Einstein Stiftung Berlin
Einstein Foundation Berlin

ATTACHMENT TO THE BUDGET PLAN

The rules outlined below become binding upon conclusion of the transfer agreement between the Einstein Foundation Berlin (funding provider) and the eligible institutions (recipient institutions), unless otherwise explicitly specified in the grant award letter or other correspondence. They supplement and/or clarify the requirements of the transfer agreement and are also intended to serve as guidance for preparing budget plans during the application process. **Please note that the transfer agreement contains more detailed, binding guidelines for specific matters (e.g., travel expenses, contract awards).**

1) General rules concerning funding approval and use of funds

a) Funding will only be approved for projects that have not yet started. This means that no supply or performance agreements that are directly related to the project may be concluded before the transfer agreement is signed. If, however, the project is to begin early for objectively justifiable reasons, the foundation requires an informal request (via email) to begin the project ahead of schedule.

b) Project funds are personnel, non-personnel, and investment costs that are directly related to the project and to achieve the funding objectives defined in the programme description.

c) Unless expressly mentioned in the authorization letter, project funds may **not** be used for:

- *Basic equipment* (including computers, laptops, phones, data storage devices, small office furniture, computer screens, standard office and laboratory equipment, etc.), unless the individual items are demonstrably indispensable to the success of the project and an exception has been approved by the funding provider (for instance specific hard- or software, consumables for specific laboratory use, etc.)
- *Overheads* (general expenses, i.e. expenditure on rent, utility costs, project administration, etc.).[1]
- *Operating and maintenance costs and fees of any kind*, except for fees demonstrably essential to carrying out the project.

[1] The grantee's usual overhead costs and, if applicable, those of the collaborating partners must be disclosed for informational purposes in the financing plan and its explanatory notes, but do not need to be documented or substantiated in detail.

- *Subsequent costs* arising from the operation of equipment purchased from the funds (e.g. spatial and structural requirements, energy costs, repairs and maintenance, ongoing technical support).
- *Incidental costs* for scholarships, such as insurance contributions.
- *Childcare expenses*: A fixed rate per child to cover childcare cannot be reimbursed. This does not affect childcare required during events (where several children may be cared for simultaneously); such costs are eligible if no other childcare option, for example through the universities, is available.
- *Personnel and non-personnel costs outside Berlin*, with the exception of costs incurred by the Hebrew University of Jerusalem as a collaborative partner. Project staff may incur justifiable travel and accommodation expenses outside Berlin if these expenses are justifiable in light of the project and/or funding objective.
- *Value added tax* if it can be deducted as input VAT

d) Please disclose in the budget plan the funding made available for the project by the eligible institution (project-related contributions by the university) and third-party funding from other organizations. However, funding contributed by the eligible institution is not the same as basic equipment or overheads (see footnote 1 and section 2 on non-personnel costs). The use of these funds is governed by the grant approval and the budget plan.

e) The approved funds are tied to the budget year (which corresponds to the calendar year). They are to be used sparingly and economically, for their intended purpose. Transfers of funds may only be approved in exceptional cases and upon notification. Such transfers, as well as other material changes to the project plan, must be reported to the Einstein Foundation Berlin at an early stage, generally no later than 31 October. The notification must explain why the changes are necessary to achieve the project objective.

f) Funds are paid out for three months in advance in line with the drawdown schedule. A separate request for funds is not required. Any changes to the fund's drawdown schedule must be communicated in writing. If the funds are not used for the intended purpose within three months of disbursement, interest of 5% p.a. above the basic rate of interest, as per Section 247 of the German Civil Code, may be charged for the period from disbursement until use for the intended purpose. The same applies if a service is used even though other funds should be used proportionally or as a priority.

g) Project funds that have not been used in the end of the budget year, or at the latest within three months of the last drawdown of funds, must be returned to the funding provider.

h) In accepting the grant, the institution receiving the funds has an obligation to report to the Einstein Foundation on the project activities and on the use of the project funds. The required documentation consists of a financial report and a status report substantiating and explaining the use of funds. An interim report on the preceding budget year must be submitted by 30 April of the following year, and an audited statement of use of funds must be submitted no later than six months after the end of funding. Status reports as part of an interim report may be combined with the next status report due (and, where applicable, with the final report) if the reporting period for a budget year does not exceed six months. In accordance with the relevant rules of section 10 of the transfer agreement, the Einstein Foundation Berlin reserves the right to reclaim funds if the required documentation is not submitted on time.

i) The budget plan is binding with regard to its overall result. The total of all individual allocations under personnel costs or non-personnel costs may exceed the amount specified in the most recent version of the financing plan by up to 30%, provided that the excess is offset by corresponding savings in other expenditure within the budget plan.[2] Within non-personnel costs, funds may be used flexibly provided that the expenditure demonstrably and plausibly serves the purpose of the project. Savings arising because the personnel actually recruited is paid less than provided for in the application may not be reallocated; instead, they reduce the project's funding requirement.

j) It must be ensured that more than 50% of the approved funds go to the eligible Berlin institutions. This means that the majority of the financial resources must be used within the Berlin consortium. Cooperation with external partners of Berlin's non-university research institutions or of the Hebrew University remains possible, but only to an extent that ensures that the main share of the funds benefits the Berlin institutions and is used there for project-related purposes.

