

FAQs on the topic of new regulations concerning indirect project expenditure

Which projects are affected by the new regulations?

In principle, all externally funded projects that are not contract research or scientific services and for which programme grants/overheads or similar funds were acquired after 1 January 2023 are affected by the following new regulations. Since 1 January 2023, it is no longer possible to transfer these funds directly to the institutes within the university and funds will be made available for indirect project expenses incurred at the institutions.

Programme grants/overheads or similar that were provided on individual accounts (e.g. so-called collective accounts) before 31.12.2022 are not affected by the changes described below. No documentation (eDiP) is required for expenditure from such accounts.

See also the *Information sheet on programme grants/overheads* available on the [intranet](#) (Finances Unit, External Funding). The regulations applicable to ESF and EFRE projects (EU), Collaborative Research Centres, Research Training Groups, and Clusters of Excellence will be communicated separately to the responsible parties.

Why are the funds for indirect project costs allocated to a new cost centre?

Due to changes in Bavarian budgetary law, it is no longer possible to transfer grants/overheads and similar funds directly to the various institutes as of 1 January 2023. The funds must be collected in centrally managed university accounts. The University Governing Board has decided that project managers should continue to have funds available to cover indirect project costs incurred at their institutions. This is made possible by allocating funds for indirect project costs to new cost centres and pre-financing them from budget funds.

What may the funds be used for?

The funds provided may only be used for indirect project expenditure that is in line with the positive list in terms of its material purpose. The *positive list for eDiP* specified by the administration for the scientific sector can be found on the [intranet](#) in the section of the Department of Financial Affairs, External Funding. Under no circumstances may the project grant be used for expenditure that could be claimed against direct project funds. Please bear this in mind when calculating the project. Any shortfalls in direct project funds cannot be covered by funds provided for indirect project expenditure.

If funds are not spent in accordance with the intended purpose, and in particular in the case of internal or external audits, the funds can be reclaimed at the expense of the research group cost centre.

Indirect project expenditure is incurred during the implementation of a project and this is authorized for eDiP via the positive list. What aspects are new and mandatory when spending the funds?

The electronic documentation of indirect project expenditure (eDiP for short) must be completed before the funds provided for indirect project costs are spent. Each eDiP has an eDiP ID (unique identification number of the electronic documentation), which must be specified in further procurement or cost reimbursement forms. Otherwise the procurement/reimbursement cannot be initiated. The documentation must therefore be completed and sent before the items are procured.

To do this, please use the *eForm Documentation of Indirect Project Expenditure (eDiP)* on the [intranet](#) in the area of the Department of Financial Affairs, External Funding.

What else is important when using the funds?

The entitlement to programme grants/overheads is obtained proportionally to the amount of expenditure from the direct project funds and only then paid out to the University of Bayreuth. However, funds are already allocated at the start of the project in the amount of the proportionate programme grant/overhead approved for the entire project. Please note that funds will only be disbursed from this cost centre to the extent that funds are actually received in the course of the project in the form of programme grants/overheads (or receipt is sufficiently certain). At the end of the project term, the funds made available to cover indirect project expenditure are compared with the actual programme grant/overhead received by the UBT and the allocation of funds is corrected if necessary. In the event of a resulting overdraft of the cost centre, the excess amount is charged to the research group cost centre.

Why is the electronic documentation of expenses necessary?

The funds made available for indirect project expenditure are pre-financed from budget funds. However, the budget funds are not available to the extent required to finance the indirect project expenditure incurred by the organizations. The original programme grants/overheads must continue to be used to finance these in the future. However, these are subject to strict earmarking by third-party funders and, since 1 January 2023, also to new budgetary funding principles. It is therefore very important that the funds provided are used in accordance with the specifications and that this is transparent so that the corresponding transfers can be carried out in the background and the existing overheads can be used to cover expenditure. As a result of the changes in budgetary law, the programme grants/overheads are also subject to audit by the Bavarian Court of Audit.

How are funds allocated to finance indirect project expenditure? Do I have to do anything?

The External Funding Unit first checks the entitlement to receive the corresponding funds. A cost centre for funds to cover indirect project expenditure is then opened for each project and the entitlement amount is allocated. What exactly needs to be done for this depends on when the project was or will be opened.

For projects opened **after** 1 November 2023:

In this case, please ensure that the new declaration on the research and third-party funding project (as of November 2023) is enclosed with the project opening documents. The new declaration already contains the requirements that must be adhered to when using the funds and which the project management undertakes to comply with by signing the document. If the declaration has been submitted by the project management, you will also receive the cost centre for indirect project expenditure and the amount of the allocation (entitlement amount) together with the averaging of the project cost centre by the External Funding Unit.

The following applies to projects opened **before** 1 November 2023

Here you will find the link to the *eForm Application for funds for indirect project expenditure* on the [intranet](#) (Finances Unit). This form can be used to apply for funds for indirect project expenditure. The funds can be requested for the entire duration of the project; the existing entitlement amount does not expire during the project period.

How much funding will be made available?

The project manager's share of the total programme grant/overhead approved for the project is allocated once to the cost centre for funds to cover indirect project expenditure. For the amount of the project manager's share, please refer to the *Information sheet on programme grants/overheads* on the [intranet](#) (Finances Unit, External Funds). For projects that were opened before 1 November 2023 and the above-mentioned *Application for funds for indirect project expenditure* was submitted, the amount of funds already allocated to the project before 31 December 2022 (e.g. to collective accounts) will be deducted when determining the allocation amount.

Please note that funds are only disbursed from the cost centre for indirect project expenditure to the extent that funds are actually received in the course of the project in the form of programme grants/overheads (or receipt is sufficiently certain).

For projects with large volumes, the allocation amount is initially capped at a maximum of 250,000 euros. In this case, further instalments can be requested by sending an informal notification to your administrator in the External Funding Division.

How long are the funds available for indirect project expenditure?

The funds are available for the duration of the project and do not expire during this time. The cost centre is closed after the project is completed, as indirect project costs can only be incurred during the project term. It is no longer possible to build up (permanent) reserves.

The exception does not apply to Federal Ministry of Education and Research (BMBF) projects.