

Special Call for Proposals

Building Blue Resilience through Innovation

Guide on Allowable & Non-Allowable Expenses

MRIC/SCP-BR/001
Issue 1 Rev 0
28 August 2020

ALLOWABLE & NON-ALLOWABLE EXPENSES

Description

This document shall be used as a guide on allowable & non-allowable expenses for any project submitted for funding consideration under this Special Call for Proposals. The list of items in this guide is not exhaustive. Any new item identified by a potential applicant can be discussed with staff of the Council.

Costs Items

The Mauritius Research and Innovation Council (MRIC) allows certain cost items to be incurred by the applicant or its key collaborating institutions/companies/organisations for the research and innovation project to be included in the budget. All such expenses should have been identified when submitting the application form and included in the proposed budget.

The guide shall also apply to approved projects where the financial reports are submitted to the Council at the end of each milestone.

If the MRIC determines that any payment was not justified by the evidence furnished to the Council or was made for an ineligible expenditure, the MRIC may, at its discretion, require the grantee to:

- Provide the additional evidence/documentation
- *Refund the equivalent amount to the Council*

All invoices, receipts and delivery note should be in the name of the applicant institution/company/organisation or collaborating institutions/companies/organisations listed in the application form.

Expenses should be made from the bank account in which the MRIC funding will be disbursed for any approved project.

The bank account used for any transactions pertaining to the project should be in the name of the applicant institution/company/organisation.

1. **Advertising/Marketing** – for personnel recruitment, purchase of goods or sale of materials are not eligible under this Call for Proposals. Marketing, including promoting and selling products/services either through market research, advertising or any other form(s), is not allowed.
2. **Bank charges** are not allowable.
3. **Catering** – Catering services including food items and beverages (alcoholic and non-alcoholic) are not allowed under this Call for Proposals.
4. **Consultancy services** - Payment for consultancy services to an individual or firm hired to perform professional services directly related to a proportion of the project is allowed; however, this cost should be shared equally between the MRIC and the applicant. The number of hours and the hourly rate charged by the consultant should be clearly indicated.

5. **Consumables** – The costs for consumables are eligible, provided that they are identifiable, necessary to produce the outputs related to the activities listed within the project and used exclusively for the purpose of the project.
6. **Documentation and Publication** – Costs, with regards to purchase of journal articles and books related to the project, are allowed under Documentation/Publication in “Other Direct Costs” of the application form. Purchase of e-publications is encouraged. Subscriptions to professional bodies and technical publications are not allowed.
7. **Entertainment** – Any cost related to social activities including tickets, meals, lodging and gratuities, are not allowable.
8. **Equipment** – The cost of purchasing equipment (new or second-hand), for the purpose of the research under this Call for Proposals is eligible provided that a proper justification for the need of purchasing such equipment is provided in the project proposal.
 - The budget for equipment may include maintenance or calibration costs for the duration of the project.
 - The cost of re-engineering an existing equipment for the purpose of the project is allowable.
 - Use of an existing equipment claimed as an in-kind contribution must reflect the cost of using the equipment for the project. The hourly cost and the number of hours the equipment will be used for the project should be clearly

indicated in the project proposal. Below is the proposed formula for calculating the hourly cost

$$\text{Hourly cost} = \frac{\text{Net Book Value of Equipment}}{\text{Depreciation years} \times 52 \text{ weeks} \times 40 \text{ hours}}$$

- Where equipment will be purchased from an overseas supplier, the freight costs and custom duty/clearance should be included in the total equipment cost. The applicant should ensure that any commissioning cost, where critical for the good running of the equipment, is also included in the total equipment cost.
- The cost of installation and commissioning of any new equipment, purchased for the purpose of the project and catered for within the proposal, should be included in the equipment costs.
- Cost must be provided for each individual equipment. Where the cost of any individual item of equipment exceeds Rs50,000, the cost will be shared by the MRIC and the applicant. In addition, where the total costs for all items of equipment for a project exceeds Rs 600,000, the MRIC may fund up to a maximum of Rs 600,000 and the Applicant would have to fund the remaining amount.
- Applicants should ensure that any new equipment purchased has a warranty period of at least one year for equipment

costing up to Rs 200,000 and 3 years for equipment costing greater than Rs 200,000.

- Repair cost whether relating to new equipment or existing ones are not allowed.
- The applicant should ensure that it has followed a transparent procurement process and the relevant documents are available as and when requested for verification.

