

TOWARDS FULL COSTING

A POSSIBLE APPROACH

TOWARDS FULL COSTING – A POSSIBLE APPROACH

CONTENT

- FACTS & FIGURES
- BACKGROUND/ CONDITIONS
- HISTORY/ PROGRESS
- METHODOLOGY
- DRIVERS
- OBSTACLES
- CONCLUSION

FACTS & FIGURES (FY 2009)

- 1811 Formation by Archduke Johann
- 7 Faculties (+ co-operation with University of Graz – interlinks natural science areas)
- 11.264 Students total (AY 2009/2010)
- 2.222 Staff total (scientists 1.376; non-scientists 846)
- 114,4 Mio Euro (Federal budget 2009)
- 50,5 Mio Euro (Income from contractual and funding projects)

BACKGROUND/ CONDITIONS

- Universities Act 2002 (UG 2002) came into effect on 01.01.2004 → consequences
 - autonomy (independent legal person under public law)
 - new SW-System (SAP)
 - double-entry bookkeeping (analytical accounting)
 - intellectual capital (performance) report
 - new processes (changes in cultural behaviour)

HISTORY/ PROGRESS

- 2005 1st method developed – corresponding to national and to international financial rules and our own management and accounting principles (cost driver all direct costs)
- 2006 Austrian universities evaluated this method → agreement for FP7 to apply (Austrian Rectors' Conference)
- 12/2006 position paper of “Austrians' simplified method”
- 03/2007 invitation from EC/DG Research
- 04/2007 MGA was published

HISTORY/ PROGRESS

- following months, due to different reasons and obstacles unified approach was abandoned
- 2007/ 2008 Graz University of Technology made advancements in calculating indirect costs
- 08/ 2008 we submitted to EC the Form E → requesting the CoM
- 05/2009 stopped the procedure of “CoM” → the methodology has to be in use for FP7 projects before getting CoM approved

METHODOLOGY

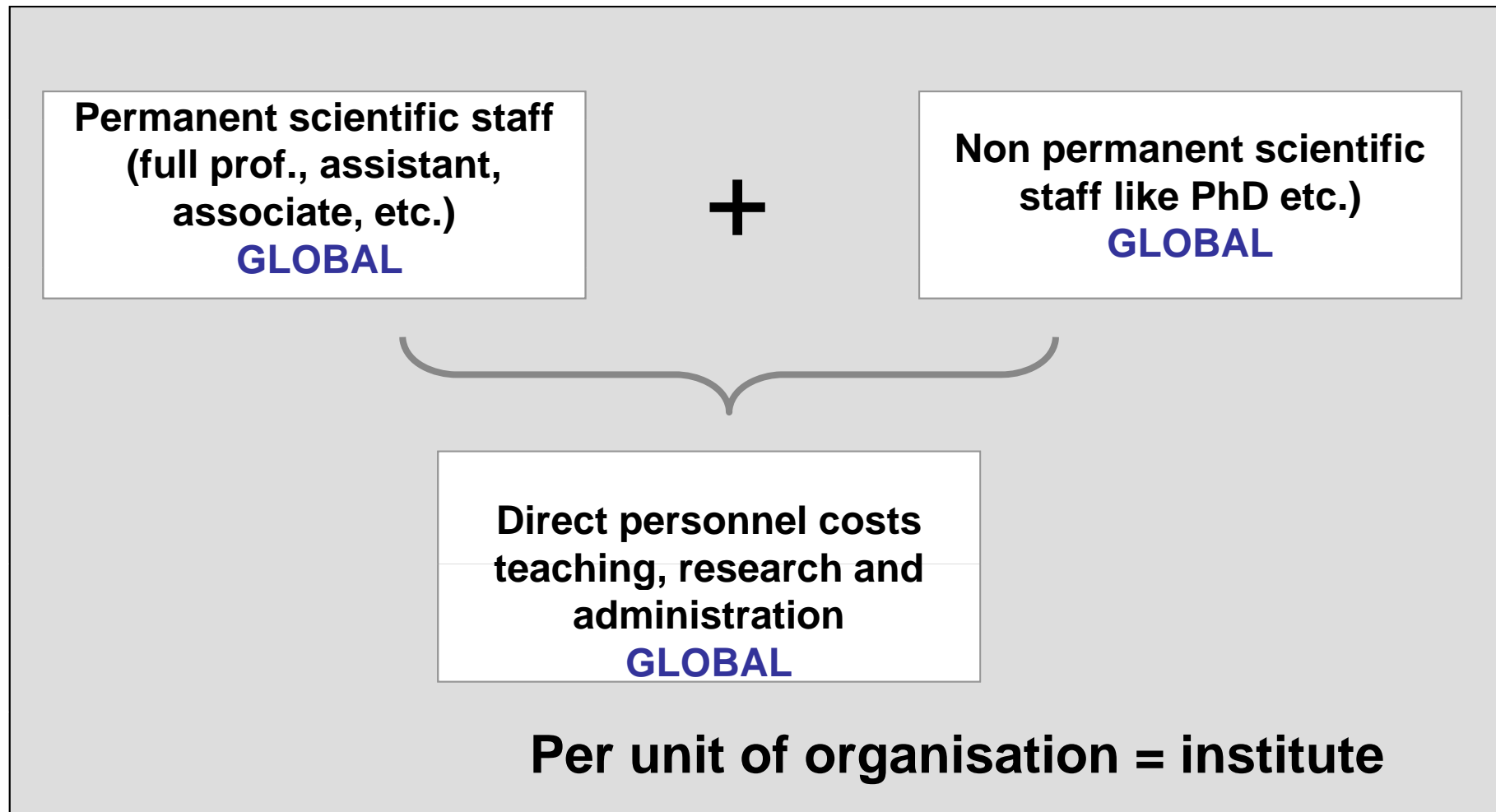
Main Principle:

