

TYPES OF COSTS IN RESEARCH PROJECTS FUNDED BY THE NATIONAL SCIENCE CENTRE UNDER SHENG 2¹

Drawing up a project budget is one of the crucial stages of its planning. When drawing up the budget, emphasis should be put on determining the required resources and exact estimation of expenses.

The budget must be well justified with regard to the subject and scope of the research, based on real calculations and itemize expenses to be covered from the NCN resources (so-called eligible costs) in individual years of the project's implementation.

ELIGIBLE COSTS are expenditures eligible for funding from NCN resources as long as they fulfil all of the following requirements:

- 1) are critical to the completion of the project,
- 2) have been incurred in the period of eligibility, i.e. from the day on which the decision of the NCN Director to grant funding becomes legally binding until the final date of the research project's implementation,
- 3) are advisable and frugal;
- 4) may be identified and verified,
- 5) conform with all rules and regulations, including the rules and regulations of the host institution and the rules and regulations of the NCN, including the rules set forth herein;
- 6) in the case of entities applying for state aid, they comply with the Regulation of the Minister of Science and Higher Education issued pursuant to Article 37 (2) of the NCN Act.

The following shall not be deemed eligible costs:

- 1) the costs of consultations and visits of collaborators from the Chinese partner institutions that receive parallel project funding from the National Natural Science Foundation of China (NSFC);
- 2) provisions for future liabilities, debt interest and other debt servicing expenses, interest and other amounts due on account of late payments, contractual penalties, fines, penalties and expenses to cover the costs of litigation,
- 3) VAT if the host institution is entitled to reclaim VAT,
- 4) fees for pre-publishing reviews,
- 5) leasing of research equipment,
- 6) costs of NCN research scholarships in the case of entities applying for state aid
- 7) cost of publication of monographs² resulting from research projects which have not been positively reviewed by the NCN and
- 8) Article Publishing Charging in hybrid journals, as defined in the Open Access Policy of the NCN.

¹ The costs of the research project carried out by the Polish research team and quoted in PLN in ZSUN/OSF submission system must be consistent with the costs quoted in EUR in the Joint Project Description (JPD) uploaded in the ZSUN/OSF system. The costs provided in the JPD must be calculated based on the exchange rate published by the National Bank of Poland on the day of the NCN Council Resolution No 136/2020 of 11 December 2020 on the terms and regulations on awarding funding for research tasks funded by the National Science Centre under the SHENG 2 call for Polish-Chinese research projects, i.e. EUR 1 = PLN 4,4385. The PLN costs of the project in ZSUN/OSF and EUR costs in the JPD must be rounded down to total values.

² As defined in §10 of the Regulation on the evaluation of the quality of research activity issued by the Minister of Science and Higher Education on 22 February 2019 (Journal of Laws of 2019, item 392).

The eligibility of costs is checked during the proposal evaluation, evaluation of the annual report, evaluation of the final report and during the external control and audit.

Eligible costs are subdivided into direct and indirect costs.

1. Indirect costs are costs that are related indirectly to the research project and essential for it to be implemented.

The maximum amount of indirect costs is 20% of the direct costs. Additionally, indirect costs of up to 2% of direct costs may be spent on Open Access to publications and research data.

2. Direct costs are costs directly related to the completion of the research projects and they include:

- costs of salaries and scholarships,
- costs of research equipment, devices and software, and
- other direct costs.

The following expenditures may not be financed as direct costs:

