MIHÁLY POLÁNYI PROGRAM

Funding for outstanding young researchers

KFKT_06

Guide for Proposers

NKTH

National Office for Research and Technology

KPI

March 14, 2006, Budapest

Table of contest

1. Objectives

The aim of the Mihály Polányi program is to provide wide-range funding to scientific researches and the research infrastructure, in conjunction with the goals of the National Scientific Research Basic Programs, to support young researchers and to create scientific results of international standard.

The program supports the **basic research activity** of such young researchers and the research teams led by them, who have previously already been awarded foreign funding, such as Wellcome Trust, Wellfare, Humboldt, etc. (hereinafter: "foreign programs"). The program is aimed at:

 allowing the researchers to continue with their work in Hungary by forming a research team ("follow-up funding"), and thus their research achievements to be utilized in Hungary

 allowing talented young researchers working abroad, performing their professional activity using grant they have been awarded at similar programs, achieving recognition, to create the possibility of the utilization of their R&D results in Hungary.

 through international relations, allowing talented young researchers to come to Hungary.

The program's long-term goals serve to strengthen the country's competitiveness, by supporting basic research. Therefore the National Office for Research and Technology shall implement the program in co-operation with the Ministry of Economy and Transport.

2. Source and budget of project funding

In order to achieve the objectives of the program, the total amount of the funding is ***HUF 900 M, i.e. nine-hundred million forints.***
Source: HUF 800 M from the Research and Technology Innovation Fund, HUF 100 M from the dedicated source of the Ministry of Economy and Transport (in the year 2006), pursuant to Government Decree 2019/2006 (II.13.).

Title of funding: section 8 of the Act XC/2003 on the Fund for Research and Technological Innovation Further rules on the provision and use of funding are defined by Government Decree 133/2004. (IV. 29.) on the Management and Use of the Research and Technology Innovation Fund.

3. Expected number of contracted proposals

The expected number of proposals submitted is *15.*

Within the framework of the funding aim, *3-5* projects are expected to receive funding. This figure is of indicative character, and depending on the funding applied for and awarded to the applicants, it can be either higher, or less.

4. Eligible Applicants

Young researchers are eligible for application, having already achieved international recognition in their own scientific fields, were awarded foreign grant with the opportunity to launch their own researches, and possibly to set up their own research teams. Based on a his or her results achieved so far, the researcher can apply by describing the work's continuation, undertaking to continue his or her basic research activity with this project funding in Hungary. A condition for the signing of funding contract is that by the time of the contract signing, the researcher should have a permanent place of residence in Hungary. A requirement of the program is the establishment of a research team, and the applicant should have a recipient's statements of from an institution of higher education and research institute. In the case funding is awarded, the funding contract will be signed with the host institution, which will employ the applicant and the prominent members of his or her research team full time for the duration of the support.

5. Form and duration of funding

Form of the funding: non refundable funding. Term of the funding: maximum *36* months

6. Rates of funding

The maximum amount of funding that may be requested for a project is *HUF 300 million.*

Applicants, in a justified case, may request an advance payment from the funding. It is the funding contract that provides for the granting of the advance payment, it may be disbursed in accordance with Government Decree 133/2004 (IV.29.)
This research and development funding, as the funding of basic research activities, is eligible for funding in 100%, according to sub-section *aa)* section 2 of the Appendix of Government Decree 133/2004 (IV.29), and applicants are not expected to provide an own source.

7. Exclusion

Any participant who
- is subject to bankruptcy or liquidation proceedings, or dissolution procedure;

- has been guilty of making false declarations during earlier calls under the Fund or under the targeted allocations provided by paragraph (2) of section (16) of Act XC of 2003 on the Research and Technology Innovation Fund, or has breached its obligations arising from an earlier funding contract;
- has had expired public dues for more than 60 days;

- has had expired liabilities to the Fund or to the targeted allocations provided by paragraph (2) of section (16) of Act XC of 2003 on the Research and Technology Innovation Fund for more than 60 days;

may not submit a proposal and shall not be eligible for funding.

8. Eligible activities

☐ Exclusively basic research activity

☐ The purchasing of scientific devices, appliances and intangible assets serving research goals

☐ The use of research services

☐ The hire of a research and development infrastructure

☐ The construction or hire of a research site

The hired research site or infrastructure cannot be re-leased.

The host institution ó is not allowed to use the funding for a profit-oriented, business activity.