allocation of indirect costs to different research activities via personnel hours as a percentage of personnel costs

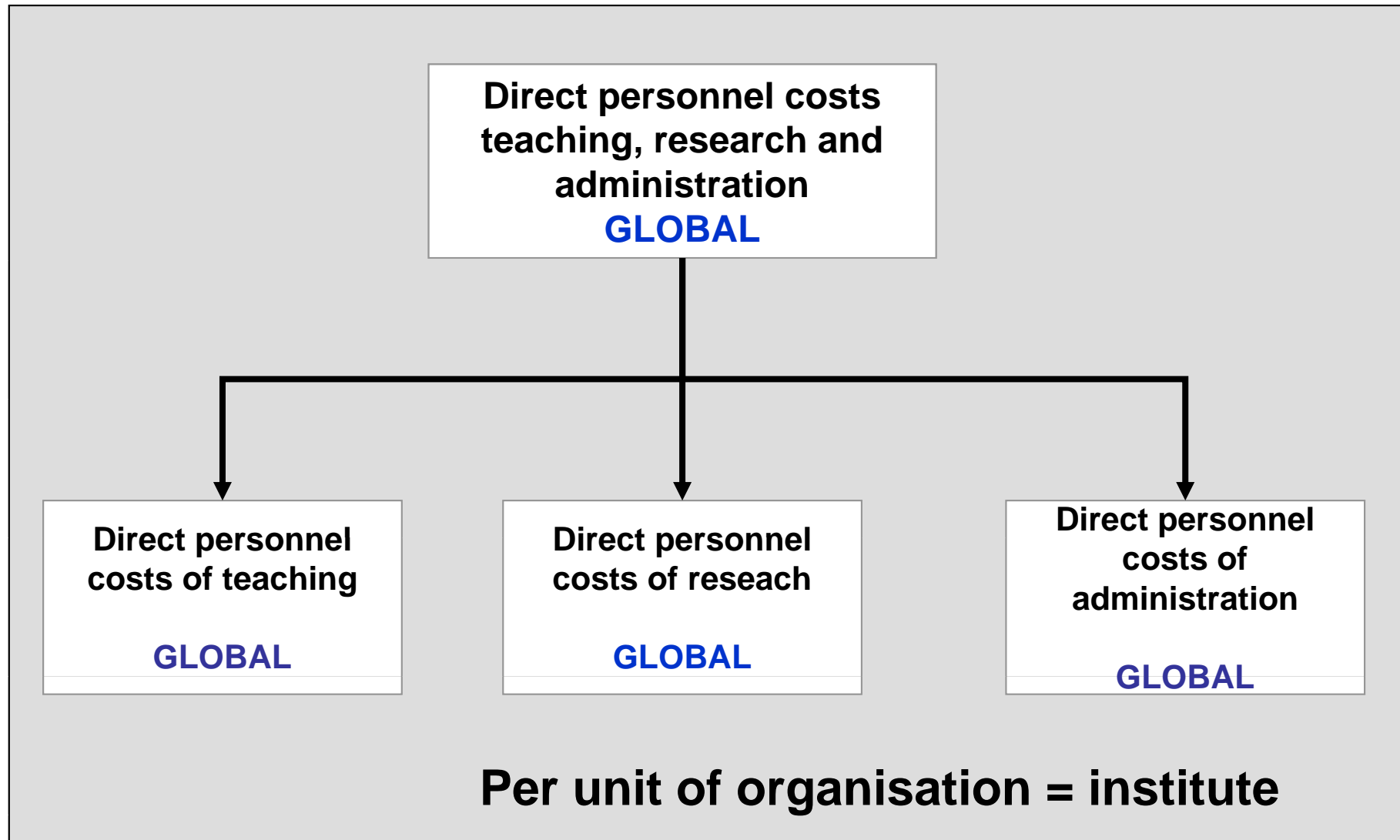
Main Approach:

the indirect (eligible) costs of research divided by the total direct (eligible) personnel costs of research