2) Personnel costs

Personnel costs are budgeted on the basis of the average pay rates at the institution submitting the application.

If the personnel to be recruited is not yet known at the time of application and the position must be advertised, the standard calculation is based on salary group and experience level 13/2 for PhD students and 13/3 for postdocs from the start of the project, unless a higher experience level is expressly intended.

If it is already known who will fill the position, the rate should be calculated on an individual basis. The Einstein Foundation will make available all funds necessary to remunerate the project staff for the employment term and pay grade specified in the authorization letter, as justified by collectively agreed pay scales.

Responsibility for selecting the correct pay grade lies with the institutions submitting the application. If, as a result of collectively agreed pay scales, the personnel costs result in a higher funding requirement than was approved in the budget plan, please submit an application for additional (pay-scale-related) personnel funding, which can be found on the Einstein Foundation website (German only).

[2] Example: If the current budget plan provides for €100,000 in personnel expenses and €200,000 in non-personnel costs (investments are not included!), personnel expenses can, for example, be exceeded by €30,000 or non-personnel costs by €60,000 with the excess charged to the other budget positions.

Expenditure on student assistants is classified as personnel expenses, whereas expenditure on scholarships and contracts for work and services as well as fee-based contracts is treated as non-personnel costs.

Employees and scholarship holders paid from Einstein Foundation funds must work in Berlin throughout the entire period of their employment. Exceptions are research trips of up to four weeks that are necessary to achieve the project objective. If a longer stay abroad is planned in an individual case, this should ideally already be set out and justified in the application.

Reallocations affecting more than 30% of the relevant budget line always require a separate application. Non-personnel costs may be reallocated to personnel costs upon submission of a justified application. Conversely, personnel costs may be reallocated to non-personnel costs upon a justified request, particularly if personnel costs have decreased not due to a miscalculation (which is ruled out in this case; see above), but as a result of a vacancy despite a job posting, illness, maternity leave/parental leave, or an approved reduction in working hours.

If personnel costs change as a result of a reassignment of duties (e.g. a change in salary group), please note that you must provide substantive justification for this change.

3) Non-personnel costs

The budget plan template, which is binding for all programmes, specify six different categories/types of expenditure for non-personnel costs:

1) Materials and consumables
   - This category includes materials in the narrower sense, i.e. project-specific consumables, provided that they are not investments (see below), as well as literature and small equipment. The guidelines on eligibility under section 1(c) apply in particular.
   - Directly project-related fees (e.g. archive access fees) or other non-personnel costs that cannot be assigned to the other categories (e.g. course fees for workshops or language courses[3], if approved) must be listed here. Costs for using university-owned service facilities or so-called core facilities (e.g. computing centres, large-scale equipment and services) must also be included here. In accordance with DFG regulations, such internal university charges are eligible only if full costs are not charged and there is a usage policy in place with clearly defined services and usage fees.
   - Expense allowances, e.g. for study participants.

2) Travel expenses
   - This category covers travel and accommodation expenses for persons directly employed for the project. For participation in academic meetings and conferences, active participation, which may include poster presentations, academic lectures or participation in workshops, is a prerequisite for covering the costs.

[3] In accordance with the relevant DFG regulations for international staff/scholarship holders, language courses are eligible up to €2,000 over the course of the project if it can be demonstrated that no internal university course is available and the person is under contract for at least twelve months.

- Indirectly project-related fees associated with travel, such as conference participation fees, should be listed here. Membership fees for professional societies or similar organizations are not eligible, even if they reduce conference participation fees.
- In addition to the Federal Travel Expenses Act, the General Administrative Regulation on the Federal Travel Expenses Act of the State of Berlin and section 77 of the Berlin State Civil Service Act must be complied with.
- Any costs incurred for vaccinations must be covered by the traveler.

3) Guest stays
   - This category covers travel expenses for external parties as well as any applicable fees or reimbursements.
   - Fees must be calculated according to the rules of the institution receiving the funds. In the case of guest lectures, they are eligible only if the lectures are open to a predominantly non-academic audience and/or if the guests demonstrably did not travel to Berlin primarily out of their own academic interest.
   - For the Einstein Visiting Fellows programme-specific rules apply to expense reimbursements.
   - Visa costs should be covered by expense allowances.

4) Events
   - Please list all costs incurred in organizing your own events (workshops, colloquia, conferences), provided they are eligible for funding under the respective program.
   - When applying for and accounting for hospitality expenses, the rules applicable at the institution administering the funds must be observed. When submitting claims for reimbursing entertainment expenses, the regulations applicable at the institution administering the funds must be followed. In case of doubt, the relevant rules of the Senate Departments of the State of Berlin apply; the Einstein Foundation Berlin can provide these upon request. As a rule, hospitality can only be reimbursed for events related to the project with a predominantly external audience; alcoholic beverages are not eligible.