9. Eligible costs

- *a) Personal costs*

The personal costs paid for the members of a research team should be calculated in compliance with paragraphs (1)-(3) of section 79. of Act C. of 2000 on Accounting (hereinafter referred to as Act on Accounting).

- *b) Wage related charges*

 Wage related charges (taxes and contributions) – calculated pursuant to paragraph (4) of section 79 of the Act on Accounting – shall be eligible
- *c) Material-type expenses*

Costs of materials and services related to the implementation of the project (e.g. expert's services, participation in events closely related to basic research, qualifications, measurements, the research site provided by the host institution to the research team exclusively for the implementation of the project, the rent of infrastructure, etc.); pursuant to act 78 of the Act on Accounting.

- *d) Intangible assets*

Costs of the purchasing intangible assets required for the implementation of the project (software, software license, know-how), calculated pursuant to sections 47.-48. and 51. of the Act on Accounting;

According to paragraph (7) of section 25 of the Act on Accounting, costs of intellectual property can be taken into consideration – under the program – only if the beneficiary has purchased them from another organization.

- *e) Material assets, machinery, equipment*

Costs of the scientific devices, instruments, apparatuses and equipment directly used for th project implementation, according to sections 47, 48 and 51 of the Act on Accountancy;

The general cost (overhead) actually incurred during project implementation can be accounted up to 10% of the project's total cost.

If the host institution is not entitled for VAT refund under the funded project, the base of total cost calculation shall be the gross sum of total expenses of the project including VAT. If the host institution is entitled for VAT refund, the base of total cost calculation shall be the net sum of total expenses excluding VAT.

. Costs incurred under project activities preceding the submission of proposals shall not be eligible. The costs can be taken into account from the aspect of the funding, can be accounted against the Research and Technology Innovation Fund, as of the date of awarding the funding.

10. Proposal assessment, evaluation criteria

In the evaluation process, project proposals are managed confidentially, and in keeping with the principle of equal chances.

10.1 Formal assessment

Submitted proposals are registered by KPI. Applicants are notified about the fact of registry and about the registration number of their proposal. Later on, this number shall be the point of reference in all matters concerning the proposal.

KPI checks the formal eligibility of submitted project proposals, and in case of the absence of some minor details, it invites the applicant to submit the missing documents within a few days. KPI can only forward a project proposal for evaluation if it meets the formal requirements In case of major reasons for ineligibility; the proposal is excluded from further stages of evaluation and the applicant will be notified about it.

a) KPI shall reject **project proposal for formal reason ,** if:

1. the proposal package has not been submitted personally or by courier service,

2. *the applicant has not compiled it in the manner as specified and proportioned to the chapters as specified;*
3. *the project proposal exceed the volume as indicated in section 13 of the Guide;*
4. *the Appendices and Application Form has not been attached and completed in an obligatory manner;*
5. *the Application Form and the Statements in accordance with the Guide has not been signed;*
6. *the project proposal contains verifiably untruthful data ;*
7. *There is a numerical error in the budget;*
8. *he or she applies for such activities, too, which fall outside the scope of activities as listed in chapter 8 of the Guide;*
9. *the applicant has not sent correctly as an attachment to an electronic mail the Application Form completed, or there is a deviation between the Application Form sent electronically, the content of the CD and the version submitted in a printed form;*
10. *the applicant failed to attach to the submitted project proposal the recipient's statement of an institution of higher education or a research institution, supplied with an authorized signature;*
11. *the applicant requires greater funding than the maximum   amount permitted;*
12. *the implementation time of the project exceeds 36 months;*
13. *the project proposal has been submitted after expiry of the final deadline of submission.*

b) KPI requests the applicant to submit missing data within 5 days if:

1. the applicant has submitted an insufficient number of copies of the project proposal,

2. the applicant's signature is missing on one or more pages

10.2 *Evaluation criteria and their scoring*

☐ Introduction and funding of the project leader's researcher's activity abroad, his or her competence in leading the project (citation index, impact factor, the amount of grant awarded so far) (max. 40 scores)

☐ The standard, composition and interdisciplinary character of the research team (max. 30 scores)
  ➤ members of the research team are young, beginner researchers;
  ➤ the number of researchers coming from abroad.

