CALL FOR PROPOSALS

THEMATIC RESEARCH PROPOSALS

CODE: K_16

FEBRUARY 15, 2016
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A. PURPOSE OF SUPPORT

In accordance with Law LXXVI of 2014 on scientific research, development, and innovation, the National Research, Development and Innovation Office (Nemzeti Kutatási, Fejlesztési és Innovációs Hivatal – henceforth: NKFI Office) launches a call for proposals for researchers to support exclusively discovery (basic) research projects in Hungarian host institutions during the period 2016–2020 from the National Research, Development and Innovation Fund (Nemzeti Kutatási, Fejlesztési és Innovációs Alap – henceforth: NKFI Fund).

A.1. Purpose of the call for proposals

The call intends to contribute to the development of talented researchers and excellent scientists in Hungary by supporting their research projects, increasing the international recognition of researchers and research institutions in Hungary. The purpose of the call for proposals is to strengthen the creativity and excellence of researchers and to encourage researcher-initiated and promising basic research projects that generally provide a better understanding of different natural and social phenomena and increase the knowledge base of mankind – especially results that sustain and define the future of research and development based on excellence and competitiveness, elaborating new methods and procedures.

Within the researcher-initiated thematic proposals, discovery research of any scientific discipline can be carried out with no thematic priority if the proposal meets the requirements of the call.

In making support decisions, preference is given to inclusion of young researchers. The source of support is the NKFI Fund.

A.2. Available funding

The source of support is Chapter LXVII of Law C of 2015 on the central budget of Hungary in 2016: NKFI Fund – article 6: Support of thematic research proposals.

Pretense of support: Law LXXVI of 2014 on scientific research, development, and innovation (henceforth: KFI law) 24. § paragraph (1), points a), e), f), g), h), and j).

In order to reach the goals of the call, the NKFI Office intends to secure a total amount of HUF 7 billion for the period 2016–2020 from the NKFI Fund according to the law on the central budget and with reference to the program strategy of the NKFI Fund; the amount available for the disbursements in 2016 is HUF 2.42 billion according to the program strategy of 2016.

A.3. Expected number of supported proposals

The expected number of supported proposals is 250–300.
A.4. Language of proposals

Regardless of the discipline, the proposals have to be submitted in English. In certain proposal types, a proposal can be exempt from submission in English and submitted in Hungarian on the basis of a permission from the NKFI Office issued in response of a request from the applicant justifying why the research proposal can only be evaluated appropriately by Hungarian reviewers. The request and the justification have to be submitted electronically to the vice-president of the NKFI Office prior to the start of editing the proposal but not later than March 1, 2016. The chair of the respective scientific council can grant permission to submit the proposal in Hungarian. A proposal submitted in Hungarian without advance permission will not be evaluated.

B. ELIGIBLE APPLICANTS

B.1. Legal form, seat, and other conditions

Eligible host institutions with a seat and legal personality in Hungary include the following:

- institutions of higher education, research centers, research institutions, budgetary organizations, institutions of budgetary organizations with a legal personality if they qualify as research institutions according to the KFI law;

- companies with a seat in Hungary, 2 completed fiscal years, and double-entry bookkeeping, outside the scope of the simplified enterprise tax (EVA) – the NKFI Office can check if the applying company fulfills the criteria of a research institution and if it is suitable to host and manage research projects;

- non-profit organizations if their main activity is related to research and development.

Eligible applicants include researchers with Hungarian or foreign citizenship (henceforth: principal investigator) if they fulfill the criteria below.

At the time of submitting the proposal and, upon the funding decision, during the period of the project, the legal relation between the host institution and the principal investigator has to meet the following criteria:

- during the period of the project, a researcher with Hungarian citizenship has to be employed full-time, as a public servant or in other employee status by the host institution;

- during the period of the project, a researcher with foreign citizenship has to be employed full-time, as a public servant, in other employee status, or in contracted status, by the host institution.

