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# Activity-based budgeting guidelines for Moroccan Partners



IRESEN  
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## INTRODUCTION

The purpose of this guide is to provide project promoters with information on how to publish the costs of projects submitted to INNO ESPAMAROC ENERGY calls for projects.

This guide covers all types of Moroccan partners, whether public or private, participating in projects responding to all INNO ESPAMAROC ENERGY calls for projects. It provides general guidance on costing but does not prejudge the acceptability of these costs, the merits of which will be assessed during the final phase of proposal selection.

## CALCULATION OF THE PROJECT COST

The cost of the project identifies all the costs contributing to the project. The different items of expenditure are:

- Staff costs,
- Equipment costs,
- Travel costs,
- Costs of other expenses *provision of services external to the project, software, prototyping, ...*

For each cost category, the definition and list of information required for a correct assessment are given below, for these two beneficiary categories:

- An organization for the "Universities and research centers" category,
  - A business for the "Other Beneficiaries" category.
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## STAFF COST

### Definition

The staff costs are the cost of scientific and technical staff partner directly involved in the project.

There are three categories of staff costs:

- **The costs of permanent staff:** it is the staff already present at the partner, regardless of the project realization,
- **Non-permanent staff costs with IRESEN funding request:** it is the staff recruited specifically for the realization of the project, for whom a financing by the IRESEN is requested,
- **Non-permanent staff costs without IRESEN funding request:** it is the non-permanent staff participating in the project for whom the partner does not request funding from IRESEN.

Only staff who directly relate to the research and activities proposed in the project can be declared in the budget proposals.

### Calculation mode

The costs to be taken into account are non-surrounding salary costs, i.e. composed exclusively of:

- gross salary,
- any premiums paid to the employee,
- employer charges, including income tax.

### Check-list

For each person:

- ✓ Duration, in months, of the person contribution over the project duration
  - to build on the needs of the project,
- ✓ Monthly cost
  - To be established according to the recommendations of the IRESEN (See Annex 1).

### Notes

- **Structural costs:** Staff costs exclude overhead costs (also referred to as indirect costs) which are taken into account on a lump sum basis

**PhD Students:** the percentage of working time of PhD students is based on the research time

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## EQUIPMENT COST

### Definition

This is the background for the acquisition of the necessary equipment for the project.

### Calculation mode

For research organizations, the cost of equipment is composed of:

- Purchase cost excluding taxes,
- Non-recoverable VAT when appropriate.

### Check-list

For each equipment :

- ✓ Estimated cost of this equipment
  - to obtain from **at least three suppliers whose price is higher than 1 000 MAD.**
- ✓ For research organizations
  - Non-recoverable VAT rates
    - to obtain from your administrative and financial services.
- ✓ Explanation on the utility of equipment.

### Note

- ***The equipment remains the property of IRESEN until the delivery of the last deliverable of the project.***
- *Equipment excluded from these charges :*
  - *Offices, furniture, photocopies, computer equipment.*

## CONSUMABLE COST

### Definition

This is the fund allocated for the acquisition of small equipment and consumables needed for the project.

### Calculation mode

For research organizations, the cost of equipment is composed of:

- Purchase cost excluding taxes,
- Non-recoverable VAT when appropriate.

### Check-list

For each expense :

- ✓ Estimate of the acquisition cost
    - to obtain from **at least three suppliers whose price is higher than 1 000 MAD.**
  - ✓ For research organizations
    - Non-recoverable VAT rates
      - to obtain from your administrative and financial services.
  - ✓ Explanation of the utility of the desired consumables.
-

## TRAVEL COST

### Definition

These are the travel costs of permanent or non-permanent staff assigned to the project.

### Calculation mode

Mission costs are composed of :

- Transport costs,
- Reimbursement of accommodation and meal expenses.

In order to facilitate the evaluation of mission costs, we distinguish:

- Missions related to project work meetings,
- Specific missions to the work program of certain projects: data collection, surveys, etc ...,
- Dissemination missions of project results: presentation of project publications at conferences, presentation in trade shows, etc....

### Check-list

#### Missions related to project work meetings:

- ✓ Number of meetings and number of participants involved
  - to build on the project needs: coordination meetings, technical meetings,
- ✓ Cost of each move
  - to estimate according to the displacement to be made

#### Specific missions to the work program of certain projects

- to build on the project needs

#### Dissemination missions of project result

- ✓ Number of meetings and number of participants involved
  - to be based on reasonable estimates of the dissemination of project results
- ✓ The results concerned must correspond to work carried out after the project start date, as part of the project work program, identified as such and mentioning the IRESEN support.
- ✓ Cost of each move
  - to estimate according to the displacement to be carried out according to the formula proposed by the IRESEN (see Annex 2)
- ✓ Per Diem According to IRESEN's financial grid of travel conditions (see Annex 2).

### Notes

- ***It is important that the post of "mission expenses" is realistically budgeted and corresponding to the project needs***
  - ***Costs giving rise to an invoice may give rise to unrecoverable VAT for the beneficiaries concerned.***
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## COSTS OF OTHER EXPENSES

### Definition

Other expenses are generally services provided for the project by third parties outside the project. They are carried out for the account and under the control of a beneficiary partner. Providers to this partner bill them.