☐ The scientific significance and novelty content of the project proposal, the results intended to be achieved (max. 20 scores)

☐ The professional and financial feasibility of the research tasks (max. 10 scores)

A project proposal can be awarded *100* scores as a maximum. In the case of each evaluation criteria, at least *half* of the maximum score available has to be attained.

10.3 Evaluation Process of Eligible Proposals Meeting Formal Requirements

The project proposal submitted shall be evaluated by independent experts based on the criteria provided in advance. The Evaluation Panel shall evaluate and rank the proposals, then it shall recommend a decision proposal. The president of NKTH makes the final decision on which projects to fund, based on the priority list of Evaluation Panel.

11. The indicators used for the quantification of objectives

During the project implementation, in a manner and with a frequency as laid down the funding contract, the Agency for Research Fund Management and Research Exploitation shall request the following data in connection with the project's implementation:

☐ Scientific achievements of the publication published (citation index, impact factor, Hirsch index jointly)

☐ The number of new workplaces created by the project

☐ The number of young PhD students and post doctors included in the project

☐ The number of researchers relocated to Hungary for the implementation of the project

☐ The number of PhD theses

☐ Demonstration of the project's achievements in public forums (form and number)

☐ For obtaining sustainability, successful participation in international call for proposals (sum awarded)

In the case of all indicators concerning the project, an initial value and the target numbers for work periods and/or the given year, shall be determined.

These data shall be processed summarized from the computerized database, they serve analysis purposes, facilitate monitoring and ex-post-evaluation of the program, and strategic planning.

12. Place, process and deadline for submitting proposals

A project proposal package, containing the proposal in **Hungarian** and **English** in **1 original and 1 duplicate copies**, 1 certified copy of the Management data (as applicable), a CD attachment in 1 copy, in closed packaging, **personally or by courier service** should be submitted to the following address:

<div align="center">

Agency for Research Fund Management and Research Exploitation
H-1117 Budapest, Neumann János u. 1/C ground floor, reception

</div>

The project acronym shall be written on the package submitted/sent, indicated on the front page of the call for proposal, and a 8-character ID of the project proposal from field [11a] of the Application Form:

<div align="center">

KFKT_06-< project proposal identifier>

</div>

Deadline for the submission of a project proposal:

Project proposals may be submitted continuously from the announcement of the call for proposal, until the exhaustion of the funding budget, but latest until 4:30 pm, 2nd October. On the exhaustion of the funding allocation, the KPI shall suspend the invitation. Rejected project proposals may be resubmitted and they shall be evaluated according to the original rules of evaluation procedure. In case of resubmission, project proposals should have new acronyms The first decision phase is expected for project proposals submitted until 29th May, 2006.

On how to compile a project proposal package, see a separate chapter of this Guide

The electronically workable data content of a completed **Application Form** shall be sent as the appendix of an **electronic** mail to <alap2006@kutatas.hu> according to the Guide to the Application Form.

For more information about the call for proposals and the elaboration of the project proposal, contact the help desk of the **Agency for Research Fund Management and Research Exploitation** (hereinafter KPI):

- The help desk is available at the (+36-1)-484-2800, (+36-1)-484-2922 numbers. Staff members are available from 9:00 to 12:00 and from 13:00 to 16:00 from Monday to Thursday, and from 9:00 to 13:00 on Friday.
- Questions can also be sent by e-mail to: info@kutatas.hu. The acronym of the proposal should be indicated in the subject field.
- Applicants may also come and talk to our staff members in person at our headquarters in Budapest, 11th district, 1/c. Neumann János u., by making an appointment via the help desk.

Before turning to the help desk, applicants are kindly asked to read the call for proposals and the guide for proposers as well as the list of Frequently Asked Questions carefully (available at www.kpi.gov.hu), as their questions might be answered immediately without the 5-work-day delay.

The other documents and useful information required for the submission of a project proposal are accessible at the websites of NKTH and KPI:

National Research and Technology Office	http://www.nkth.gov.hu
Agency for Research Fund Management and Research Exploitation	http://www.kpi.gov.hu

13. Guide for the compilation of an application package

Compilation of the original copy of the proposal:

Figure

1.   2. 3. 4. 5.

1. **The proposal's original copy (1 in Hungarian and 1 in English).**

A maximum of 35 pages total + Application forms (per copy)

2. **Title page** (1 page)
3. **Application Form** (5 or 6 pages)
4. **Schedule of the project proposal** (maximum 30 pages)
5. **Appendices** (in accordance with 13.5)

Compilation of the application package to be submitted:

Figure

6. 1. 7. 8. 9.