Other requirements for the principal investigator:

At the time of submitting the proposal, the principal investigator has to have a PhD degree (with nostrification in case of non-EU countries) and to be affiliated with a host institution in Hungary. Transborder Hungarian researchers are eligible to submit a thematic research proposal if they are registered with a host institution in Hungary. One applicant can submit only one proposal as a principal investigator; one researcher can be a principal investigator in a maximum of two thematic
research projects supported by the NKFI Office at the same time. If the applicant simultaneously submits a Momentum proposal to the Hungarian Academy of Sciences (MTA) as a principal investigator, only one of the projects can be supported. One researcher can participate in more than one proposals submitted in response to the present call but the total of the researcher’s full-time equivalent (henceforth: FTE) in the respective projects cannot exceed 1 in any period. The research program in an annual breakdown, the budget, the outline of the expected results, and the description of the activity of the participating researchers to date have to be attached to the proposal. In their proposal, applying researchers have to declare all their current funding and other ongoing grants. From this year on, the call for proposals for postdoctoral projects, to be launched later, provides funding only for the salary of the supported postdoctoral researcher; therefore, in this year, postdoctoral researchers can apply for and receive independent research support only in the present call for thematic research proposals.

Please be informed that companies are eligible to submit a proposal and receive support if the support is not requested for their economic activity at all. Economic and non-economic activities have to be definitely separated in the annual financial statement of the company with regards to type, costs, financing, and income.

B.2. Grounds for exclusion and administrative conditions

B.2.1. Legal subjects excluded from the call

The following legal subjects cannot submit a proposal and cannot receive support:

a) without appropriate employment status according to 82. § of Gov. decree 368/2011. (XII. 31.) on the execution of the law on the central budget of Hungary;

b) without fulfilling the obligations to disclosure according to the law on the economic activity of companies of public property;

c) not qualifying as a transparent organization;

d) with an ongoing legal process ordered by a legally binding warrant of liquidation, insolvency, or any other process of dissolution;

e) with a conflict of interest according to 48/B. § (1) paragraph of Law CXCV of 2011 on the central budget of Hungary (henceforth: Áht.);

f) with a ruling from the NKFI Office on the improper use of support from the NKFI Fund and with an unpaid debt due to the obligation of recompensation at the time of submitting the proposal;

g) with a dismissing court judgment, legally binding within three years of submitting the proposal, regarding the use of support from the NKFI Fund;

h) with a proposal to carry out a research project outside Hungary.

B.2.2. Further information on grounds for exclusion

If changes take place regarding the data, the circumstances concerning grounds for exclusion, and the legal status of the applicant after the submission of the proposal (e.g., liquidation, insolvency, dissolution, or other legal process take place) and if any event inhibits the completion of the project, the administrator of the call has to be notified immediately.
B.3. Territorial limits of the project

The research tasks of the project have to be carried out in a host institution with a seat in Hungary.

C. CONTENT OF THE PROPOSAL

C.1. Scope of supported activities

Full completion of the activities included in the research and work plan of the thematic basic research proposal submitted to the NKFI Office.

C.2. Scope of expenses to be accounted

Only expenses incurring during the completion of the projects supported in the call for thematic research proposals can be accounted according to the regulations in Law C of 2000 on public accountancy.

If the applying host institution has no right of VAT deduction regarding the project financed from the support, calculation of the total costs of the applicant is based on the gross amount increased with the VAT. If the applicant has the right of VAT deduction, calculation of the total costs of the applicant is based on the net amount without the VAT.

Expenses to be accounted include material costs of the research, salary of the researcher(s) to be employed (doctoral students, doctoral candidates, postdoctoral researchers, young researchers) and other participants closely related to the research and indispensable for its progress (technical and other assistant staff), procurement of instruments, equipment, auxiliary research tools, maintaining international scientific contacts, costs of presenting research results at conferences, and costs of publishing research results.

The host institution is entitled to 20% of the direct costs of the research support as overhead. It has to spend a quarter of the total overhead costs on acquiring scientific information (library, database, Open Access); the institution has to spend half of the costs of acquiring scientific information on Open Access.

