

Deutsche  
Forschungsgemeinschaft

**German Research Foundation**

# Overhead Funding and Audit

Overhead Funding and Audit/ Florian Habel  
Liverpool, UK, June 19-21, 2008



**DFG**

## Topics

1. DFG - a brief overview
2. DFG-Funding principles
  - 2.1 Direct costs
  - 2.2 Overhead
3. EU-Funding scheme
4. Audit conclusions

## 1. DFG - a brief overview

### Who We Are

- central public funding organisation for academic research in Germany

### What We Do

- promote academic excellence on a competitive basis
- serve science and the humanities in all fields
- advise parliaments and public authorities on research questions
- support the advancement and education of young researchers
- encourage international research cooperation
- foster links between science and industry

## 1. DFG – a brief overview

### Sources of DFG funding

#### annual budget 2008

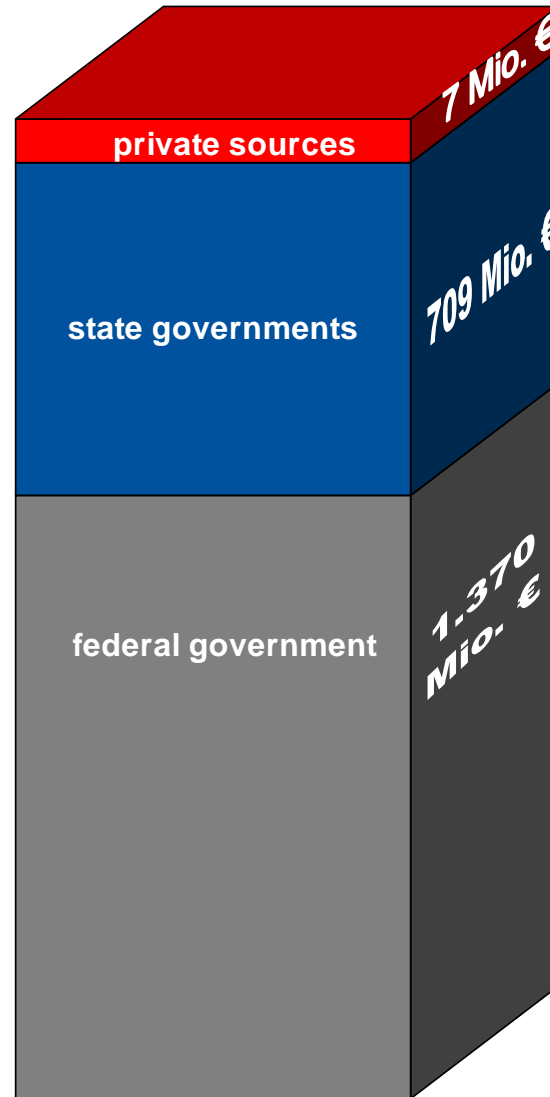
ca €2.1 billion

#### sources:

federal government: 65,5 %

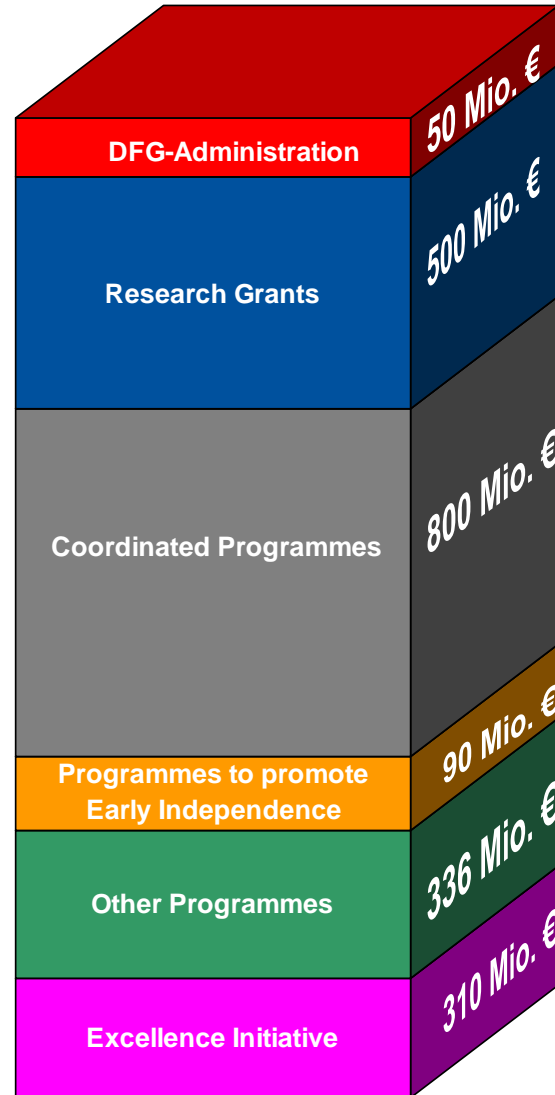
states: 34 %

foundations: 0,5 %



## 1. DFG – a brief overview

### DFG funding programmes



## 2. DFG-Funding principles

### 2.1 Direct costs

#### **DFG - grants are foreseen for**

- staff expenses
- consumables and research materials
- investments
- other direct costs

#### **The grants should not be used for**

- personal salary of the grant applicant
- secretarial services
- costs for general infrastructure
- operating and maintenance costs
- use of university's computer facilities

## 2.2 Overhead

Since 2007, research projects will receive additional 20 % on their respective funding amounts to cover

- maintenance costs
- renting of laboratory space
- software licences
- general administrative costs
- other typical overhead costs