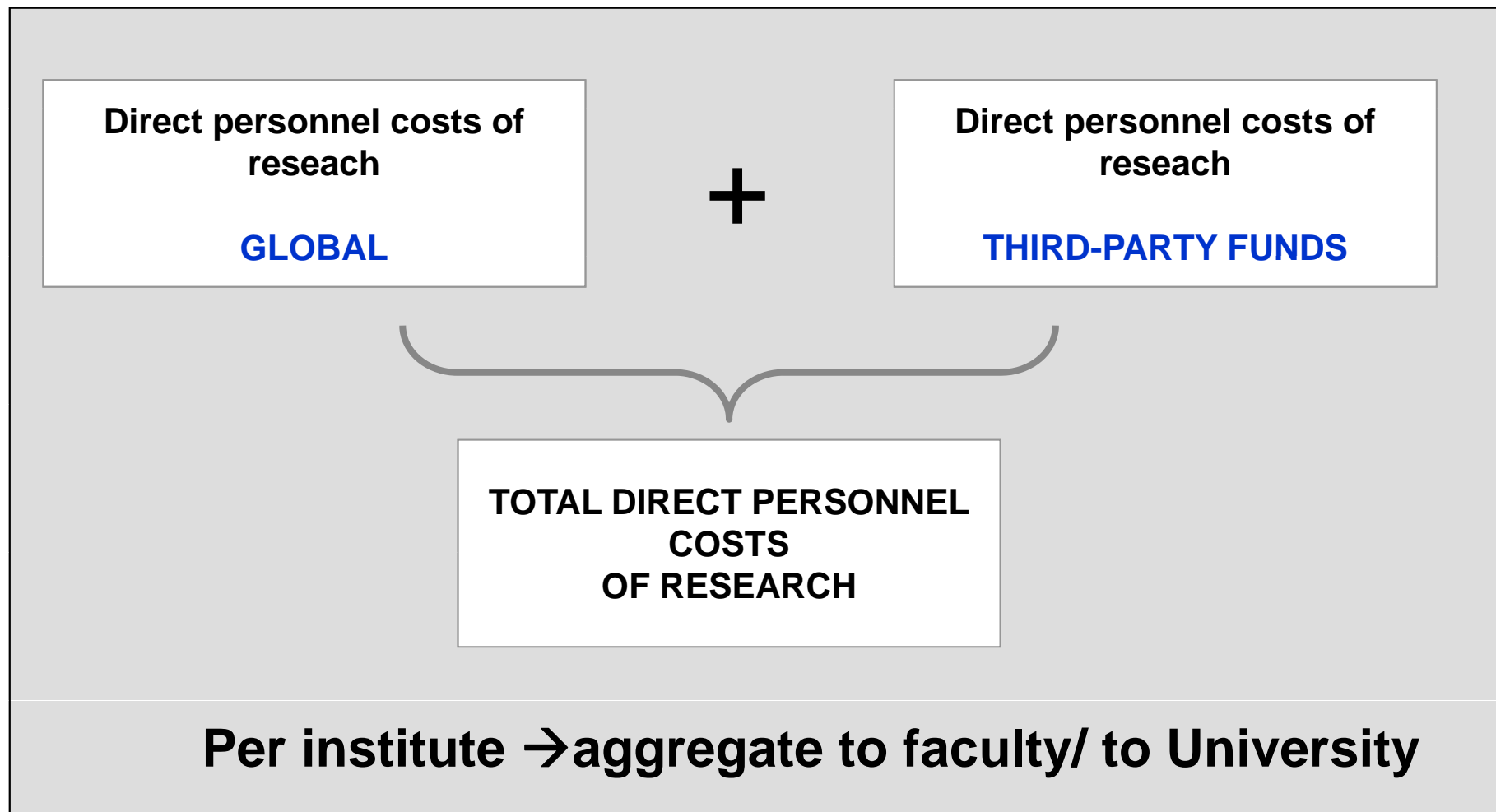
METHODOLOGY



METHODOLOGY



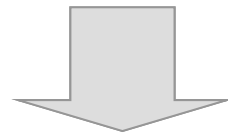
METHODOLOGY



METHODOLOGY

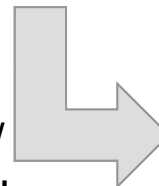
**Costs of Services
(all indirect Costs)
GLOBAL**

