

Coalition for Epidemic Preparedness Innovations

CEPI Cost Guidance

Version: 29.06.2018

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This document outlines CEPI's principles regarding eligible direct and indirect costs, non-eligible costs, and valuing in-kind contributions. CEPI funding for eligible costs is provided in USD.

Direct eligible costs

CEPI will fund direct eligible costs which are:

- traceable to a project;
- essential;
- reasonable;
- incurred during the approved project duration;
- within the approved budget;
- actually incurred and not accrued, estimated, budgeted or imputed;
- verifiable with supporting documents proving occurrence. These should be kept for up to seven years after the end of the project, or longer if required under applicable law; and
- determined according to the usual accounting and management principles and practices of the organisation and generally accepted accounting principles.

Direct costs include personnel, consultants, contractors, travel, materials, consumables and equipment. Further details are set out in Appendix A.

Indirect costs

Indirect costs are overhead or ongoing operational costs incurred by an organisation in relation to its activities and projects that are not directly attributable to any specific project. Such costs can be identified and verified by an organisation's accounting system as being incurred in direct relationship with the direct eligible costs attributed to the project. These include administrative or other expenses which are not directly allocable to a particular activity or project expenses related to general operations that are shared among projects and/or functions. Examples of indirect costs may include executive oversight, existing facilities costs, depreciation, administration, accounting, grants management, legal expenses (excluding the costs of contracting with CEPI), utilities, insurance and technology support.

To be eligible for CEPI funding, the indirect cost must be identifiable and verifiable in an organisation's accounting system as attributable to the CEPI project based on an allocation methodology that is in line with an organisation's usual accounting principles. As of August 2017, CEPI has set a maximum indirect cost rate of 15% of total direct eligible costs. The 15% maximum rate applies to all primary awardees and sub-awardees that are funded by CEPI.

The indirect cost rate is used to calculate the allowable indirect cost over and above the direct eligible cost incurred by an awardee. The rate is applied to the sum of the following cost categories: personnel, travel, consultants, equipment and other direct costs. However, CEPI reserves the right to adjust the calculation methodology if the application of the rate to certain cost categories results in a disproportionate allocation of indirect cost (e.g., when there are significant equipment costs).

A separate rate may be applied to sub-award costs to capture any indirect costs related to the management of sub-awardees to the extent that these are not already captured elsewhere as a direct or indirect cost. The maximum indirect cost rate for managing sub-awardees is also set at 15% as of August 2017.

Sub-awardee costs

CEPI's Cost Guidance is applicable to all primary awardees and their sub-awardees. Sub-awardees are expected to work under the same grant structure as the primary awardee, meaning that funding is based on actual costs incurred in line with an approved budget, and there is no element of profit included. In certain, limited circumstances CEPI may allow a sub-awardee to work under a contract structure such that funding is based on approved fees which may include a profit element. Contract arrangements are expected to be applicable to a small number of organisations, such as service providers.

Non-eligible costs

Non-eligible costs are specifically excluded from funding. These include, but are not limited to:

- VAT and other purchase taxes (except where non-refundable and approved in advance by CEPI);
- Import duties, e.g. for equipment (except where unavoidable, non-refundable and approved in advance by CEPI);
- Loan repayments;
- Interest;
- Doubtful debts;
- Foreign exchange losses;
- Marketing costs;
- Penalties and fines;
- Fundraising expenses; and
- Costs already reimbursed by other funders.

Except in low- and middle-income countries, the below direct costs are also considered non-eligible:

- Activities and processes that relate to ensuring post-research access to successful interventions arising from the funded research, e.g. meetings and discussions with relevant health authorities, government bodies, non-governmental organisations, pharmaceutical companies, bilateral organisations, or any other appropriate organisation;
- Post-research health monitoring except where it is an integral part of the research proposal and informs the research answer;
- Communication costs, e.g. to cover sharing of research results locally; and
- Ethics review.