### 3. EU-Funding scheme

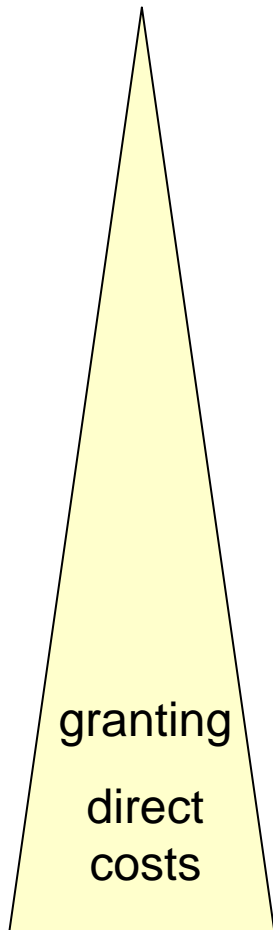
7 th Framework programme- Reimbursement Rates (Indirect cost rates for the University are 60 % of total direct costs unless otherwise indicated)		
	<b>FP7 Public Bodies, Universities, SMEs etc.</b>	<b>FP7 Industry and all other organisations</b>
<b><u>R</u>esearch <u>T</u>echnology and <u>D</u>evelopment</b>	75 %	50 %
<b>Demonstration</b>	50 %	50 %
<b>Other*</b>	100 %	100 %
<b>Coordination and Support Actions</b>	100 % (7 % flat rate indirect costs)	100 % (7 % flat rate indirect costs)
<b>Marie Curie Actions</b>	100 % of all direct costs - <b>10 % flat rate for indirect costs.</b>	
<b>ERC</b>	100 % of all direct costs - <b>20 % flat rate for indirect costs.</b>	
* Including Training and Management activities.		



## 4. Audit conclusions

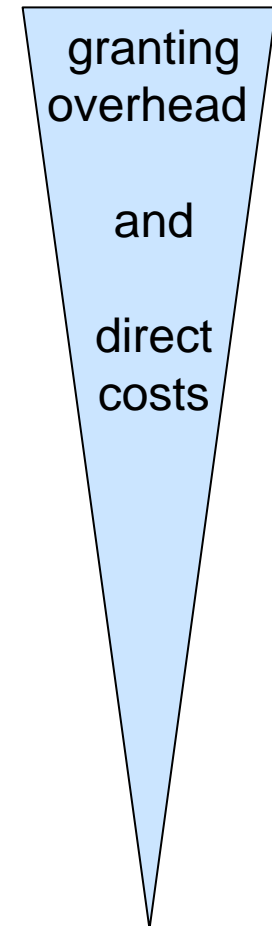
The DFG and in Germany the *Bundesrechnungshof* (German Federal Audit Office) may - either themselves or through a third party – audit the use of funds by examining the accounts, records, invoices etc. of the grant holder, either on-site or by requesting submission of such documents of verification.

## 4. Audit conclusions



- cost accounting system
- administrative organization
- analyzing balance sheet

- total audit  
("Voucher by Voucher")  
or random sampling
- limitations regarding  
special cost positions



## 4. Audit conclusions

- limitations in usage of funds for direct costs / freedom by usage of funds for overhead
- granting overhead requests a well designed cost accounting system
- overhead structure depends on the size of an institute
- overhead and profit - boundaries regarding private research institutes

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