Another 7.5% within the support amount can be accounted at the discretion of the principal investigator on other expenses that are proved to be necessary to complete the research (e.g., stationery, membership fee, linguistic control of articles or books).

Above net HUF 200,000 the institution has to support the acquisition of consumables, immaterial goods, and other services to be accounted within the project with 3 tenders, except if the acquisition takes place in a central public procurement process.

Failure to collect 3 tenders is accepted if the given product or service is acquired from an exclusive distributor from Hungary or abroad and if a declaration on exclusivity is provided.
C.2.1. Costs to be accounted as operation costs of the project

a) Personnel costs

Direct (salary, extra salary, contract salary, per diem) and indirect personnel costs can be accounted that are spent on the researcher and the research group (including administrative participants).

Personnel costs of the researchers, developers, technical assistants, and other auxiliary staff participating in the given research project can only be accounted to the extent of their contribution to the supported project.

The total personnel costs of the project cannot exceed HUF 5 million on average annually.

Please pay attention to the following:

- in the case of a research and development collaborator, full-time employment (40 hours/week) exclusively on the project is maximum HUF 330.000 Ft/month plus indirect personnel costs;
- in the case of a research and development collaborator, part-time employment exclusively on the project is maximum HUF 330.000 Ft/month plus indirect personnel costs in proportion to the employment time (e.g., maximum HUF 165.000/month plus indirect personnel costs for 20 hours/week);
- extra salary to be paid for the project participants: maximum HUF 100.000/month plus indirect personnel costs can be planned and accounted for a research and development collaborator; maximum HUF 50.000/month plus indirect personnel costs for technical and other auxiliary staff;
- regarding collaborators outside research and development, full-time as well as part-time employment can be planned on the project;
- for the principal investigator, full-time and part-time employment cannot be planned exclusively on the project; extra salary can be planned, however.

b) Material costs

Regarding material costs of the project, the following restriction applies:

- consumables and other operation costs have no annual limit but if they exceed HUF 4 million annually, additional detailed justification is requested.

Actual costs incurring during the completion of the research project have to be accounted according to the proportions and calculations defined in line with the principles based on the regulations in the accountancy and first cost policy of the beneficiary:

material costs: costs of materials used for the research, costs of equipment, minor tools, scientific literature, stationery, costs qualified as consumables (according to the internal regulations of the beneficiary and the law on public accountancy);

other operation costs: rent of equipment, rent of laboratory, operation costs of core facility, costs on animal and green house, sequencing costs, other costs directly incurring during supplying of data, publication costs, costs of participating in events related to the completion of the project.
(travel, accommodation, conference registration fee, local transportation), scientific literature, journal subscription, shipment costs, fuel costs related to the completion of the project and justified with itinerary, customs costs, maintenance costs of instruments directly related to the completion of the project (acquired directly within the project or acquired earlier but used directly), membership fee, costs of invited visiting scientists (accommodation, per diem, travel), public procurement fee.

general costs related to operation expenses (overhead): Actual overhead costs incurring during the completion of the research project have to be accounted according to the proportions and calculations defined in line with the principles based on the regulations in the accountancy and first cost policy of the beneficiary. Parts of the costs on utilities, telephone, mobile phone, internet, fuel, postage, banking, reparation and maintenance directly related to the project have to be accounted as overhead costs in proportion to their contribution to the project.

C.2.2. Costs to be accounted as accumulation costs of the project

a) Acquisition of consumables – Investments

Costs of acquisition of consumables and equipment.

Costs of a given acquisition already accounted for the support within the present project cannot be accounted in another project (including projects co-financed by the EU) as it would count as double financing.

b) Costs of immaterial goods

Acquisition of immaterial goods. Costs of immaterial goods include expenses on scientific knowledge and patents purchased or rented from external sources at a market price if the transaction takes place in market conditions between independent parties without any sign of a conflict of interest.