9. **Events** – Specific costs related to events (such as conferences, seminars, receptions, cocktail parties) organised as part of the implementation of activities related to the project are not allowed.
10. **Expansion or renovation** – Costs related to the business expansion or renovation are not allowed.
11. **Expenses for goods and services for personal use of employees** – Expenses for goods and services for personal use of employees are not allowable.
12. **Fines and Penalties** – Costs resulting from late penalties, violations of laws and regulations are not allowable.
13. **Indirect costs** – General office supplies such as pens, paper, folder, ink cartridges, basic Internet connection are not eligible for the purpose of this Special Call for Proposals.
14. **IT Equipment** - The purchase of any IT equipment such as high performance computers is allowable if specifically related to the

project. This should be catered for under Equipment Costs of the Budget and the modalities of Item 8 will apply.

15. **Management costs** – Costs related to management fees charged by the applicant or any of its collaborating institutions/companies/organisations are not allowed.
16. **Office equipment and furniture** - Cost of purchasing general purpose office equipment and furniture are not allowed under the grant.
17. **Overseas Travel** – Overseas travel for a specific purpose related to the proper implementation of the project is allowable and should take into consideration international COVID19 travel restrictions. Cost of Air Fare, transportation to and from the airport, hotel and place of business can be included in the Overseas Travel Costs.
 - Economy class fares will be used as the benchmark for analysing air travel costs any other mode of transportation.
 - Accommodation and Subsistence costs should be within the per diem scales as used by the Council.
 - In cases where overseas travels are too recurrent, the grantee is highly advised to explore other means of communication such as video-conferencing.
18. **Pre-Award Costs** – Costs incurred prior to the start date of the project agreement are not allowable.

19. **Proposal Costs** – Expenses related to the preparation of the proposal, including typing, copying, printing and mailing costs, prior to the grant award are not allowable.
20. **Purchase of land** – The purchase of land for the purpose of the research proposal is not allowable.
21. **Rental costs** – Cost to lease building space or equipment if specifically related to the project and representing a new cost solely attributable to the project duration is allowable under this Special Call for Proposals. Rental costs for existing office space is not eligible.
22. **Salaries** – Salary of any new recruits should be catered for in the application. Expenses related to new recruits not catered for in the application are not allowed, unless prior approval is sought from the MRIC.
23. **Software** - The cost of purchasing of software licenses/subscriptions is allowed. A justification must be provided in the project proposal and the cost must be in proportion to the duration of its use during the project. Where the minimum duration required for the purchase of a specific subscription or licenses exceeds the duration of the project, the MRIC will allow for a one-year subscription/license cost.
24. **Staff Costs** - Expenses related to any individual employed by the applicant or any of the collaborating institution/company/

organisation could be included in the “Staff Cost” under Section D of the Application Form.

- Salaries or Allowances for Project Leader, Research/Project Collaborator and Research/Project Assistant identified for the project are allowed.
- Staff costs may also include any other person directly involved in the project.
- For each of the identified person, indicate the amount to be paid as salary/stipend/allowance, whether full-time or part-time, and the number of days/hours to be dedicated for the project and the monthly/hourly rate to be paid.
- Where salary is being paid for a full time employee, the staff cost for the employee should be the basic salary and the cost of travelling (by bus) from work to home and vice versa.
- Contribution for National Saving Fund (NSF), National Pension Fund (NPF), Fringe Benefits and HR Levy are not to be included in the staff cost/salary.
- Cost of salary compensation is allowed.
- The hourly rate for the payment of salaries/stipend/allowance should be calculated as follows:

$$\text{Hourly rate} = \frac{\text{Gross salary per month} \times 12 \text{ months}}{52 \text{ weeks} \times 40 \text{ hours}}$$

- For any approved project, further to any submission of progress reports, a statement of salary in favour of the concerned employee/collaborator shall be submitted to the MRIC by the applicant.

25. **Subcontract charges** – Applicants should have the operational capacity to complete the action to be supported. However, if staff does not have the skills required, when justified and necessary, parts of the project may be subcontracted to another person or institution/company/ organisation. In this case, an agreement should be annexed to proposal and it must be clearly specified which tasks will be subcontracted and why this subcontracting is necessary. The costs of subcontracting or provision of services by an external party in connection with the implementation of the action (such as external evaluation or construction) are eligible.
26. **Training of staff** – Costs associated with professional development training, such as the use of administration-related software (e.g., accounting and human resources software) are ineligible. Costs associated with attending research administration-related conferences for professional development as well as training are ineligible.
27. **Utilities** – Costs related to electricity supply, telephone and overseas postal services, if directly related to the project, are allowed. However, the cost should be in proportion to its use for the project. The cost related to utilities for general office space is not eligible.

28. VAT payment for VAT registered companies – VAT payment for VAT registered companies is not allowable.

This document has been prepared based on the Special Call for Proposals guidelines and the rules applied during financial analysis of progress reports. While care has been taken to ensure that most items are included, the list of cost items are not exhaustive.