



Overhead Policy of the University of Vienna

Amended Version – Valid as from 1 January 2013

Table of Contents

The Current Situation	2
Key Points of the Regulations Policy	2
Effective Date / Transition	2
Use of Proceeds from Contributions to Overhead Expenses	2
1. Bonuses.....	2
2. Overhead Quota of Organisational Units.....	3
3. Overhead Quota of the University	3
Special Regulations Regarding the Use of Overheads.....	3
1. Excellence Projects.....	3
2. EU-Subsidies.....	4
3. Risk Funds.....	4
Exceptions to the 20% Overhead Regulations.....	4
1. Divergent Overhead Quotas	4
2. Projects Subject to a Higher Negotiated Overhead Quota.....	4
3. Overheads in Mini and Microprojects	4
4. Exemptions from the Overhead Contribution	4



The Current Situation

In keeping with its Development Plan, the University of Vienna regards its success in attracting third-party funding as an expression of its competitiveness.

Next to direct expenditure, which is financed in accordance with the respective funding quota by subsidy grantors and contracting entities, third-party-financed projects also imply significant indirect expenditure (overheads) for the utilisation of resources.

§ 26 para. 3 and § 27 para. 3 UG [Universitätsgesetz = Universities Act] explicates the determination of refunds for those costs.

This guideline regulates the settlement methods for overheads.

Key Points of the Regulations Policy

The legislation in force requires full cost financing for third-party projects. On that basis and additionally to the refund of direct costs, the University of Vienna charges a contribution to overhead costs amounting to a minimum of 20% of direct costs for all third-party-financed projects.

Contract research projects also require the budgeting of a minimum of 20% overhead cost contribution, while research promotion projects can fall under the incidence of diverging subsidy guidelines and, thus, involve different quotas.

The overhead regulation of the University of Vienna aims at contributing to the financing of indirect costs without curtailing the financial means earmarked for covering the direct costs of projects. Consequently, project costing shall reflect overheads as a surcharge on the direct costs of the project.

As a rule, overheads cannot be utilised to cover direct, i.e. cash-relevant expenses.

Effective Date / Transition

All projects applied for as from 1 January 2013 fall under the incidence of the present version of the overhead regulation. The reference date for EU projects is the date of the application submission via the European Commission portal.

The overhead regulation applies henceforth to projects included in collective mini-project orders, as well. It is deemed desirable to extend the applicability of the regulation to projects applied for after 1 October 2012 and whose budgets have yet to be negotiated in detail (especially EU projects).

Current projects, especially current EU projects, shall remain subject to the previous overhead regulation of the University of Vienna up to their completion.

Use of Proceeds from Contributions to Overhead Expenses

Pursuant to the Development Plan of the University of Vienna, overheads related to third-party funds are to be distributed fairly and in accordance with established rules between the project manager, the organisation unit and the Rectorate (University of Vienna 2015, Development Plan, p.22).

1. Bonuses

Of the 20% overheads, 3 percentage points are payable to project managers as salary- and income-effective bonuses. Bonuses shall be prorated by volume whenever projects have a contractually stipulated structure, expressed through specific project volumes. In such cases, prorated bonuses shall be disbursed to project managers in accordance with the volume of their respective project segments.



During the initial phase, project managers can decide to relinquish bonuses they are entitled to – in full or in part – to the benefit of the project. In such cases, the financial means in question can be discretionally utilised for the project upon the project manager's instructions – similarly to all other financial means allocated to the project.

The decision regarding bonus utilisation is to be made during the project setup phase and shall remain valid throughout the project duration.

As long as FWF excellence projects are not subject to overhead regulations (Start and Wittgenstein Awards), bonus payments shall be covered from the budget of the University.

In the case of cooperation projects, bonuses shall be calculated on the basis of the revenue share benefitting the University of Vienna.

Bonus payments are disbursed semi-annually and retroactively, and are based on the actual project revenue.

2. Overhead Quota of Organisational Units

11 percentage points of the revenue shall be allocated to the Project Manager's organisational unit, i. e. to the faculty or centre, and shall be utilised exclusively for research purposes.

Depending on the number of project workers, a contribution for the working space allocated to the project shall be deducted from the overhead quota of the organisational unit and booked into a centrally administered, working space cost pool. Hereby, € 100.00 shall be allotted for every full-time equivalent.