Costs of a given acquisition already accounted for the support within the present project cannot be accounted in another project (including projects co-financed by the EU) as it would count as double financing.

Planned accumulation („investments”) costs cannot exceed an average of HUF 4 million annually. In the last quarter, support cannot be spent on equipment and immaterial goods.

Please be informed that changes in the costs to be accounted in the proposal are not possible between the submission date and the publication of the funding decision; requests for these changes cannot be considered.

The minimum (gross) amount of costs to be accounted per invoice is HUF 1000, smaller costs cannot be accounted.

C.3. Scope of expenses not to be accounted

All costs that incur outside the range of the project or incur in relation to the project but appear in points C.3.1. and C.3.2. as expenses not to be accounted.

C.3.1. General restrictions

Not to be paid from the support at all:

a. warranty costs,

b. fines,
c. interest costs, currency deficit,  
d. realty purchase, realty recovery,  
e. representation costs as described in the law on personal income tax,  
f. deductible VAT.

C.3.2. Employment  
   a. irregular salary and its indirect costs (13th month salary, premium, maternity benefits, leave redemption), except for extra salary and contract salary,  
   b. other personnel costs (especially meal allowance, insurance, dress allowance, other cafeteria),  
   c. taxes paid on allowances that are not covered from the support,  
   d. part of the allowance for professional training where tax reduction is requested which is not paid to the tax authorities.

C.4. Duration of the project

In the present call for proposals, the duration of the project is maximum 48 months.

C.5. Start of the project

Projects have to start between October 1, 2016, and December 31, 2016. Accounting of the incurring costs is possible from the starting date of the project specified in the support contract the earliest.

C.6. Actual conclusion of the project, final deadline and closing of the financial report

C.6.1. Actual conclusion of the project

The project can be considered concluded if the supported activity is completed according to the terms of the support contract, settlement of the invoices received during the completion takes place, and the equipment produced or acquired with budgetary support is activated. Actual conclusion of the project has to take place at the end of the 48th month from its start. It is possible to postpone the actual conclusion of the project with 12 months through a revision of the contract.

C.6.2. Final deadline of the financial report

The final deadline of submitting the financial report on the project (closing disbursement request) and the final scientific report is the 30th day from the day of project conclusion specified in the contract.

C.6.3. Conclusion of the project

The project can be considered concluded if its actual conclusion takes place, the scientific and financial reports submitted by the beneficiary are approved by the NKFI Office, disbursement of the support takes place in proportion to the documented use of the support, and if the beneficiary has no further outstanding liability for the period after the conclusion.
C.7. Obligation of public procurement

If the conditions in Law CXLIII of 2015 on public procurements (henceforth: Kbt.) exist, the beneficiary has to carry out public procurement in order to use the support reasonably and effectively according to the Kbt. If the law prescribes, the beneficiary has to join a central public procurement process according to Kbt. 31. § (1).

C.8. Research plan and budget

The applicant has to submit a brief (maximum 6 pages) research plan, a work plan defining the stages of the research, and a budget with justification (maximum 2 pages). The research plan and the budget have to present the type of research to be conducted in the duration of the present project with the support requested from the NKFI Fund, the timing, the costs, and the extent how far the project proceeds in the research. Please provide a detailed justification of the steps and stages of the research and the use of the expenses necessary to complete the project. The research plan has to describe the structure of the research group as well as its members and their roles in the project.

Please also describe the professional background and the infrastructure of the host institution with regards to the project.

D. FINANCIAL CONDITIONS

D.1. Form of support

The form of support: definite allowance with no return obligation (henceforth: support not to be returned).

D.2. Amount and extent of support

In the present call for proposals, a maximum of HUF 48 million can be requested for a maximum of 48 months per project.

The maximal intensity of the support is 100%, that is, completion of the projects does not require own sources; other support cannot be requested.

The increase of the amount to be applied for provides new opportunities; at the same time, we inform the applicants that they have to prepare the budget with reference to the research costs generally appropriate in their field; the review panels will pay special attention to its feasibility.

