need to blank out other posting lines when making collective bank transfers could be eliminated if confirmations from the tax office and regional health insurance funds are available.
- Recognition of electronic invoices. Keeping both electronic and original paper bills would on the other hand not simplify the procedure, but would merely constitute an additional administrative burden.
- Low-value consumables should be billed based on the quantities used during the project. Action must be taken to ensure that stock withdrawals of equivalent value are clearly documented, however, a clear attribution of the materials used to the relevant documentation is not appropriate.
- Transactions processed by the Federal Computing Centre (BRZ), in particular salary remittances, do not require further documentation. The Federal Computing Centre is a recognised clearing centre and therefore need not be questioned unless there are justified grounds for suspicion.

The Austrian Council reiterates its recommendation that the problems created by the application of the general framework guidelines should be countered by the drafting of suitable guidelines.