- 1) salaries of the administrative and financial staff (HR services, legal and accounting services, including the outsourcing of accounting services to an accounting office),
- 2) costs of renovation of facilities,
- 3) costs of adapting/upgrading facilities so that they can meet the needs of the research tasks,
- 4) fees and rent for the use of facilities, property taxes, etc.,
- 5) costs of utilities (electricity, heat, gas and water and other industrial fees, transmission fees, sewage disposal, etc.), telecommunications services (telephone, Internet) and postal and courier services, excluding the services referred to in point 2.3.2,
- 6) costs of cleaning, janitorial and security services to facilities,
- 7) costs of non-life insurance,
- 8) handling and administrative fees,
- 9) costs of banking services, including: opening and maintaining a sub-account or separate account for the research project, bank fees,
- 10) costs of external audits,
- 11) costs of organising conferences, workshops, seminars and meetings (with the exception of personnel costs specified in points 2.3.3 and 2.3.4),
- 12) costs of subscriptions (with the exception of the costs of data and access to data referred to in point 2.3.6),
- 13) fees for membership in organisations, associations, etc.,
- 14) costs of proceedings related to conferment of academic degrees/titles and
- 15) cost of publication of scientific articles or cost of open access to research data, with the exception of services referred to in point 2.3.2.

All the expenses outlined above in points 1-15 may be covered as indirect costs.

2.1. Costs of salaries and scholarships - this category covers costs of salaries and non-wage labour costs and costs of scholarships anticipated only for persons employed as members of the research team, i.e. the principal investigator and other co-investigators.

Budget for salaries and scholarships for members of the research team may include:

- a) full-time remuneration,
- b) additional remuneration, and

- c) salaries and scholarships for students and PhD students.

2.1.1. Full-time remuneration

Under SHENG 2, full-time remuneration may be planned under full-time employment contracts at the host institution in positions dedicated to perform tasks in the research project for:

- a) the principal investigator and
- b) post-docs;

A post-doc type post is a full-time post, scheduled by the project's principal investigator for a person who has been conferred a PhD degree in the year of employment in the project or within 7 years before January 1st of the year of joining the project. This period may be extended by a time of long-term (in excess of 90 days) documented sick leaves or rehabilitation leaves granted on account of being unfit to work. In addition, the period may be extended by the number of months of a child care leave granted pursuant to the Labour Code and in the case of women, by 18 months for every child born or adopted, whichever manner of accounting for career breaks is preferable.

Full-time remuneration for the project's principal investigator may be planned under research project funds of PLN 150,000 per annum, provided that in the period of receiving remuneration the project's principal investigator will be meeting all of the following conditions:

- a) they will be receiving no other remuneration granted under the heading of direct costs in research projects funded under NCN calls;
- b) they will be receiving no remuneration from another employer pursuant to an employment contract, including an employer with registered office outside of Poland; and
- c) they will be receiving no pension from the social security system.

Full-time remuneration for the principal investigator may be planned for a period shorter than the duration of the research project reduced in proportion to the period for which it is planned.

Full-time remuneration for a post-doc type post of PLN 120,000 per annum may be planned within the funds for the research project provided that all of the following conditions are met by the person to be employed at that position:

- a) they are selected by means of open competition procedure, carried out by a recruitment committee appointed by the head of the project's host entity, composed of the project's principal investigator as its chair and at least two other persons appointed by the principal investigator, who have necessary scientific and/or professional qualifications. The assessment of the candidates is carried out pursuant to the criteria outlined in the call announcement and the results are made public by posting on the website of the project's host institution;
- b) they did not have the principal investigator as their research supervisor or auxiliary supervisor of their PhD dissertation for a PhD degree.
- c) their PhD degree has been awarded by another institution than the one planned to employ them at this post or they have completed a continuous and evidenced post-doctoral fellowship of at least 10 months in another institution than the host institution for the project and in another country than the one in which they have been conferred a PhD degree;
- d) they will be employed for a period of at least 6 months;

- e) at the time of receiving remuneration, they will be receiving no other remuneration paid from the funds granted to research projects under NCN calls under the heading of direct costs; and
- f) in the period of receiving the remuneration they will be receiving no remuneration from another employer pursuant to an employment contract, including an employer with registered office outside of Poland.

Full-time remuneration for a person at a post-doc type post may be planned for a period shorter than the duration of the research project reduced in proportion to the period for which it is planned.

The amount of remuneration can be increased where justified by the specific circumstances set forth in the proposal. The reasons for an increased remuneration shall be subject to the evaluation by the Expert Team.