### Calculation mode

The cost of the service provision is composed of:

- Purchase cost excluding taxes,
- Non-recoverable VAT when appropriate.

### Check-list

For each service provision:

- ✓ Estimate of the provision cost
  - to obtain from one or more providers **(If only one provider please justify it)**.
- ✓ For research organizations
  - Non-recoverable VAT rates
    - to obtain from your administrative and financial services.
- ✓ Presentation of a report of the said provision with supporting documents

## COSTS OF OTHER EXTERNAL EXPENSES

### Definition

Other external expenses are other expenses directly attributable to the project and billed, for example:

- Intellectual Property, Patent, Licensing Fees ;
- Insurance costs on equipment ;
- Bank charges.

Are excluded from these costs:

- For research organizations, costs comparable to recurrent costs or management fees, including:
  - Secretarial and accounting expenses.
- For companies, costs comparable to structural costs, in:
  - Secretarial and accounting expenses,
  - Current office equipment,
  - Costs of certifying statements of expenditure by an auditor.

### Calculation mode

The cost of external expenditure is composed of:

- Cost excluding taxes,
- Non-recoverable VAT when appropriate.

For research organizations

- Non-recoverable VAT rates to obtain from your administrative and financial services.



## ANNEX 1 - CALCULATION OF MONTHLY STAFF COST

The fees charged to project staff must be in line with the success premiums grid for Professor-Researchers, Doctoral Scholarships and participation grants for engineers and technicians presented below. The duration and staffing requirements of the project in terms of human resources can be modified according to the project size and its contribution to R&D.

The final amounts of the success premiums must include the IR as follows:

Title	Staff number	Premium amount in MAD/month	IR-included premium amount in MAD/month	Funding duration
Coordinator	1	5 000	7 142,85	The entire project duration or a proposed duration according to the project needs
Professor researcher (s)	1	4 500	6 428,57	
	2	4 000	5 714,28	
	3	3 500	5 000,00	
	4	3 000	4 285,71	
	5	2 500	3 571,42	
	6	2 000	2 857,14	

- *The success premiums are paid out every six months while referring to the evaluation results of the deliverables deposited.*

As for doctoral students, Master, Post Docs, engineers and technicians, the IR does not apply to their scholarships and participation bonuses. The scholarship grid is as follows:

Titl	Grant amount in	Maximum duration of
Post-Doc / Engineer	8 000	36 months x 2
Ph-D students / Technicians	7 000 / 5000	
Students in Master	1 000	4 Months x 4
Students in the End of studies project	1 000	

- *Unlike the success premiums, the scholarships are paid monthly.*
- *The staff of the scientific and industrial partners who will work on the projects are all eligible for funding from IRESEN under the aforementioned titles and conditions.*

## ANNEX 2 - CALCULATION OF EQUIPEMENT COSTS

The acquisition of equipment is mainly based on the preparation of specifications and the provision of three price offers (quotations, price catalogs, online sales website) from different suppliers, from whom IRESEN launches an enlarged consultation and approves the cheapest financial offer. Equipment whose prices are less than 1 000 MAD or equivalent in foreign currency can be evaluated on the basis of two contradictory price offers instead of three.

The final price of the equipment is calculated **in Moroccan Dirhams (MAD), All taxes and freight costs included**. As such, for each project, the exchange rates must be mentioned and the freight costs below integrated for the final amount calculation of each equipment:

Equipment prices in MAD		Freight cost in MAD to include in the final equipment amount
<i>From</i>	to	
Less than 5 000		1 500
5 000	10 000	2 500
10 000	30 000	3 000
30 000	50 000	10 000
More than 50 000 MAD		25 000

### ANNEX 3 - GRIDS OF TRAVEL EXPENSES

Travel costs are calculated based on the information given by the project on the number of trips, the number of people who will be traveling and their titles, the cities and institutions of departure and arrival and the duration of each trip. To this is added the means of transport, the cost is capped at 4 000 MAD (for European countries) for air tickets. The IRESEN grant is calculated from all these parameters in addition to the daily repayments (Per Diem). These follow the grid below:

Title	Ceiling of travel expenses in Morocco on invoice presentation in MAD/day	Travel expenses abroad in MAD / day
Establishment director	1 400	2 000
Head of department/ Laboratory supervisor	1 150	1 800
Professor/Professor researcher	900	1 500
Engineers	900	1 500
Students/Ph-D students	400	800

The formula used to calculate travel costs is as follows:

- For travel in Morocco
  - o The departure city
  - o The arrival city
  - o **D** = The covered distance
  - o **IK** = The kilometric allowance (fixed at 1.8 MAD / Km)
  - o **P** = The number of persons
  - o **N** = The number of trips (over the project period)
  - o **J** = The number of days (per trip)
  - o **PD** = Per Diem (in MAD/Jour)

$$C_{Trav M} = P * ( [ D * IK * N ] + PD * J )$$

- For traveling abroad
  - o The departure city
  - o The arrival city
  - o **X** = The price of the plane ticket (capped at 4,000 MAD)
  - o **P** = The number of persons
  - o **N** = The number of trips (over the project period)
  - o **J** = The number of days (per trip and capped at 15 days)
  - o **PD** = Per Diem (in MAD/Jour)

$$C_{Trav A} = P * ( [ X * N ] + PD * J )$$