



Universities Implementing Full Costing  
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# Setting the national context

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## National/ university context

- New University law is being prepared – introduction of three-year programme financing
- Decreased national financing (from state budget) of research
- Increased financial contribution to FP budget
- Vague connection between financing and outputs – until now, main financial source for research was Ministry of science, education and sports → it is planned to move financial sources on other systems (EU, The National Foundation for Science, Higher Education and Technological Development of the Republic of Croatia)



## FP participation

### Croatia

- FP6 – 134 projects, 154 participants - 16,2 mil. euro
- FP7 – 96 projects, 124 participants - 19,4 mil. euro

### University of Zagreb

- FP6 – 55 projects, 58 participants
- FP7 – 37 projects, 38 participants



## University of Zagreb Research Strategy 2008-2013

“The strategic objective of the Research Strategy on the national level is to fortify the leading role of the University of Zagreb by increasing research and teaching quality, by participation in significant research projects, and on the international level by intensive participation in international research projects in order to achieve excellence in research and raise the profile and recognition of the University of Zagreb”.



## Key issues relevant to the implementation of Full Costing on national level

### Aims of Full Costing:

- Ensure sustainable funding by identifying the full costs of teaching and research activities - toll for strategic management decisions
- Pressure from international funding organizations for transition to full cost accounting (e.g. FP 7)



## Expectations from senior leadership from the implementation of Full Costing

- A matter of transparency: accountability towards national and European tax payers
- Showing the need for university contribution to externally funded research projects
- Creating a sound basis for negotiations about covering costs



## How to ensure political support from senior leadership?

- Strong support for transparency by university/faculty/institute management and by ministry of science
- Establishing climate for related decisions
- Rationalizing internal budget allocation - tendency to relate costs to performance



## Plan of follow-up activities

### Discussions with relevant stakeholders

- Is the price of Full Cost acceptable?
- Full Cost and different national settings: one size fits all?
- Full Cost regulations: crowbar to increase transparency?
- Academic manager: contradictio in terminis?





## Plan of follow-up activities

### Basic steps in preparation of Full Cost implementation

- Denominate primary activities in university – teaching, research, other
- Analyze cost drivers (primary and secondary)
- Design cost allocation scheme
- Create sound information system to accommodate principles of cost and budget allocation