Under SHENG, it is possible to employ persons in post-doc type posts provided that the total employment period of all such persons does not exceed twice the time of the planned project duration.

2.1.2. Additional remuneration³:

Additional remuneration may be planned for members of the research team to be employed pursuant to full- or part-time employment contracts as well as pursuant to civil law contracts. Additional remuneration cannot be used for salaries for students and PhD students.

Research team members remunerated pursuant to an employment contract by a host institution may receive additional remuneration only in a form other than pursuant to a civil law contract.

The budget for additional remuneration shall be calculated in such a way as to exclude persons employed under the budget for full-time salaries and budget for salaries and scholarships for students and PhD students from the research team.

The number of persons calculated as such shall be the basis for the calculation of the maximum budget for additional remuneration in a given research project. The maximum budget for additional remuneration planned for the principal investigator may not be increased once the project has entered the stage of implementation.

Under SHENG 2, the budget for additional remuneration per each month of the project's implementation for all investigators shall be up to:

- a) when the principal investigator does not plan to be employed under full-time employment contract, with remuneration paid from the pool allocated for full-time salaries:
 - PLN 3,000 for one person;
 - PLN 4,500 for two persons, of which up to PLN 3,000 for the principal investigator;
 - PLN 5,500 for three or more persons, of which up to PLN 3,000 for the principal investigator.
- b) when the principal investigator plans to be employed under the full-time remuneration:

³ The employment paid for from the pool allocated for additional remuneration is not subject to restrictions set forth in point 2.1.1.

- PLN 1,500 for one person;
- PLN 2,500 for two or more persons.

2.1.3. Salaries and scholarships for students⁴ and PhD students⁵²

This category covers the costs of salaries and non-wage labour costs as well as costs of scholarships planned for students and PhD students to be involved in the completion of the tasks in the project.

The budget for salaries and scholarships for students and PhD students per each month of the project's implementation shall be up to PLN 10,000.

From the budget for salaries and scholarships for students and PhD students, it is possible to plan funds for:

- a) NCN scholarships for students and PhD students,
- b) doctoral scholarships, and
- c) salaries for students and PhD students.

Funding in the budget for salaries and scholarships for students and PhD students may be planned for a given person in any form listed under letters a) –c). In the case of projects carried out in an institution for which funding constitutes state aid, funds for students and PhD students can only be planned in the form listed under letter c).

The total amount of NCN-funded salaries and scholarships intended for students and PhD students in one or more research projects funded by the NCN cannot exceed PLN 5,000 per month. This amount shall not include doctoral scholarships funded in the ETIUDA call nor the remuneration for the principal investigator in the PRELUDIUM call.

NCN scholarships for students and PhD students may be planned, provided that they are awarded pursuant to the *Regulations for awarding scholarships for NCN-funded research projects* set forth by the NCN Council.

Doctoral scholarships may be planned provided that the PhD students meet the requirements set forth in the Act on Higher Education and Science of 20 July 2018, which entitle them to receive doctoral scholarships throughout the performance period of the tasks planned in the project.

Salaries for students and PhD students may be planned for employment under full-time or part-time employment contracts or civil law contracts for the completion of tasks in a research project. Students and PhD students employed under employment contracts in the host institution for the project may not be paid remuneration under a civil law contract.

2.2. Costs of research equipment, devices and software – this category covers the costs of purchase or construction of research equipment, other devices and software crucial to research.

Project funds may not be used to finance or co-finance the purchase or construction of research equipment and IT infrastructure with a value in excess of PLN 500,000 per unit.

Research equipment (as defined by the Central Statistical Office) shall mean a set(s) of

⁴ Students of first or second-cycle degree programme or uniform Master's studies at universities in Poland.

⁵ Participants in PhD programmes pursuant to the Act on Higher Education of 27 July 2005 or PhD students at doctoral schools pursuant to the Act on Higher Education and Science of 20 July 2018.

testing, measurement or laboratory apparatus of limited application and high technical parameters (usually several orders of magnitude higher than typical apparatus used for production or exploitation purposes), which in accordance with the accounting policy of the host institution constitute the host institution's fixed assets.

