

## Administrative support for third-party-funded projects funded by the Federal Ministry of Education and Research (BMBF) and other federal agencies

### 1. Project-executing organization

For funding from federal ministries, approval is normally not granted directly by the donor. This task is generally performed by a project-executing organization, which handles project administration for the BMBF/federal agencies during the approval period and is the first point of contact for project leaders and the University administration. Project-executing organizations for the BMBF, for example, usually are DLR, DESY, GSI, VDI, KIT, FZJ, etc.

### 2. Approval notification

As a rule, the approval notification is received by both the project leader and the University administration. After acceptance of the approval notification by the project leader, Section 7.2 will set up a project account specifically for this project. The project leader will be given information about the WBS element, the responsible project manager, and other parameters to be taken into account.

### 3. Acknowledgement of approval notification rules

The University of Bonn must confirm receipt of the approval notification and acknowledge the conditions in writing. This confirmation will be issued and signed by **Section 7.3 after consultation with the project leader**. By signing the confirmation, the University of Bonn acknowledges the donor's funding conditions. It is important for the **project leader** to be **familiar with the complete funding approval, including any ancillary provisions**.

Special ancillary provisions that are an individual component of the funding approval must also be observed. These can include, for instance, special approval requirements for individual trips, etc.

### 4. Overall financing plan

The overall financing plan is an important component of the approval notification. It is based on application information provided by the **project leader** and any changes made by the project-executing organization. It contains the individual expense items and the respective funding amounts for the third-party-funded project. The funding amount for each expense item is always final.

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### 5. Reallocation of funds

- **Among items:**

If money is saved for an expense item, another expense item may be overdrawn by up to 20 percent of its total funding amount as per the overall financing plan without involving the project- executing organization. **Blocked amounts do not apply to the calculation.**

If the expense item will be overdrawn by more than 20 percent, a formal reallocation of funds and thus a change in the overall financing plan must first be requested from the project- executing organization. The **project leader** will send a corresponding informal reallocation request that includes, in addition to specific reasons, the following information:

- *what amount will be moved*
- *from which item*
- *to which item*

with a technical explanation. Section 7.2 will sign the request and forward it to the project- executing organization.

- **Special feature for “Item 850 – equipment list“**

Since most grant approvals for federal funds include an equipment list, any **overdraft for item 850** must always be coordinated with the project-executing organization in order to change the equipment list. The **project leader** will send a corresponding informal reallocation request to Section 7.2, which will sign the request and forward it to the project-executing organization.

The financing plan is always changed and announced by sending a change notice to the project leader and Section 7.2.

### 6. Request for payment of funds = calling funds

Payment requests are created automatically by Section 7.2; the amounts are based on the project (personnel) costs for past months. Section 7.2 will send the form directly to the project- executing organization. The project leader will receive a copy for the record (via email).

As a rule, it can be assumed that the payment request will be granted in full. In case this does not apply, Section 7.3 will notify the project leader of any deviations.

**Special feature: last funding call for the year, see No. 8**

**Special feature: last funding call before the end of the project, see No. 10**

### 7. Interest

Incoming federal funds that are not spent in a timely manner (as a rule, within 6–8 weeks) are subject to interest of 5 percent above the base interest rate. Since Section 7.2 requests the funds in a careful and conservative manner, there are hardly any interest charges during the year. However, this issue

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often comes up at the end of the year due to very high cash balances in the project account (see No. 8). These cash balances should be avoided by planning expenditures carefully.

Interest charges cannot be charged to the project account; they must be paid from another institutional account to be specified by the project leader.

### 8. Spending plan

Funding approvals for federal funds require fixed full-year approvals. The total project amount is divided, with a fixed sum allocated to each year of the project term.

The funds provided for a specific year are subject to validity of one year and are not carried over to the following budget year; if funds are not spent, the overall approved amount will be reduced. To prevent such reduction, the **project leader** can make a **request to alter the provision of funds**. In principle, this request is done informally, but must include a technical explanation (why are funds not spent as originally planned and what impact may this have on achieving the project aim by end of project term).

The due date for the alteration request of fund provision is determined by the project-executing organization and listed on the approval notification.

The project leader sends the request to Section 7.2, which will sign and forward it to the project-executing organization.

- **Overdraft of the annual funding amount**  
Overdrawing the annual funding amount does not create an issue. The University will finance any overdrawn amounts.
- **Under-usage of the annual funding amount**  
Problems may arise if approved annual funds are not needed or not spent during the respective budget year. Unrequested amounts will fundamentally lapse, and will no longer be available for the project. Therefore, Section 7.2 calls for 100 percent of the approved annual funds in order to avoid a shortage of funds in future years (e.g. for personnel payments). However, this can lead to high cash balances at the end of the budget year, which cannot be spent in a timely manner and will then lead to interest charges by the project-executing organization (see No. 7).

Section 7.2 urgently recommends creating a projection in June/July of the ongoing budget year for the remaining funds needed in the ongoing year, so that any fund reallocations can be requested from the project-executing organization early on for future budget years.

The **project leader** will send a corresponding informal request to the project-executing organization through Section 7.3. The earlier such a request is sent, the greater is its chance of success. Fund reallocation requests made in November/December are refused in most cases.