6. **The Application package**
7. **1 Duplicate copy of the project proposal** (1 Hungarian and 1 English copy)
8. **1 certified copy of the Management data (as applicable)**
9. **CD attachment** (1)

13.1 Original copy of the project proposal

It is recommended that the project proposal be finished and its original copy be compiled in the following **sequence of steps**:

1. Present the project's aim, justification and advantages in chapter 1 of the project proposal.
2. In chapter 2 of the project proposal, present the participants of the project's implementation (a detailed introduction of the applicant and the prominent members of the research team, and a short introduction of the host institution).
3. Specify the project's partial tasks, and complete the table "List of partial tasks" in chapter 3.1 of the schedule of the project proposal.
4. Specify the temporal scheduling and implementation process of the partial tasks, and prepare a Gantt chart based on the sample in section 3.2 of the project proposal's schedule.

5. Specify the project's 3 one-year work sections (reporting periods), and complete 1 chart per work section, i.e. 3 charts based on the sample in section 3.2 of the project proposal's schedule.
6. Complete the Expert's Form of the project's prominent personalities, and send it for electronic processing in the manner as specified, if they are not yet registered in the KPI expert's database.
7. Complete the Application Form and its charts. Justify the project's costs in chapter 4 of the schedule of the project proposal.
8. For the purposes of a mechanical syntactical check, submit in the manner as specified the data content of the Application Form, correct errors if any, and repeat sending while you receive an error message as a reply.
9. Prepare the front page, the statements. (attn natural person, i.e. the applicant, or legal entity, i.e. the host institution)
10. Print out and both the applicant natural person and the host institution should sign the following documents with authorized signatures:

    a. the Application Form in the green field below the summarized budget of the (on the sheet tag by the title "Budget of the project/project proposal, with ID KfPalyazat#2-2_12)
    b. The Application Form in the green field below the Applicant's budget,
    c. The "Statements" (the one for a natural person shall be signed by the applicant and two witnesses, while the statement for a legal entity shall be signed by the receiving institution by an authorized signature)

11. Compile the project proposal's original copy in accordance with the sequence seen on the upper figure of the previous page. The 4 main units (Front page, Application Forms, The schedule of the project proposal, Appendices) should be separated with 1 colored separating sheets each
12. The applicant (1 person) should initial each page of the original copy compiled thus (1 Hungarian and 1 English original copies)
13. Prepare 1 duplicate copy of the project proposal, then bind or stitch the copies.

13.2 Title page

The title page is 1 A4 page, which contains exclusively the following table, completed:

An acronym of the application and an ID of the project proposal	KFKT_06-<xxxxxxxx>[1]
Name of the project leader (applicant)	
Name of the host institution	
Title of the project	

[1]

Please indicate the electronic identifier of the application and the project proposal on the front page in print. In the place of "xxxxxxxx", the identifier of the project proposal should be written from field [11a] of the Application Form.

The project leader's name: the natural person, submitting a project proposal, leading the research team and the project implementation.

Name of the host institution: the institution of higher education or research institute, having supported the applicant with its statement of acceptance in order to implement the project.

The project's title: the project, for which the applicant intends to use the support.

13.3 Application Form

An Application Form is an Excel file belonging to the current year, by the name 2006InnovAlapPalyUrlap… , for the completion of which see guidance in the 2006Innov AlapKitoltesiUtmutato file attached. The form and its completion guide can be downloaded from www.kpi.gov.hu. (Links can be found directly next to the call for proposals). Please study carefully the completion guide and based on it, complete the Application Form.

The Application Form plays a dual function. On the one hand, it contains the data of the Applicant and the host institution, and on the other hand, it contains the tables of the cost plan of the project proposal. **Therefore it is recommended that you complete the budget of the schedule (specification of partial tasks, work sections)**

In the case of the **Polányi project proposal**, the first 5 sheet tags of the Excel file have to be completed:
- the sheet tag entitled "11. The project's/project proposal's data/continuation", with ID number KfPalyazat#2-1_11,
- the sheet tag entitled "12. The project's/project proposal's budget", with ID number KfPalyazat#2-2_12,
- the sheet tag entitled "21. The applicant's/ data", with ID number KfPalyazat#2-3_21-1,
- and the sheet tag entitled "22. The applicant's budget", with ID number KfPalyazat#2-4_22-1. **For the form, from [21a] to [21n], please provide the data of the host institution and from [21p] to [21z], please enter the applicant's data.**
- It is recommended that as a sixth, non-compulsory item, the sheet tag KfPalyazat#2-1b_11b is completed regarding the participants presented in chapter 2 of the schedule.

