

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 projects 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.

Collection of data for project accounting reports

The Research Council is required to perform control measures in relation to our grants, cf. the Regulations on Financial Management in Central Government Section 6.3.8.2. We therefore ask you to enter information from the enterprise's accounts in the project accounting reports. This makes it possible to control the costs reported in the project accounts against the enterprise's official accounts.

Information about your personal identity number or D number

In connection with reporting, we ask you to state your personal identity number or D number as well as other personal data. The personal identity numbers we obtain are used by the Research Council to control that the hours and costs related to a specific job performed by a specific person are entered correctly. We can then ensure that they are not reported across enterprises and projects and allocated double funding. We also safeguard your right to secure and correct identification.

Only selected Research Council employees with special responsibility for organising and controlling reporting have access to your personal ID number, and then only to the extent necessary to perform the control measures.

The Research Council's grounds for processing personal ID numbers and D numbers is set out in GDPR Article 6(1)(e) that '*processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the controller*', supplemented by the Regulations on Financial Management in Central Government Section 6.3.8.2. (cf. GDPR Article 6(3)).

When the control period has ended, your personal ID number/D number will be deleted. The control period ends when the project has been completed and the final report has been approved.

For more information about the Research Council's processing of personal data, please see our [Personal data protection – privacy statement](#) and our guidelines for [Processing of personal data](#).

The information provided under this point, 'Collection of data for project accounting reports', must be communicated to everyone who shares their personal data with the Research Council. If you report personal data on behalf of others, you must forward this information to the person concerned if they have not already received it. The Project Owner is responsible for ensuring that everyone receives the information.

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 use of actual state aid

The table below shows the Project Owner first followed by all collaborating partners. The funding awarded by the Research Council must be distributed between the Project Owner and the collaborating partners. State aid should only be distributed between partners that are both financing the project and contributing R&D services, and that are registered as an **enterprise**.

For Innovation Projects, the entire amount of funding from the Research Council constitutes state aid. The funding must be distributed between the Project Owner and the collaborating partners that receive funding.

Partners providing R&D services does **not** receive state aid in Innovation Projects. No amount must be provided to these partners.

According to the state aid rules, funding awarded to an enterprise constitutes state aid.

An “enterprise” in this context is defined as any actor that carries out an economic activity consisting of offering products or services on a given market. When an undertaking receives support to cover a portion of its project costs, either in the role as Project Owner or as a partner in the project, this support must be awarded in accordance with Article 25 of the General Block Exemption Regulation for state aid (Commission Regulation (EU) No 651/2014). (<https://www.forskingsradet.no/en/apply-for-funding/funding-from-the-research-council/Conditions-for-awarding-state-aid/>)

Guidelines relating to “Costs per project partner”

All project costs reported in the project account report must be expensed and retrievable in the official accounts.

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, [see how to calculate](#). 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.

The **maximum** hourly rate accepted 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.

If you have personnel employed abroad who do not have a Norwegian personal identity number/D number, payroll expenses for them can be entered under 1.4. Other operating expenses. You must specify the costs with name, position, number of hours and hourly rate.

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 use of equipment and research infrastructure that is necessary for the execution of the project. These costs may be calculated as follows:

- The project's share of the depreciation costs for equipment and research infrastructure that is necessary for the execution of the project, if this equipment or infrastructure has not been procured using funding from the Research Council or other public project funding.
- The project's share of the operating costs or "user fee" for equipment and research infrastructure that is necessary for the execution of the project.
- Procurement costs for equipment that can only be used for this project.

Smaller-scale procurements (less than NOK 100 000 in purchase costs) of equipment that can also be used outside the scope of the project are included in the indirect expenses, and should not be entered under "Equipment".

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.