The remainder of the financial means can be utilised by the faculty/centre for research purposes in a discretionary manner. It is important to bear in mind, though, that the overheads of organisational units are also to be utilised to cover risks from third-party-financed projects.

The overhead quota of the faculty/centre shall be calculated semi-annually and retroactively, and subsequently credited to the faculty/centre account.

Within the framework of the target agreement, the Rectorate and the organisational unit stipulate utilisation regulations for the organisational unit's overheads. Accumulation of reserves is possible within reasonable limits.

3. Overhead Quota of the University

6 percentage points of the revenue shall be utilised to enhance central services, to supplement financing of certain funding frameworks (special research or doctoral programmes), to finance project initiation and to cover bonuses in excellence projects not covered by overheads (Start and Wittgenstein Awards).

Special Regulations Regarding the Use of Overheads

1. Excellence Projects

For the purposes of the present guideline, excellence projects comprise Start and Wittgenstein Awards, as well as ERC [European Research Council] grants. If an excellence project attracts overheads, the following regulations apply:

- 3% bonus payments shall be covered from the 20% overhead amount.
- The remainder of 17% shall be divided equally between the project and the organisational unit.
- Costs ineligible for funding (e.g. value-added tax; non-funded, prorated deduction of ERC grants) are, as a rule, to be covered out of the overhead quotas of projects or organisational units.



2. EU-Subsidies

The following regulations apply in the case of EU-funded projects:

- 3% bonus payments are to be financed out of the allocated 20% overhead contributions.
- The remainder of the overheads shall be allotted as follows: 50% to the project, to cover for costs ineligible for funding, value-added tax and non-funded, prorated deduction; 50% shall be divided at a ratio of 11/6 between the organisational unit and the University, respectively.

3. Risk Funds

The University of Vienna sets up a risk fund fed from working space contributions, insofar as these have not been utilised for the leasing of working space.

This risk fund notably serves to cover rejected costs, if these are not to be attributed to individuals affiliated with the University (e.g. rejection of costs due to subsequent interpretations of guidelines during second level auditing).

In principle, costs ineligible for funding are to be carried firstly by the project and secondly by the subunit (institute collective order) or the faculty/centre, respectively. Only after these possibilities have been exhausted may an application for cost coverage by the risk fund be filed.

Exceptions to the 20% Overhead Regulations

1. Divergent Overhead Quotas

Should an overhead quota other than 20% have been agreed upon, the overhead shares are to be calculated proportionally. In case of overhead quotas exceeding 20%, the calculation of the project manager bonus requires a separate agreement; this agreement shall be submitted to the member of the Rectorate responsible for research issues and, as the case may be, to the fund grantor.

2. Projects Subject to a Higher Negotiated Overhead Quota

In the case of projects subject to fixed contract provisions stipulating the transfer of IPR – intellectual property rights – to the contract partner, respectively in the case of development projects, contributions to overhead costs in excess of 20% should be considered. Hereby, in the medium term, charging of the full expenditure (where appropriate also including risk mark-up and advance payment for IPR) should be aimed for. Before issuing an offer and signing the contract, such cases require under all circumstances the authorisation of the member of the Rectorate responsible for research, notably with regard to defining an appropriate overhead quota. Applications for such projects shall be submitted to the Office for Research Services and Career Development two weeks before the required date of authorisation, at the latest.

3. Overheads in Mini and Microprojects

The overhead regulation also applies to miniprojects (< Euros 5000), which are operated collectively via a cost centre (internal order / collective miniproject order).

No overheads shall be charged for micro-projects, which are not allocated their own dedicated cost centre (internal order), but are operated via the third-party contracts of each respective subunit (collective third-party order) instead.

4. Exemptions from the Overhead Contribution

- for selected subsidy grantors:

Exemptions from the overhead regulation can be granted in the case of subsidy grantors whose subsidy guidelines do not allow contributions to overheads.



Further exceptions (partial or total remission) to the overhead regulation are possible in the case of strategically significant projects, if, in spite of all efforts, no contractual agreement including overheads can be reached. Such exceptions shall be agreed upon before the signing of the contract and require under all circumstances the authorisation of the member of the Rectorate responsible for research. Applications for such projects shall be submitted to the Office for Research Services and Career Development two weeks before the required date of authorisation, at the latest.

- for symposia/conferences:

The clearing of symposia and conferences is exempted from the general overhead regulation. Full cost refund shall be charged for these activities.