

Guidelines for completing the Project Account Report for Innovation Projects for the Industrial Sector

These guidelines apply for Innovation Projects for the Industrial Sector and other application types that have similar requirements and do not have specific templates for project account reports.

This document contains the detailed guidelines for the Project Account Report referred to in the report form. Here you will find specific guidelines for how to complete the report for your project.

Inclusion of information in the Project Account Report

The Research Council is required to monitor the use of all the funding it allocates. Grant recipients are asked to enter information from their company accounts in the report form to enable us to check that the costs reported in the Project Account Report are aligned with the company's official accounts.

To ensure that the R&D personnel listed in the report carry out the assigned project activities, we need access to unique identification information for the individuals involved. Therefore, we ask you to enter the individual R&D personnel's national identity number (11 digits) in the report form.

The inclusion of personal data as part of the information in the project account report is authorised under the Personal Data Act, which implements Regulation (EU) 2016/679 of the European Parliament (often referred to as the General Data Protection Regulation) in Norwegian law.

Article 5 of the Regulations states that the processing of personal data must be carried out in accordance with the principles listed there. Among these are the stipulations that the data must be processed lawfully and collected for specified, explicit and legitimate purposes.

Under Article 6 (1) litra c of the Regulation, processing is lawful without the active consent of the individual involved provided such processing is "necessary for compliance with a legal obligation to which the controller is subject." In this case, the Research Council is the controller.

According to Section 12 of the Personal Data Act, national identity numbers and other clear means of identification may only be used in the processing when there is a objective need for certain identification and the method is necessary to achieve such identification.

It is the view of the Research Council that both a legal obligation and an objective need exist, since certain identification is necessary to fulfil the Research Council's obligations under the Norwegian Regulations on Financial Management in Central Government, Chapter 6.3.8.2, under which the Research Council is required to conduct control measures in connection with its grant schemes.

The purpose of the use of national identity numbers is limited to the Research Council's legitimate control to ensure that the hours and costs relating to the work done by individuals for the project are correctly entered into the project accounts.

The Research Council handles national identity numbers and all other personal data in keeping

with the Privacy Statement and the Information Security Guidelines.

State aid

In projects where the Research Council's allocation is used to cover a portion of the costs of companies (the Project Owner and/or company partners), the support from the Research Council to these companies constitutes state aid. In such projects, support will be allotted based on the planned distribution of project costs between the main activities and between the companies receiving support. If there are significant changes to the planned cost distribution during the implementation of the project, this must be reported to the Research Council as a deviation. This applies to changes in the main activities and changes in the cost distribution between partners. All deviations/changes in a project may mean that the support awarded is no longer in compliance with the state aid rules.

Guidelines relating to “Costs per project partner”

1.1. Payroll and indirect expenses

Here you are to enter payroll and indirect expenses for R&D personnel, i.e. the project manager, and any scientific and technical staff, provided that they carry out R&D tasks in the project. Both the Project Owner and any task-performing project partners from Norwegian trade and industry will enter such costs under Item 1.1.

The costs for each staff member are to be specified using an hourly rate. This rate is to cover salary costs with an added overhead for social security costs related to the salary and indirect expenses related to R&D personnel's performance of activities in the project. The added overhead for indirect expenses must be verifiable on the basis of costs entered into the entity's accounts.

Hourly rates may be calculated on the basis of the nominal annual salary of the individual multiplied by a calculation factor determined by the amount of the social security costs and indirect expenses for the relevant project partner. The calculation factor can be maximum .0012 of the nominal annual salary. Each project partner must determine the calculation factor that reflects its actual indirect costs. A project partner with low indirect expenses will need to use a lower calculation factor than a partner with high indirect expenses.

Experience indicates that the calculation factor normally lies between .0008 and .0012. The **maximum** hourly rate that can be entered into the form is NOK 1 100/hour.

Nominal annual salary is the yearly salary paid to an employee that forms the basis for ongoing salary payments (not including overtime, bonuses or other extras). For part-time employees, the annual salary is calculated by converting the employment fraction in the contract to a full-time equivalent.

Social security costs are the employer's extra costs related to the individual employee's nominal annual salary, such as holiday pay, employers' social insurance contributions, mandatory occupational pensions and occupational injury insurance.

Indirect expenses are actual costs incurred by an entity that are necessary to support the implementation of the project, but cannot be directly linked to the performance of specific project activities (such as rent, office supplies and general administrative support).

The number of project-relevant hours must be listed for each individual, limited to work time on the project activities set out in the contract. An individual project participant may report a maximum of 1 850 hours per year combined for all projects funded by the Research Council. It is not possible to register more than 1 850 hours for individuals employed in companies or the public sector.

It is possible to use a common rate for groups of R&D personnel provided that variation in the salary levels within the group is small, and the indirect expenses are comparable. The general restrictions regarding calculation of hourly rates stated above will still apply. If you register multiple individuals with the same hourly rate, you must enter a comment about this on the page for Total costs.

1.2. Procurement of R&D services

For projects with start-up after February 2018: Here you are to enter the cost of invoiced procurement of R&D services from R&D suppliers, including costs related to any fellowships at these institutions.

For projects with start-up before February 2018: Projects whose budget includes costs for procurement of R&D services from companies and partners outside Norway are to enter those costs under “Other operating expenses” (see 1.4). Costs for procurement of R&D services from R&D suppliers in Norway should be entered here.

1.3. Equipment

Here you are to enter the costs for equipment/infrastructure relating to the amount of its use for, and the period for which it is used in, the project.

1.4. Other operating expenses

Here you are to enter all costs that are necessary for the execution of the project but that do not belong under the cost categories above.

Projects whose grant applications were submitted prior to the introduction of the revised project budgeting rules on 1 February 2015, and whose contracts include the procurement or rental of equipment as approved equipment costs, should enter those costs here.

Guidelines relating to “Total costs and funding”

Under item 2. Funding you are to enter the relevant information in accordance with these guidelines.

2.1. Own financing

Here you are to enter cash financing and in-kind resources provided by the Project Owner and other task-performing project partners from Norwegian trade and industry. In-kind resources may encompass personnel, research infrastructure, materials, and other resources that are used in the implementation of the project and are included in the reported project costs.

2.2. Other public funding

Here you are to enter funding from the public sector and contributions from other public sources for the performance of the project. This may comprise direct support from government ministries, grants from Innovation Norway, regional support schemes, funding under

agricultural or fisheries agreements, etc., and contributions or cash financing from publicly funded partners (e.g. in the university and university college sector).

2.3. Other private funding

Here you are to enter cash contributions that are allocated to the project from private partners in Norway who are not performing project-related tasks. This may include financing from companies, industrial organisations, private funds, etc.

2.4. International funding

Here you are to enter project funds from international sources (such as from the EU's research programmes or cash financing from partners outside Norway).

2.5 From the Research Council

Here you are to enter the share of the costs that is to be funded by the Research Council for the relevant reporting period, as specified in the contract documents. This amount is not to exceed the total amount allocated by the Research Council of Norway. Please refer to the R&D Project Agreement Document for information about this.