5) Scholarships, contracts for services
   - Scholarships and contracts awarded to third parties in general, as well as contracts for services in particular, must be classified under this category.

6) Publication costs
   - Reimbursement requests for publication costs (whether for open-access or traditional publications) for publications resulting from individual projects are limited to a maximum of €2,000 per year. At Einstein Centers, the requested amounts should be based on the number of subprojects (e.g., case studies or similar) and, as a rule, should not exceed €10,000 per year. Funds may be accumulated over several years. In accordance with the DFG publication grant, only demonstrably necessary costs (copyediting and production costs) are financed; distribution costs, for example, are not. In addition, the funds are available only during the project period and not after the project has ended. For open-access publications, fees can only be covered if the journals subject submissions to recognized quality control.

- Translations are generally not covered. Upon request, the Einstein Foundation Berlin only supports translations of sources that are essential to the research project; these must be listed under 2.1 or 2.5, as applicable.

Non-personnel costs must be assigned to the individual categories precisely, bindingly and with justification. It is not permitted to group individual expense categories under the term "other expenses". As required in the application forms, budget plans must be explained separately and in as much detail as possible at the time of application.

Funding is paid under the third-party funding procedure as lump-sum financing, in accordance with the General Auxiliary Provisions for Grants for Project Funding (ANBest-P) of the State of Berlin. Accordingly, cost-neutral reallocations between the approved items in the budget plan are possible even without the Foundation's approval. Any deviations from the most recently approved financing plan (which serves as the basis for comparison and is an integral part of the contract) must nevertheless be justified in the status report as part of the statement of use and can only be accepted if they demonstrably contribute to the achievement of the project's objective.

The creation of new budget positions requires approval and is subject to an application using the form provided online.

4) Investments

Equipment that is essential to the project's objectives but is not currently available, and which is to be purchased with funds from the Einstein Foundation Berlin, must be inventoried in accordance with the General Auxiliary Provisions for Grants for Project Funding (ANBest-P) of the State of Berlin, which are binding on the Einstein Foundation Berlin, for a net unit price of €410 or more, i.e., €487.90 including sales tax, and must be reported accordingly as as investments in the budget plan.[4]

The inventory and depreciation list must be submitted together with the final statement of use of funds. If non-personnel costs are limited under a programme, this limitation always applies to non-personnel costs as well as investments. Expenditure on large-scale equipment is eligible only under the Einstein Professorship and Einstein Strategic Professorship programmes and only up to €500,000. Otherwise, based on a separate, project-specific justification, the Foundation generally finances only equipment whose acquisition value is below €200,000 gross, in line with DFG's large-scale equipment funding guidelines.

After the project period, the provisions of section 4 of the grant transfer agreement apply to purchased items. In particular, for equipment with an acquisition value of €50,000 net, the Foundation must be informed of the equipment's intended further use two months before the end of the agreement term.

The provisions laid down in the transfer agreement are binding and take effect in addition to the Attachment of the Budget Plan.

[4] The appendix at the end of this document provides guidance, among other things, on distinguishing non-personnel costs from investments.

Appendix
Information Sheet on the Classification of Investments in Research Projects

for grant recipients under a project funding program

1. Purpose of the information sheet
This information sheet explains the principles for classifying requested expenditure as investments or non-personnel costs in research projects.

2. Principles
What matters is not the name given to an item, but its economic function.
Investments are assets that can be used independently and are to be used over several years.
Non-personnel costs generally concern consumables, replacement parts or components that do not work independently when installed.

3. Guidance for classification
Question 1: Can the item be used independently?
Yes = generally an investment. No = generally a non-personnel cost.
Question 2: Does the item retain its independent character after installation?
Yes = generally an investment. No = generally a non-personnel cost.

4. Special Considerations for Research Equipment
Sensors, chips, circuit boards, laser diodes and comparable individual components are generally non-personnel costs.
Measuring instruments, microscopes, camera systems, servers and other independently usable research equipment are generally investments.

5. Examples
GPU card for an existing server: non-personnel cost
Complete GPU server: investment
Replacement laser for an existing device: non-personnel cost
Independent laser measuring system: investment
Sensors for a research prototype: non-personnel cost

6. Inventory
Purchased investment items must be inventoried in accordance with the applicable rules of the university or research institution.

7. Note for applications and statements of use of funds
Expenditure should already be clearly identified as investments or non-personnel costs in the grant application and justified in a comprehensible manner.

8. Summary
Investments are generally independently usable items that can be used over several years.
Components of research facilities that lose their economic independence are generally non-personnel costs.

Legal basis: section 44 of the Berlin State Budget Code (LHO), in conjunction with the General Auxiliary Provisions for Grants for Project Funding of the State of Berlin (ANBest-P, State of Berlin), as well as the relevant provisions of budgetary and property law.