



Coalition for Epidemic Preparedness Innovations

CEPI cost guidance
Version: 28.11.2017

This document outlines direct eligible costs, indirect costs, in-eligible costs and valuing in-kind contributions.

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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 estimated, budgeted or imputed;
- verifiable with supporting documents proving occurrence. These should be kept for up to five years after the end of the project; and
- determined according to the usual accounting and management principles and practices of the participant and generally accepted accounting principles.

These include salaries, consultants, contractors, travel, materials and consumables, and equipment, with further details of these shown in Appendix A.

CEPI funds in USD.

Indirect costs

Indirect costs are overhead or ongoing operational costs incurred by an organisation on behalf of the organisation's activities and projects, are not directly attributable to any specific project, but which can be identified and verified by its 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 or expenses related to general operations that are shared among projects and/or functions. Examples include executive oversight, existing facilities costs (including depreciation), administration, accounting, grants management, legal expenses (excluding the costs of contracting with CEPI), utilities, insurance and technology support. These are generally eligible for funding in line with an agreed allocation methodology, which can be identified and verified by the accounting system and (as of August 2017) up to a maximum rate of 15% of total direct eligible costs excluding the sub-award portion which may have a lower rate. The 15% limit applies to all primary awardees, sub-awardees and sub-contractors that are funded by CEPI.

Update August 2017 – applicable to CEPI's Call for Proposals 2 onwards

Following a benchmarking review of indirect cost rates of PDPs and other relevant funders, CEPI is now setting an indirect cost rate (of total direct eligible costs) of up to 15%. This is a maximum rate. If the organization, sub-awardee(s) and/or sub-contractor(s) has a lower rate, this lower rate should be used. Applicants are required to take this rate into account in budget preparations for Call for Proposals 2 and any subsequent CEPI calls.

Note: As outlined in the [Budget instructions](#) the indirect cost rate is used to calculate the allowable indirect cost over and above the direct cost incurred by the primary awardee (excluding sub-awards).

The percentage is applied to the sum of the following categories: personnel, travel, consultants, capital equipment and other direct costs. For the sub-awardee portion the indirect cost rate is recorded separately to facilitate differences.

Non-eligible costs

Non-eligible costs are specifically excluded from funding, including:

- VAT and other purchase taxes (except where unavoidable).
- Import duties, e.g. for equipment (except where unavoidable).
- Loan repayments.
- Interest.
- Doubtful debts.
- Foreign exchange losses.
- Marketing costs.
- Penalties and fines.
- Fundraising expenses.
- 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.
- Ethics review.

In-kind contributions

CEPI gratefully acknowledges private sector contribution to CEPI initiatives through provision of cash, and in-kind contributions, such as personnel, other direct costs, sub-contracting and financial 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.
- 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 the award or at the time of contribution, and can include personnel, other direct costs, sub-contracting and financial contributions.

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:

- services, 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 being funded.

Staff-related

- Salary costs of all staff, full-time or part-time, who work on the project, including any employer's contributions and locally recognised allowances. Where salary rates are compared to and in line with industry standards as determined by CEPI.
- Visa costs, plus essential associated costs.
- Specialist consultant fees.

Travel

- Travel costs, including collaborative visits, trips to collect samples, etc.
- Essential subsistence costs.

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 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 equipment.
- Delivery, installation, training and maintenance costs.
- Retrofit existing facilities.
- Purchase / hire / running costs of project-dedicated vehicles.
- Software, software licences and other recurrent costs of computing dedicated to the project.
- Equipment upgrades.
- Access charges for shared equipment or facilities.

Miscellaneous

- Inflation.
- 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.

Version number	Approval process	Date
4.0	Prepared by: Secretariat	28.11.2017
	Approved by:	