Note On the sheet tag entitled "12. The project's/project proposal's budget" with ID number KfPalyazat#2-2_12, the amounts *cannot be completed directly*, but it is completed *automatically*, based on the data in sheet tag KfPalyazat#2-4_22-1.

On a form, *only the lemon-yellow fields and the green field of the authorized signature can be completed, the other fields are protected against writing.* Orange fields are completed based on the content of the form's other fields, or a choice from scroll-down lists, automatically. Therefore, it is not possible *to change white areas and to directly complete orange fields.*

A few directions for the completion of budgets

☐ **The complete budget shall be indicated in the year of the end of a work phase, when the financial accounting of the work phase takes place.** I.e., the end of a work phase starting in 2006 may be in 2007, therefore it is not necessarily required to indicate costs for the year 2006.

☐ **Please indicate a possible advance in the column of the work phase, for which (at the beginning of which), you request the advance. A justified advance shall be received at the beginning of a work phase, while the amount not received as an advance from the work phase's cost plan, shall be received after the acceptance of a report on/accounting of a work phase.**

☐ **The rate of an advance, in the case of state budget-funded institutions can be 100%, otherwise, in the case of using an advance, the last 10% of the funding can be paid only after the acceptance of a professional and financial closing report.** Please be careful not to overspend this limit as stipulated by law.

☐ **In the event that the host institution has not a right to deduct VAT, then the projected costs of the funding requested shall include VAT, too.**

☐ **If the host institution does have a right to deduct VAT, then the costs projected against the funding requested shall not include VAT, and the costs shall be planned in a net manner.**

☐ The lines of the charts *"Of this, overheads, co-ordination"* do not present new costs, these costs are already contained in the cells above the chart. (For this application, co-ordination costs are not eligible for accounting) It is obligatory to complete them.

13.4 Schedule of the project proposal

This part of the project proposal should be written on a standard A4 paper, in such a way that every new chapter should be started on a new page, and pages should be numbered continuously. In the header of every page, indicate in a well-visible manner the application's coded identifier and the project proposal's ID, consisting of 8 characters. Do not write more than which is required for proper understanding, and use the charts in every place where requested.

The volume of the schedule of a proposed project is maximum 30 pages, which comprises the following 4 chapters:

- chapter 1: THE PROJECT'S AIM, JUSTIFICATION AND ADVANTAGES
- chapter 2: INTRODUCTION OF THE PROJECT'S PARTICIPANTS
- chapter 3: DESCRIPTION OF THE WORK'S CONTENT
- chapter 4: JUSTIFICATION OF THE PROJECT'S BUDGET

The division of the 30 pages available among the 4 chapters is left up to the applicants, but when weighting the extent, please be aware of the fact that the most emphatic part of the 30-page schedule is "chapter 3: DESCRIPTION OF THE WORK'S CONTENT".

Chapter 1: THE PROJECT'S AIM, ANTECEDENTS, JUSTIFICATION AND ADVANTAGES

Draw up briefly the project's aim.
Compare the subject matter of the project proposal and the methods and devices of research to the current domestic and international standard of the discipline.
Present the antecedents of the project planned. Set forth with what kind of foreign funding and at what institution did you carry out a research activity in the project proposal's subject matter. Describe briefly the achievements of your research carried out within the framework of a foreign competition.
Justify the necessity for the continuation of the research.
Present those advantages, which the project's implementation would provide as compared to the current standard of the discipline.

The *maximum size* of chapter 1 is 5 pages. (This may vary, but the schedule's complete size cannot exceed 30 pages).

Chapter 2: INTRODUCTION OF THE PROJECT'S PARTICIPANTS

In this chapter, the applicant shall be introduced, indicating the prominent members of project implementation. The introduction shall cover the qualification and scientific degree of participants, their scientific activity so far, and their more significant publications.
Set forth the applicant's and the research team's members' activity and role within the framework of the foreign competition.
Present the applicant's and the research team members' competence from the aspect of the project implementation. Present what tasks will be implemented by the individual members of the research team, and how much working time will be used. (1 working day including 8 hours working time, and 1 year including an average of 250 working days).

