Preliminary and unofficial translation

**Annex 2** to

Directive no. 1-1.4/13/96 of the Management Board of the Estonian Research Council of 30 July 2013

**Guidelines for budgetary procedure of personal research funding**

**Personal research grant budgetary procedure**

The budget of personal research funding (hereinafter *grant*) shall be prepared pursuant to these guidelines.

**Start-up and exploratory research project**

The evaluation committee of the Estonian Research Council (hereinafter *Council*) shall assess the budgets of start-up and exploratory grants taking into account the justification for the number of positions and their structure.

The grant budget shall be drawn for one fiscal year which starts on 1 January and ends on 31 December. The indicative size of a start-up or exploratory grant is about 50,000 to 70,000 euros per year. A follow-up application should be drawn in the same amount allocated in the previous year unless otherwise agreed in the contract of grant award for the start year.

**The budget of a personal research project contains the following types of expenses:**

1. Direct expenses include:
	1. Calculated staff cost rates of implementers of start-up and exploratory research projects;
	2. Full time equivalent of positions to be financed;
	3. Amount of other direct costs.
2. The Council sets the overhead rate for start-up and exploratory grants annually.

**I. Direct costs**

The amount of staff costs is calculated taking into account the staff cost rated and the number of full time equivalent positions1. Scholarships for master and doctoral students are not calculated separately but can be paid from the staff cost budget.

1. Calculated staff cost rates of implementers of start-up and exploratory research projects

The evaluation committee proposes the staff cost rates for the full time equivalent positions. The calculated staff costs include the salary along with any and all state taxes, contributions, benefits and compensation arising from law. This serves as the basis for allocating money but is not binding in determining a person’s salary.

For 2014 the Council establishes the rates as follows: principal investigator of a start-up grant – 27,000 euros, principal investigator of an exploratory grant – 32,000 euros, members of the research staff – 16,000 euros.

1. Full time equivalent of positions to be financed

Full time equivalent of positions to be financed derives from the justified request for these positions in the proposal. The evaluation committee assesses the need and expediency of the positions for implementing the research project. Based on that and the final score of the application, the evaluation committee will determine the number of positions to be financed.

1. Other research project related direct expenses.

In addition to staff costs, other research project related expenses will be covered (e.g. acquisition costs of equipment, travel costs, IPR and popularisation costs, etc.). These expenses shall be outlined as separate budget lines and explained individually. The evaluation committee will assess the justification for each budget line taking into account the specifics of the application and may reduce the amount of requested funding by providing a justification.

* 1. In case of travel costs please explain how the planned trips contribute to the implementation of the research project.
	2. Acquisition costs of fixed assets directly related to the implementation of a research project (in accordance with the definition established by the host institution), to the extent of up to 10% of the direct expenses of the research project. Please provide an explanation.
	3. Subcontracting may only be used to obtain R&D services which directly support carrying out the research project (e.g. analyses, questionnaires, etc.) The share of subcontracting may be up to 20% of the direct expenses of the research project. Please provide an explanation.
	4. Costs relating to the publication and popularisation of results of research and development obtained by way of implementing a research project, and expenses relating to the protection of intellectual property. Please provide an explanation.
	5. Other direct costs required for research, based on the characteristics of the research project. For example: consumables, chemicals, expenses related to maintaining equipment, expenses related to organizing scientific fora or participating in the fora, expenses to third persons, and other expenses which are necessary for carrying out the research project. Please provide an explanation.

In case of follow-up application it is allowed to make changes between the budget lines.

**II. Overhead costs**

Overhead costs are indirect costs of an R&D institution related to the implementation of the research project, including research infrastructure maintenance costs and depreciation. In 2014, overhead costs together with depreciation account for 20% of the amount of the direct costs (excl. subcontracting).

**Grant award contract**

The Estonian Research Council shall enter into a tri-partite one-year grant award contract with the host institution and the principal investigator. In the event of a multi-annual research project, a new grant award contract is concluded annually.

The grant award contract sets out the mutual rights, duties and liability of the parties.

The applicant has the right to make adjustments in the budget allocated for the research project if the allocated budget differs from the requested one (adjustments in the budget lines within the allocated budget)

A grant is awarded to the host institution that is required to allow the principal investigator to use the direct costs portion of the awarded grant for the implementation of the project in compliance with the application.

**Post-doctoral research project**

Upon the proposal from the evaluation committee, the Council shall establish the amount of calculated staff cost for the post-doctoral fellow, the amount of other research related costs and the amount of non-recurrent relocation support.

The budget for the post-doctoral project shall be drawn for the whole period (except for the extra return year of the outgoing research fellow). The financial year starts on 1 January and ends on 31 December.

.A recipient of a postdoctoral funding to carry out a project abroad has the right to apply for a 12-month extension to work at an Estonian research and development institution within three years of having completed the postdoctoral project at the collaborating institution.

**The budget of a post-doctoral research project contains the following types of expenses:**

I. Direct expenses include:

1. Calculated staff cost for the post-doctoral fellow;

2. Amount of other research related costs;

3. Non-recurrent relocation support.

II. Rate of overhead expenses.

**I. Direct expenses**

1. Calculated staff cost for the post-doctoral fellow

The evaluation committee proposes the calculated staff cost for the post-doctoral fellow which includes salary along with any and all state taxes, contributions, benefits and compensation arising from law. This serves as the basis for allocating money but is not binding in determining a person’s salary.

For 2014 the Council establishes the staff cost of 27,000 euros for the post-doctoral fellow.

1. Amount of other research related costs

For the year 2014 the Council established the amount of other research related costs as follows: experimental research project – 6,000 euros; non-experimental research project – 3,200 euros.

The other research related expenses may be, for example, acquisition costs of small-scale equipment, travel costs (including the cost of participating in research fora), IPR and popularisation costs, equipment maintenance costs, etc. which are necessary for the implementation of the research project and clearly identifiable. The taxes prescribed by Estonian law shall apply to the research related expenses.

1. Non-recurrent relocation support.

The post-doctoral researchers whose employment entails relocation to Estonia from another country or from Estonia to another country may request a non-recurrent relocation support of EUR 6500.The merits of payment of a relocation allowance will be considered by the evaluation committee. The Council is entitled to require an applicant to submit relevant supporting documents. The relocation allowance is a one-off payment to the host institution. The taxes prescribed by Estonian law shall apply to the relocation allowance.

**II Overhead costs**

Overhead costs are indirect costs of an R&D institution related to the implementation of the research project, including research infrastructure maintenance costs and depreciation. In 2014 overhead costs account for 5% of the amount of the direct costs.

**Grant award contract**

The Council shall enter into a tri-partite grant award contract with the host institution and the post-doctoral fellow for the whole duration of the grant (except for the extra return year in the case of outgoing post-doctoral fellow for which a new tri-partite grant award contract will be entered into). The grant award contract sets out the mutual rights, duties and liability of the parties.

The grant is awarded to the host institution that is required to allow the post-doctoral fellow to use the direct costs portion of the awarded grant for the implementation of the project in compliance with the application.

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