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### 9. Awarding contracts

All requirements and regulations for awarding contracts also apply to third-party-funded projects and thus also federally funded projects. In the event of any questions, the employees in Section 5.3 (Central Purchasing) will be happy to help you.

When awarding research and development contracts (R&D contracts) to domestic private-sector companies, the BMBF's sample contract must always be used. A corresponding template can be downloaded from the BMBF homepage and/or the responsible project-executing organization's page. Please contact Section 7.1 in the Research Department about all contract-related matters (responsible for managing all R&D contracts).

For other contracts, the obligations stated in the BMBF approval notification must be part of all R&D contracts. For R&D contracts with compensation of more than €100,000 for contractors not already explicitly named in the application, written approval must be obtained from BMBF before the contract is awarded. To this end, the **project leader** will send an informal letter directly to the project-executing organization via Section 7.2.

#### **Please note:**

Section 5.3 must always be involved with all contracts valued at > €500.00 net. Even if a bid has already been obtained from the company in the application process for calculation purposes and this item was included in the financing plan, that does not mean the company can be contracted without an award procedure. In the event of any ambiguity, please contact Section 5.3 in advance.

### 10. Extension

Ideally, the **project leader** should request any necessary extension from the project-executing company through Section 7.2 very early on, and should include the changed expense plan as an appendix to the request.

### 11. Reports on expenditure of funds

**Interim reports on expenditure of funds** will be created by **Section 7.2** and a copy will be sent to the project leader for informational purposes. If necessary, the project leader will send additional documentation on the interim report (list of receipts, explanation of travel costs, etc.) to Section 7.2. The interim report is usually due by April 30 (in exceptional cases by February 28 or March 31) each year.

The **interim project report** should be sent by the **project leader** directly to the project-executing organization until the submission deadline.

The **final report on expenditure of funds** (= one-time final statement for the entire project term) must be provided to the project-executing organization within six months of the end of the project term (exceptions being Rentenbank and EXIST, where a timeframe of 3 months applies).

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For this, Section 7.2 will create a final report on expenditure of funds based on completed bookings and a list of receipts, all of which will be sent to the project leader. The **project leader** will then add any notes on travel expenses, personnel and investments. The final report on expenditure of funds will then be signed off by the project leader and sent to Section 7.2 for signing – six weeks prior to the donor’s deadline at the latest. Section 7.2 will check the final report on expenditure of funds together with the relevant internal team and send a copy to the project-executing organization while also sharing a copy of the final report on expenditure of funds with the project leader for the records.

The **project report** should be sent by the **project leader** directly to the project-executing organization within the six-month submission period.

After checking the **final report on expenditure of funds**, the donor and/or project-executing organization will send a final notice to Section 7.2 and the project leader. Section 7.2 will return the “Confirmation of Receipt” form after consulting with the project leader.

If funds still remain in the project account after the end of the project, they must be transferred back to the donor immediately.

If the donor decides that expenses claimed by the project leader are not eligible for funding, and if this creates a negative cash balance in the project account, the project leader must balance this out with alternative funds.

### 12. Fair and reasonable accounting of annual special payments

With regard to BMBF and other federal agencies for project leaders and offices, the project-executing organization demands fair and reasonable accounting of annual special payments for employees working on the project.

For **2020**, the fair and reasonable accounting of the annual special payments was rebooked for the **academic employees**. From **2021**, the annual special payments for **non-academic employees** will also be rebooked on third-party-funded projects according to fair and reasonable accounting.

For **the calculation of an amount pro rata until 2019**, the so-called 1/12- rule applies. Fair and reasonable accounting means that e.g. for employees working on the project for a period of 4 months, an amount for 4 months is factored in pro rata. As soon as an employee works one day a month, the employee is entitled to a Christmas bonus for that month. The billable amount will be calculated by Section 7.2 manually. Taking the difference between October and November salaries as the base, the amount is calculated by dividing by 12 and multiplying by the number of months of working on the project.

As the annual special payment is currently booked with the WBS element providing the financing of the employee in November, the method described above can result in discrepancies between the interim/final report on expenditure of funds and the actually booked amounts in the project. Negative cash balances must be evened out by the project leader. In case of positive cash balances, the respective amount will be credited to the project leader’s remaining funds account.

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### 13. Flat project rate / research bonus

Please refer to Circular No. 40/2020 dating 06/04/2020 for information on the flat project rate and research bonus. Should you have any questions please address them to either Mrs. Becker or Mr. Horn in Section 5.4. Phone: -4957 or -5636 or write an email to [finanzcontrolling@verwaltung.uni-bonn.de](mailto:finanzcontrolling@verwaltung.uni-bonn.de).

### 14. Information / contact

In case of any questions or discrepancies, we ask the project leader to please contact the respective project manager at Section 7.2.

In case of further problems, Sarah Golla (73-7520, [golla@verwaltung.uni-bonn.de](mailto:golla@verwaltung.uni-bonn.de)), responsible for national funding, or Ralf Lohse (73-7286, [lohse@verwaltung.uni-bonn.de](mailto:lohse@verwaltung.uni-bonn.de)), Head of Section 7.2, will be pleased to help