The *maximum size* of chapter 2 is 5 pages. (This may vary, but the schedule's complete size cannot exceed 30 pages).

Chapter 3: DESCRIPTION OF THE WORK'S CONTENT

3.1 The list of partial tasks

Serial number of partial task	Description of partial task	Person responsible for the performance of the partial task	Beginning and end of the partial task	Projected cost of the partial task	Funding requested for the partial task	Description of result
1.1						
1.2						
….						
2.1						
….						

Explanation to the table:

Serial number of partial task: deviation from the two-level numbering indicted here is allowed.

 Description of partial task: short description, with a maximum of 3 sentences

 The person in charge of the performance of the partial task: the project leader of the partial task

 The beginning and the end of the partial task: in éééé.hh.nn – éééé.hh.nn format. (See chapter 3.3)

 Projected cost of the partial task: briefly outline the total cost requirement of the project, through the costs planned for partial tasks.

 Funding requested for partial task: demonstrate, of the projected cost requirement, for which partial task do you request support, and how large is the funding requested.

 Description of the result: short description of the scientific result coming into being in the case of a successful performance of the partial task.

3.2 Temporal scheduling of the project tasks, and demonstration of the implementation process

Prepare a Gantt-chart to demonstrate the project's implementation process. On the Gantt-chart, each partial task is marked by a stripe with a length identical to its duration, and the logical connections between them are usually illustrated by arrows. (instead of the A,B,C letters in the below sample chart, use the partial task's serial number)

3.3 Description of the work phases

The maximum 3 year duration of the project should be divided into work phases (alternatively called reporting periods). Each reporting period should close by the preparation of a professional report and a financial settlement. Annually prepare 1, and in a specially justified case, 2 reports. For a date after September 30, as far as possible do not plan any reporting deadlines, the payment due as a result of this, because of a possible protraction of evaluation, is uncertain. **For each work phase,** complete one of the below tables (prepare as many tables as many work phases you are planning):

Table of the work phases

Serial number of work phase:	
Beginning and end of work phase:	
Serial number and description of partial tasks:	
Description of the tasks to be performed:	
Description of the results expected:	
Form of the documentation of tasks and results	
Manner of publishing the results achieved:	

Explanation to the table:

☐ *Serial number of work phase:* 1,2,3, …

☐ *Beginning and end of work phase:* in éééé.hh.nn – éééé.hh.nn format, in such a way that the duration between the work phase's beginning and end should be one year. The date of the work phase's completion cannot be later than September 30 of the base year.

☐ *Serial number and description of partial tasks:* the serial numbers and description in the list of partial tasks.

☐ *Description of the tasks to be performed:* describe accurately the tasks to be performed during the given work phase in a breakdown by partial tasks.

☐ *Description of the results expected:* in a breakdown by partial tasks, specify exactly, in the case of a successful performance of the partial tasks, the scientific results coming into being during a given work phase.

☐ *Form of the documentation of tasks and results:* professional and financial, report, protocol, statement, database, etc. Several forms can be listed by partial task depending on the character of partial task

☐ *Manner of publishing the results achieved:* in the event that the result can be published - Publication, conference lecture, scientific communications, press conference, Internet, etc. Several forms can be listed by partial tasks depending on the character of partial tasks.

When describing the tasks to be performed, strive to separate as much as possible the tasks of the individual work phases from one another. The separation of the tasks of the work phases is a condition for the correctness of the budgets by work phases.

3.4 The indicators used for the quantification of the project aims

In this section, provide the values of the indicators quantifying the project's results, as specified in the application guide. Beyond the above indicators, specify minimum 2, maximum 4 indicators, specific to the given application.
In the case of all indicators concerning the project, an initial value, as well as the values concerning the work phases and/or the given year, has to be specified.

The *maximum size* of chapter 3 is 15 pages. (This may vary, but the schedule's complete size cannot exceed 30 pages).

Chapter 4: JUSTIFICATION OF THE PROJECT'S BUDGET

The completion of the Application Form's tables is not enough in itself, and the data indicated should be justified by a short, but detailed paraphrasing, in accordance with the cost breakdown according to tasks.