D.3. Scope of securities

The beneficiary does not have to provide securities within the project submitted in this call.
D.4. Timing of support, advance payment

Completion of the project can be planned in periods of 12 months (work stages). The support amounts planned for work stages are processed as advance payments in 100% in the case of host institutions within the scope of the law on the central budget; the first 75% of the support amount is processed as advance payment per work stage, the last 25% is processed as follow-up payment in the case of host institutions outside the scope of the law on the central budget.

The NKFI Office transfers the support amount planned for the first work stage as advance payment to the bank account specified in the support contract after the issue of the contract and before the deadline defined in the contract. The amount of the advance payments planned for the following work stages can only be transferred after the conclusion of the preceding work stage, the submission of its scientific and financial report (interim report), and its approval by the NKFI Office.

**Transfer of the support takes place in HUF exclusively.**

If the project costs exceed the amount defined in the support contract, the beneficiary is obliged to provide the extra costs from own sources.

E. HANDLING OF PROPOSALS

E.1. Method, place, and deadline of proposal submission

E.1.1. **Method of proposal submission**

Proposals have to be submitted through the Electronic Proposal Review (EPR) System of the NKFI Office. Its description constitutes an appendix to the call for proposals. Submitted proposals also have to be sent in printed hard copy with signatures and seal to the NKFI Office.

Proposal review takes place on the basis of the electronic proposal documents.

The electronic version can be submitted in line with the procedure published on the homepage of the NKFI Office, with user name and password received from the NKFI Office. The final deadline of the electronic submission, valid only after approval by the host institution, is **March 17, 2016**. Deadline is set at 17:00 (Central European time) on the given day when the electronic system stops receiving proposals.

The printed hard copy with original signatures, separately from any other material, has to be sent as registered mail with a stamp of no later than **March 24, 2016**.

Proposals that are submitted electronically without finalization by the researcher or approval by the host institution, mailed after the deadline, or formally ineligible are not evaluated. A proposal without a printed version received cannot be evaluated. A proposal can be considered submitted if:

- the electronic proposal is finalized by the researcher and approved by the person in charge of the host institution;
- the printed proposal is received by the NKFI Office.

E.1.2. **Place of proposal submission**

Proposals have to reach the customer service of the NKFI Office:

National Research, Development and Innovation Office  
1077 Budapest, Kéthly Anna tér 1. 2nd floor

The mailed material has to bear the code of the proposal found on the front page of the call (K_16) and the six-digit number assigned by the EPR system.

\(<K_{16}\>.-<\text{proposal number}>\)

E.1.3. **Deadline of proposal submission**

Electronic submission of the proposals is possible until March 17, 2016, the latest. A proposal submitted until this submission deadline can be considered submitted if it is electronically finalized by the researcher and approved by the host institution, and if the printed version also reaches the customer service address of the NKFI Office with a postmark of no later than March 24, 2016.

E.2. **NKFI proposal customer service and contact information**

Information on the calls of the NKFI Fund, proposal submission, support contracts and their revision is available through the proposal customer service of the NKFI Office.

*E-mail address of the proposal customer service of the NKFI Office: nkfialap@nkfih.gov.hu*

NKFI proposal customer service by phone and in person:

It is possible to request assistance from the customer service by phone or, in certain cases upon prior registration, in person at the following contact information.

*Phone number of the NKFI proposal customer service: +36 (1) 795 9500*

*Personal customer service (only upon prior registration): 1077 Budapest, Kéthly Anna tér 1. 2nd floor*

*Office hours of the personal and phone customer service:  
M-Th 09:00–16:00  
F 09:00–13:00*

*Address of correspondence of the NKFI Office:  
Any official communication with the NKFI Fund, submission on documentation regarding proposals, contracts, revision of contracts, financial reports (requests for disbursement, scientific reports) is possible at the address of correspondence of the NKFI Office.*

National Research, Development and Innovation Office  
1077 Budapest, Kéthly Anna tér 1.