The purchase of research equipment cannot be the main objective of the project.

Other devices – other devices outside the scope of the definition of research equipment which in accordance with the accounting policy of the host institution constitute the host institution's fixed assets.

Software – software purchased to meet the requirements of the research project, which in accordance with the accounting policy of the host institution constitutes the host institution's intangible assets.

In the case of research equipment, devices and software constituting fixed assets or intangible assets subject to depreciation pursuant to the Accounting Act of 29 September 1994, eligible costs shall include the purchase price or construction costs of fixed assets or intangible assets within the meaning of the Act, including the total costs incurred by the host institution for the project by the day they of taking them into use, taking into account different criteria of eligibility and cost of state aid.

In the case of entities applying for state aid, the costs of research equipment, devices and software qualify as eligible costs to the extent and for the period in which they are used for the implementation of the research project. If the research equipment and devices are not used for the research project purposes over the entire period of use, only depreciation costs corresponding to the period of project's completion, calculated pursuant to the accounting regulations, are deemed eligible costs.

2.3. Other direct costs – this category covers costs not classified as “Costs of salaries and scholarships” or “Costs of research equipment, devices and software”.

2.3.1. Materials and small equipment – costs of purchasing materials and consumables for direct use over the course of the project, including:

- raw-materials, semi-finished products, reagents,
- office supplies, stationery,
- small laboratory equipment, IT hardware and small office devices (e.g. computers, software licence and development costs, printers, scanners, monitors, copiers) and other devices, as long as pursuant to the accounting policy of the host institution they are not classified as fixed assets or intangible assets.

2.3.2. Outsourcing – costs of services rendered by third parties (institutions and individuals with a business activity), including:

- costs of purchasing research services (laboratory analyses, statistical reports, surveys, etc.),
- costs of purchasing other specialist services necessary for due completion of the research (proofreading, editing, graphics, consulting, monitoring, etc.),
- costs of postal, courier and transport services directly related to the completion of a given research task,
- costs of manuscript translation and editing and
- costs of premises rental, catering, etc., as necessary for the completion of the research tasks that include subjects/respondents.

Recipients of salaries or scholarships funded by the NCN in the project may not be involved in research tasks as subcontractors directly or indirectly (via institutions that employ them).

2.3.3 Business trips – costs of business trips of research team members, including:

- costs of participation in seminars/conferences related to the subject of the project,
- costs of trips critical to the completion of the research, e.g. preliminary archival and library research, fieldwork, etc.

The costs of business trips include:

- daily allowances and reimbursement of travel expenses as set forth in the regulations passed pursuant to Article 77 § 2 of the Polish Labour Code,
- personal insurance,
- conference fees,
- other costs, as long as they are considered justified and essential to the completion of the project, such as visas, vaccinations, etc.

Costs of long-term trips may be eligible if they have been calculated in line with the principle of advisability and frugality, on the basis of the actual expenses.

2.3.4. Visits and consultations – costs of visits by external collaborators and/or consultants closely related to the project, with the exception of the costs identified above as not eligible. In this category eligible shall be only personal costs in the form of allowances, reimbursement of travel expenses and accommodation costs.

2.3.5. Collective investigators – total cost of compensation for persons carrying out one-time responsibilities (e.g. interviewers,) and participants in research. The minimum number of such investigators is 5. This category does not include technicians and lab managers.

A detailed budget must be submitted, describing the purpose of the expenses and the overall cost as well as the number of benefit recipients, value and form of benefit (monetary or material).

2.3.6. Other costs – other costs that fall in none of the previous categories, such as:

- costs of purchasing data/databases or access thereto,
- specialist publications/teaching aids and
- costs of publication of monographs that may be incurred once positively reviewed by the NCN.

The research project may include actions intended to promote it and disseminate its results. Anticipated costs generated by such actions, as long as they meet the conditions of eligibility, shall be entered in the categories of “*Costs of salaries and scholarships*”, “*Outsourcing*”, etc., accordingly.

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