In the justification of the cost plan, you should demonstrate in detail, and justify the below cost elements:

☐ the costs of the formation or renting of a research site;

☐ if an advance is requested, justify its necessity;

☐ if you plan a trip abroad, the aim, place, duration and expected cost of the trip, the number of those participating, etc.);

☐ if general overhead costs are intended to be accounted, demonstrate what kind of overhead costs are expected **in connection with the project.** As overhead costs, **only** costs incurred **in connection with the project, supported by document,** up to 10% of the project's total cost**;**

☐ a purchasing plan for research and development tools and intangible assets (description, number of pieces, projected price).

Calculable and accountable costs are contained in the Call for proposals and the Guide for proposers

The *maximum size of* chapter 4 is 5 pages. (This may vary, but the schedule's complete size cannot exceed 30 pages)

13.5 Appendices

14   The applicant should attach the "Statements" (completed on behalf of a natural person, i.e. the applicant, and a legal entity, i.e. the host institution), which can be downloaded from www.kpi.gov.hu. (The links can be found directly next to the call for proposals). Its completion and signing (in the case of an institution, its authorized signing) is obligatory.

Besides that:
- a recipient's statement for the applicant and his or her research team, with an authorized signature of the institution.
- A certificate of a completed participation in a foreign competition

In its statement, the host institution should mention that:

☐ the research team led by the applicant shall be received by the given institution in the event that the funding is awarded,

☐ the leader of the given research team (applicant) shall dispose of the funding awarded

☐ the funding amount shall be used only for the project's implementation

☐ the applicant and the prominent members of the research team shall be employed full time

13.6 The application package to be submitted

The content of the application package to be submitted:
- an original copy of the project proposal (1 Hungarian and 1 English, 2 volumes)
- 1-1 duplicate copies of the project proposal (2 volumes)
- Original (certified) copy of the management data (1 volume, as applicable)
- 1 CD attachment

Consequently, the application package to be submitted contains 4, and in the case of the Submission of Management data, 5 volumes, stitched individually, as well as 1 CD. Please keep the above in sight, as an application package not compiled according to the foregoing (defective, not or not only containing the chapters as described here, not containing plus volumes) shall be rejected by KPI due to formal reasons, without the possibility of filling gaps.

13.7 Two duplicate copies of the project proposal

The 2 copies of the project proposal shall be prepared after signing by the project leader the project proposal's original copy compiled properly. Besides this, copies need not be initialed or signed. In duplicate copies, use colored separating pages, similarly to the original copy.

13.8 One original copy of financial data

If the host institution is state budget funded organization, there is not need for the attachment of management documents, thus this volume is cancelled from the application package to be submitted. Otherwise, he or she should attach it to demonstrate the management of the previous two years. The certification of data shall be certified by a financial manager entitled to this, with his authorized signature:

in the case of an enterprise, the copy of the annual balance-sheet reports submitted to the registry court, from the previous two years, while in the case of a non-profit organization with legal entity, the copy of the audited annual reports from the previous two years;

 the institute receiving an applicant falling under the effect of EVA (Simplified Entrepreneur's Tax) should attach that financial record or annual statement to the financial attachment of their project proposal, which is specified by law as obligatory to them.

If the operation time of the enterprise/organization is shorter than 1 year, the data should be projected to an annual level. For this, demonstrate the enterprise's stock of receivables and liabilities, tangible assets, based on the data existing on the last day of the month preceding the submission deadline; predict its expected return from sales and result, until December 31 of the base year. The authenticity of documents shall be certified by a manager entitled to this with his or her authorized signature. In accordance with § 4 of act XXXIV of the year 2004 on small- and medium-sized enterprises, and the funding of their development, a non-independent enterprise shall present a consolidated balance-sheet report.

13.9 CD attachment

Content elements of the CD:

The CD should include 1 Hungarian and 1 English zipped files (.ZIP), and each ZIP file should not be larger than 2 MB. (Zipping can be performed by a WinZIP program also accessible via the link installed on the KPI's homepage, or other zipping program versions or programs producing equivalent format, e.g. Windows Commander, Total Commander, etc.)

The ZIP file should have the following 2 files packed in it:
1. **The document containing the project proposal's schedule, edited into 1 file (in Adobe Portable Document format: ".PDF").**
PDF generating can be performed by the FreePDF program also accessible by a link installed on the KPI homepage, or other PDF generating programs producing equivalent formats (for the use of FreePdf, a GhostScript application shall be downloaded from the homepage accessible as shown above, and installed, then the FreePDF printer driver, belonging to the given Windows version shall be downloaded and installed. After this, in the Print command of WORD, etc. by highlighting FreePDF as a printer, a file in PDF format can be produced into the selected folder under the given name).