E.3. Process of selection of projects

The process of selection of projects includes the steps of handling the proposals from their submission to notification on the final decision.

E.3.1. Check of eligibility criteria, submission, completion of documents

The funder provides an acknowledgment of the proposal submission to the applicant before the 7th day after the electronic submission of the proposal or rejects the proposal with no substantive evaluation. Notification on rejection with no substantive evaluation contains the reason for rejection and the options of filing a complaint.

If the applicant submits an inaccurate or defective proposal, the present call for proposals provides the opportunity to one round of completion of documents in 8 days within the notice of the NKFI Office. If the applicant provides an inaccurate or defective completion of documents or the defects are not improved before the deadline defined in the notice, the inaccurate or defective proposal is evaluated.

Please be advised that, if the necessary information to comprehensively evaluate the feasibility of the proposal is not available after the completion of documents, the expert can suggest the rejection of the proposal.

Completion of documents is not possible and the proposal is automatically rejected in the following cases:

- the proposal is not submitted by the deadline defined in the call for proposals,
- the amount of the requested budget support exceeds the maximum amount defined in the call for proposals,
- the applicant is outside the scope of the potential beneficiaries defined in the call for proposals.

E.3.2. Eligibility check

The NKFI Office conducts a formal eligibility check on the submitted proposals. The proposal is rejected on formal grounds without further scientific evaluation in the following cases:

1. The applicant submits more than one thematic research proposals as principal investigator in the given call.
2. Finalization by the researcher and approval by the host institution are not performed by the submission deadline.
3. The language of the proposal is not English and the applicant has no permission to submit the proposal in Hungarian.
4. The proposal contains false information that substantially influences the evaluation.

E.3.3. Process of substantive evaluation

Only submitted and formally checked proposals are evaluated substantively; evaluation is carried out by the scientific councils (henceforth: Councils) appointed by the NKFI Office. Based on the recommendations by the Councils, the review panels appointed by the NKFI Office evaluate each proposal against the selection criteria of the call. Based on the evaluation results and the rankings
by the review panels, the Councils recommend proposals to be funded to the president of the NKFI Office. Funding decision is made by the president of the NKFI Office.

Evaluation of the submitted proposals is carried out against the following major criteria:

- scientific significance of the proposed project, justification, novelty, expected results of the project, scientific and social impact of the results;
- scientific quality of the applicant, scientific and research achievements to date, results of national and/or EU-funded research projects concluded in the last 5 years;
- infrastructural and methodological conditions provided by the host institution for the completion of the research project;
- feasibility and harmony of the submitted research plan, work plan, budget, expected results, and FTE.

E.3.4. Decision

Based on the recommendations of the Councils, the funding decision is made by the president of the NKFI Office by August 31, 2016, the latest.

In case of a funding decision, the administrator of the call publishes the name of the beneficiary host institution, the name of the principal investigator, the number and the subject of the project, the amount of support, the date of the decision, and the summary of the project in the proposal form on the homepage of the NKFI Office.

The NKFI Office notifies the applicant and the person in charge of the host institution about the funding decision in writing within a maximum of 10 days. Notification about the decision contains the deadline established for issuing the support contract (maximum 30 days), the reasons for budget cut or rejection, as well as the ways of filing a complaint.

The applicants have access to the evaluation of the anonymous external reviewers in the EPR system.

E.4. Handling of complaints

The applicant and, in the case of a supported project, the beneficiary can file a complaint with the NKFI Office according to 102/D. § of Gov. decree 368/2011. (XII. 31.) on the execution of the law on the central budget of Hungary (henceforth: Ávr.) if the procedures regarding the proposal submission, the decision-making process, the issue of the contract, and the transfer or refund of the budget support appear to contradict the law, the call for proposals, or the support contract.

A complaint can be submitted in writing to the address of correspondence of the NKFI Office within the deadline indicated in the notification; if no such deadline is given, within 10 days of becoming aware of the objected measure or omission. Beyond 30 days of the objected measure or omission, submission of a complaint is not possible.