In-kind contributions

CEPI gratefully acknowledges private sector contributions to CEPI initiatives through provision of cash and in-kind contributions. Such contributions to CEPI's objectives will be made on the basis of:

- shared risk, shared benefit principles as set out in relevant CEPI policy documents;
- no obligation, but an option to provide monetary funding to a programme; and
- valuation of the in-kind contributions being agreed between CEPI and the awardee(s). Where applicable, the monetary value of the in-kind contribution will be agreed at the start of an award, or at the time of a contribution

CEPI also acknowledges non-monetised in-kind contributions related to IP and know how. Such additional contribution of background IP which is critical to the success of the CEPI-funded project will be taken into account when assessing benefit sharing arrangements.

The precise nature of the contribution will be dependent upon the programme of work being undertaken and agreed on a case-by-case basis between CEPI and the awardee(s). Given CEPI's focus, it is envisaged in-kind contributions may take the form of:

- provision of expertise and/or training in relation to immunology, clinical development, clinical trial design and management, fill-finish, pilot manufacturing,
- provision of consumables;
- access to and use of facilities;
- access to and purchase of equipment;
- technology transfer;
- costs in relation to regulatory filings, sharing of data, results and publication of research (including for example in peer review journals and scientific meetings); and
- licensed, background IP and know-how, specifically related to the development or manufacturing of vaccine candidates as prioritised by and within the scope of CEPI.

Appendix A: Examples of eligible costs

Whilst costs specified in this appendix will generally be considered eligible for funding, CEPI reserves the right to fund costs at its discretion, dependent on the nature of activities and type of organisation receiving funding.

Staff-related

- Salary costs of all staff, full-time or part-time, who work directly on the project, including any employer's contributions and locally recognised allowances to the extent that CEPI considers salary rates to be in line with industry standards. Salary costs are only considered direct eligible costs for staff that provide a necessary and quantifiable contribution to the project. Staff with only nominal time spent on the project, particularly those in senior and oversight positions, should be considered as an indirect cost.
- Visa costs, plus essential associated costs.
- Specialist consultant fees to the extent that the specialist contribution cannot be provided by the awardee's own personnel.

Travel

- Travel costs incurred in accordance with CEPI's Travel Policy, including collaborative visits, trips to collect samples, etc.
- Essential subsistence costs.
- Travel costs for conferences will be funded to a maximum of \$10k per year for the whole consortium. Such travel costs will only be funded when awardees are making a direct presentation relevant to vaccine development for the diseases for which awardees are receiving CEPI funding.

Materials and consumables

- Laboratory chemicals and materials.
- Computer consumables: disks, tapes, etc.
- Clinical material maintenance.
- Any associated charges for manufacturing, packaging, shipping, delivery and freight.
- Inventory management.
- Maintaining of investigational stockpiles.

Animals and animal maintenance

- Purchase and transportation of animals.
- Food and maintenance charges.
- Experimental procedures.
- Animal project licence fees.
- Personal licences for fellows and other researchers.
- Specific and relevant training and environmental enrichment costs.
- Charge-out rates for animal house facilities.

Equipment

- Purchase or lease of new equipment for dedicated use on the CEPI project.

- Delivery, installation, training and maintenance costs related to new, project-specific equipment.
- Retrofit existing facilities specifically for the purpose of the CEPI project.
- Purchase/hire/running costs of project-dedicated vehicles.
- Software, software licences and other recurrent costs of computing dedicated to the project.
- Equipment upgrades for dedicated use on the CEPI project.
- Access charges for shared equipment or facilities to the extent that use of the equipment/facilities is not already accounted for in the indirect cost rate.
- If equipment is expected to have a useful life beyond the end of the CEPI project, CEPI reserves the right to require a return of value by the awardee (e.g., sale or donation of equipment, return of funding to reflect the residual value of the equipment).

Miscellaneous

- Inflation allowances may be included as part of the budgeting process and these anticipated costs will be funded to the extent actually incurred
- Subjects/volunteers – participatory fees and travel for subjects and volunteers and interviewee expenses.
- Dedicated CMC services.
- Clinical research costs, including the costs of trial registration and clinical trial insurance.
- Clinical trial authorisation charges.
- Regulatory fees.
- Technology transfer costs except where CEPI has exercised its step-in rights due to awardee breach.
- Patent filing costs associated with CEPI funded intellectual property.
- Open access costs.