2. *The data saved from the completed electronic form, as it was saved by the form's* **function button in a way re-loadable (.XML type) into the form, in its last state.**

Formation of a file name on the CD:

Name of the zip file:
yyyyyy-xxxxxxxx-zz.ZIP
Where KFKT_06 is a short code of the application, as it can be selected in the upper right corner of the first page of the Application Form:
In the place of "xxxxxxxx", the project proposal's identified of eight characters will be entered (application form [11a] field).
In the place of the letters "zz", a language code "en" or "hu" will be entered

Between the individual elements of the filename, a dash (minus sign: "-") appears, and "ZIP"denotes the file's type (name's extension) (e.g. the denotation can be as follows: KFKT_06-SIMO2162-hu.*zip*).

Formation of the names of the files to be zipped:

1. **The filename part of the first file to be zipped should be identical with that of the zipped file, but according to reason, it should be completed with an Adobe Portable Document format/extension ("PDF").**
2. **The second should be a file with "XML" format, saved after the completion of the application form, containing data re-loadable into the file "Save complete form" or into the form, saved by the function button "Generation of the ZIP file to be submitted".** The file should be packed into the "ZIP" file to be written on the CD under the same name as automatically generated by the form as described in the "Completion and submission guide". The file's content should be identical with that of the file submitted in print, and sent as the attachment of an electronic mail for the competition database (e.g. **KFKT_06-**SIMO2162-0-0601221130.xml). Other files generated during the work with the application form needs not be attached. *Into the ZIP file to be written on the CD, do not pack the ZIP file to be sent as an attachment to the electronic mail, but the unpack XML file (do not use a ZIP file within another ZIP file).*

Thus the zipped version of the above project proposal (KFKT_06-SIMO2162-en.*zip*) may contain the following files:
KFKT_06-SIMO2162-en.pdf,
KFKT_06-SIMO2162-0-0601221130.xml

The CD as a disc and its box shall be supplied with the same inscription as the application package.

14. Contract signing and performance

In the event that a project proposal is accepted, the KPI shall sign a funding contract with the host institution for the funding of the basic research. KPI shall make an offer for contract signing valid *for 30 days* as of the receipt of the notice to the host institution. If a funding contract fails to be made due to the beneficiary's fault, then the decision on funding loses its effect in accordance with section (2) § 17 of the Government Decree 133/2004 (IV.29).

In the case of contract signing, the project proposal's accepted schedule and cost plan shall constitute the contract's appendix. In the event that a project proposal is accepted, he or she should account for the expenses of the project in accordance with the cost plan. Without contract amendment, per work phase, regrouping can be permitted up to 25% of the funding between cost types.

The beneficiary shall keep a *separated account* of his or her costs related to the project in accordance with the effective financial and accountancy rules. This means that all documents, letters, e-mails, faxes, etc., settlement documents (the documents of the project proposal, the contract and implementation, the public procurement procedure and the asset record and

intangible assets), related to the implementation of the project, shall be stored expediently, in chronological order, sorted, and presented in the case of a check.

The KPI shall evaluate the implementation of the research and development project in its course by the employment of independent experts, based on the schedule, by work phases. The funding, based on the cost plan, can be used in proportion to performance.

If during implementation, all costs (expenses) of the project decrease as compared to that planned, then the funding amount, by amending the contract, in an appropriate proportion, the sponsor shall also decrease (see Government decree 217/1998 (XII.30)).

Contract amendment

Later, the applicant shall initiate a possible amendment of the funding contract in writing. If the beneficiary deems necessary a regrouping exceeding 25% between the cost types of the cost plan, he or she shall initiate a contract amendment. An amendment is possible only in a justified case, once a year. Due to a protraction of the project, the use of the funding cannot exceed five budget years even in the case of contract amendment.

Sanctions of the support agreement's violation

☐ suspension of the granting of the funding :
☐ waiver of the contract, the funding provided until then is to be paid back in a single sum, default interests included (twice as much as the base bank rate + other costs);
☐ termination of the contract with immediate effect;
☐ exclusion from the funding system. The detailed regulation is contained in § 87-88 of Government Decree 217/1998 (XII.30), as well as § 18 of Government Decree 133/2004 (IV.29).