A complaint has to include the following:

a) the name, seat or address of the complainant, the name of the representative of a non-natural person;

b) the data necessary to identify the proposal or support contract concerned in the complaint;
c) description of the objected measure or omission;
d) exact specification of the facts providing the basis of the complaint and the legal provisions violated by the objected measure and omission;
e) in case of non-electronic communication, the signature of the complainant.

The NKFI Office considers substantively the submitted complaint within 30 days of receipt or, in the cases defined in 102/D. § (5) of the Ávr., rejects the complaint without substantive consideration. The deadline of the consideration can be extended once for a maximum of 30 days with advance notification sent to the complainant. The NKFI Office notifies in writing the complainant about the decision made regarding the subject of the complaint.

Proposing a remedy or further legal redress against the decision made regarding the subject of the complaint is not possible.

E.5. Support contract

E.5.1. Conditions of the support contract

In case of a supported proposal, notification about the decision is accompanied by a contract offer.

The NKFI Office establishes a deadline of maximum 30 days within the notification about the decision to issue the contract. If the beneficiary misses the deadline, the NKFI Office acts according to 74. § (2) of the Ávr.

If the research activity to be carried out during the project is bound to permission, the permission has to be attached to the contract. If a permission can be obtained after the completion of a given stage of the supported activity, the beneficiary only has to declare the availability of permissions necessary to start the supported activity; the funder controls the availability of further permissions within the context of the report on the completion of the supported activity.

E.5.2. Revision of the support contract

The beneficiary or the NKFI Office can initiate a revision of the support contract in writing; the support contract contains the relevant regulations.

Please be advised that the support contract can only be revised if the supported activity would be eligible to be funded in the revised conditions. Revision of the contract cannot aim at diverting the original purpose of the supported activity.

The beneficiary has to submit a request to revise the contract with appropriate justification to the address of correspondence of the NKFI Office.

F. MONITORING

Monitoring and evaluation of the supported project take place on the basis of the submitted report, with the contribution of the Councils and the review panels.
F.1. Scientific report

The beneficiary has to submit a detailed scientific and financial report at the end of every work stage on the completion of the project through the EPR system to the NKFI Office. The principal investigator and the host institution are jointly responsible for submitting the scientific and financial reports on the project on time and according to protocol. A report is complete if the scientific report designed according to protocol and provided with the appropriate supplementary documents and appendices as well as the financial report forms and their additional documents are completed, submitted, and approved by the NKFI Office according to the regulations defined in the support contract.

The scientific report has to give a detailed description on the progress and the achieved results of the research and development activity proposed in the research plan and budget of the project.

F.2. Process of financial reporting and financing

The beneficiary has to keep a record of public accountancy separately from the project costs according to the relevant regulations (e.g., law on public accountancy). The expenses of the project have to be accounted according to the budget, constituting an appendix to the support contract.

Only the costs defined in the present call for proposals can be charged to the support.

Financial reports have to be in accordance with the progress recorded in the scientific reports.

If the evaluation of the scientific report concludes that a task was not accomplished or only partially accomplished in a given work stage, the costs related to the given task cannot be accepted or only reduced costs can be accepted, in proportion to the actual performance.

In the case of an invoice or a voucher issued in a currency other than HUF, their total amount and the amount to be accounted in their regard have to be converted on the basis of the average currency valid at the date of performance indicated on the invoice or voucher, published by the Hungarian National Bank; in the case of an invoice or a voucher issued in a currency not quoted by the Hungarian National Bank, they have to be converted into EUR on the basis of the average currency published by the European Central Bank.

The method of the financial reporting is defined in the support contract. Reporting takes place through a declaration: the representative of the beneficiary declares with full responsibility the costs documented by invoices and or similar vouchers of evidentiary force issued during the reporting period in total, also declaring that the support was used according to the terms of the support contract in order to achieve the proposed goals. The financial report has to be submitted in the EPR system. The invoices of above HUF 100,000 have to be uploaded along the report in the system. The invoices have to carry the contract number of the project and the amount to be accounted on the project. The table of the report has to be signed by the principal investigator and the person in charge of the finances of the institution, and subsequently mailed to the NKFI Office.