Segregate
Non-eligible
Costs



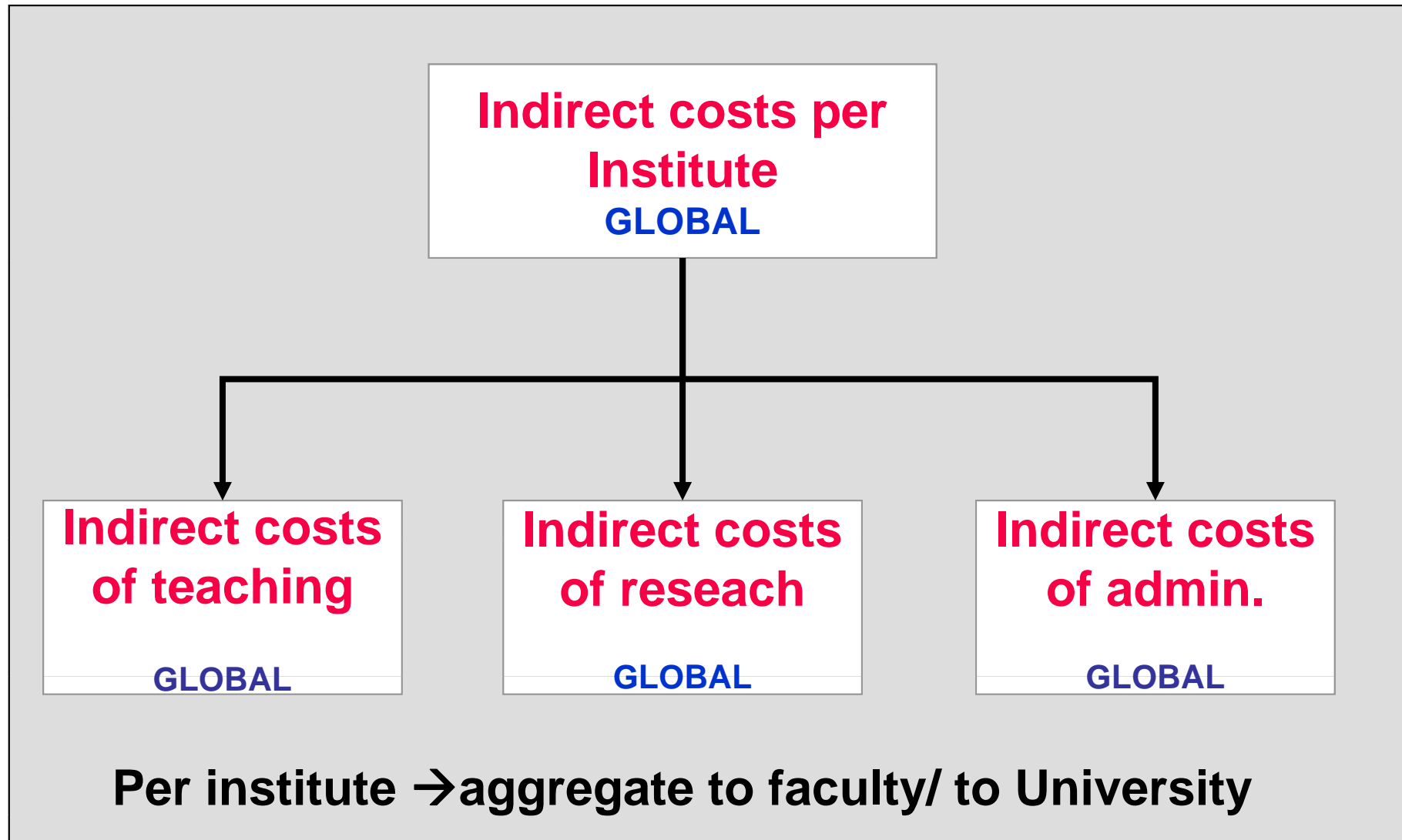
**eligible costs of
Services**

Allocation to institute
(m2, headcount/ FTE,
ratio/ volume of funding/
contractual work/ federal
budget etc.



**Indirect Costs per
Institute**

METHODOLOGY



METHODOLOGY

Overheadrate

=

**Indirect costs
of research**

**Total direct
personnel costs of
research**

Unit of organisation = University

DRIVERS

- strategic management tool
- national/ international programmes/ funding schemes
- Government still major funder, but decreasing trend
- financial sustainable basis

OBSTACLES

- diversified funding schemes/ rules (national/ international)
- time recording
- cultural barriers
- assumptions <-> accuracy (auditor's acceptance)
- data pooling (to get all information needed)

CONCLUSION

- ressource (personnel devoted to the implementation)
- capable SW
- valid/ sound accounting system
- interdisciplinary team (auditor, administratives, scientists)
- support from management/ rectorate

Further Information

--

Manuela Groß

Head of Finance /CPO

*Technische Universität Graz -
Graz University of Technology*

Lessingstraße 27/I

phone: 0043-(0)316-873 6011

fax: 0043-(0)316-873 6012

mailto: manuela.gross@tugraz.at