In case of failure to submit the report by the deadline defined in the contract or improper submission of the report, the NKFI Office suspends the transfer of the support until the beneficiary fulfill this obligation.

If the total cost of the project decreases in comparison to the original plan, the support amount is reduced in proportion to the decrease of the total support cost.
F.3. Site audits

The completion of the project, the legitimacy of the request of support, and the use of the support provided from the budget can be controlled by the authorities defined in the law and the support contract from the submission of the proposal until 5 years after the approval of the closing report by the NKFI Office. During a site audit, site audit minutes are kept. Site audit minutes are signed by the site auditors and the official representative of the beneficiary or by a proxy.

The beneficiary has to keep the documents on the use of the support separately. The beneficiary has to keep the records and documents regarding the support until 10 years after the approval of the closing report by the NKFI Office.

F.4. Sanctions of violation of contract

Violation of the support contract can be sanctioned with the following:

a) suspension of the support transfer;

b) partial refund of the support in proportion to the use of the support against the rules or in violation of the contract;

c) termination of the support contract;

d) abrogation of the support contract.

The cases and rules of the suspension of the support, the partial refund of the support (including the interests of the amount to be refunded and their method of calculation), the termination of the support contract, and the abrogation of the support contract are defined in the support contract, the Áht., and the Ávr.

F.5. Supplying of data, publicity

The NKFI Office forwards the data related to the proposal and the support contract to the monitoring system of the Hungarian State Treasury in order to be published on the appropriate homepage according to 56/C. § (1) paragraph of the Áht.

Order 2/2016. of the president of the NKFI Office contains the rules of handling the documents submitted by the applicant or the beneficiary during the application and contracting process and the documents produced at the NKFI Office in terms of the freedom of information and fair procedure.

G. MATTERS NOT REGULATED IN THE CALL FOR PROPOSALS

Other matters not regulated in the call for proposals are covered by the following measures:

c) Law LXXVI of 2014 on scientific research, development, and innovation;

d) Law CXCV of 2011 on the central budget of Hungary;

e) Law CLXXXI of 2007 on transparency of support provided from public funding;

f) Law C of 2000 on public accountancy;
i) Gov. decree 380/2014. (XII. 31.) on the rules of operation and use of the National Research, Development and Innovation Fund;


H. LIST OF DOCUMENTS TO BE ATTACHED IN PDF FORMAT BY THE APPLICANT TO THE ELECTRONIC PROPOSAL

<table>
<thead>
<tr>
<th>Name of document to be attached</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detailed research plan („EPR: Open proposal details / research plan”)</td>
</tr>
<tr>
<td>Publication and citation list of the applicant (if not presented from database [MTMT]) („EPR: Open proposal details / upload publ. list”)</td>
</tr>
<tr>
<td>Other scientific achievements of the researcher („EPR: Open proposal details / other achievements”)</td>
</tr>
<tr>
<td>Curriculum vitae of the other significant, non-senior members of the research group, if applicable („EPR: Open proposal details / attachments”)</td>
</tr>
<tr>
<td>Declarations of the applying (host) institution („EPR: Open proposal details / attachments”)</td>
</tr>
<tr>
<td>Declaration on transparency of the applying (host) institution („EPR: Open proposal details / attachments”)</td>
</tr>
<tr>
<td>Permissions necessary for the research (if relevant) („EPR: Open proposal details / licenses, permissions”)</td>
</tr>
</tbody>
</table>

I. APPENDICES TO THE CALL FOR PROPOSALS

The documents and the attachments to the call for proposals are available at the homepages: http://nkfih.gov.hu/ and http://nkfia.kormany.hu

I. Declarations (declarations of the applying institution and the principal investigator)

II. Declaration on transparency (and guide)

III. Guide to Thematic Research Proposal