



European Academy
for Taxes, Economics & Law

Financing Research and Development Projects Avoid Indirect State Aid – Implement Full Costing Correctly

Practical Seminar
13th - 14th February 2012, Berlin

With Experts from:

- **European Commission**
- **Ministry for Science, Economics and Transport, Schleswig-Holstein, Germany**
- **BASF SE, Germany**
- **University College London, United Kingdom**
- **University of Amsterdam, The Netherlands**
- **PROvendis GmbH**

PRACTICAL SEMINAR

Financing Research and Development Projects

SEPARATION OF ECONOMIC AND NON-ECONOMIC ACTIVITIES IS OBLIGATORY!

Already since January 2009 the separation of economic and non-economic activities has been obligatory for all universities and research organisations in the European Union that receive public funding. The European Commission applies specific criteria to evaluate the State aid character of public funding for universities and research organizations. The criteria are defined in the Community framework for State aid for research and development and innovation. When applying the framework, public authorities as well as universities, research organisations and companies still face many difficulties and problems. The Commission supports a stronger R&D sector and cooperation between universities or research organisations and the industry. Nevertheless, the State aid criteria need to be fulfilled and no State aid element is allowed in technology transfer. A spill-over of public funding into economic activities needs to be prevented. But how do you separate economic from non-economic activities in practice? How to avoid spill-over and unlawful State aid in research projects? How do you calculate prices for new products that are confirm with the EU State aid regulations?

FULL COSTING AS AN IDEAL TOOL!

Full costing is seen as a perfect tool for separating economic and non-economic activities. Moreover, strong universities and research organisations with a greater autonomy and accountability will easier contribute to achieving a globally competitive European higher education and research area. Only institutions that know the full costs of their activities and projects can judge if they are able to operate on a financially sustainable basis. Therefore, the method of full costing is crucial for universities and research organizations across Europe. However, only in very few European countries, for example in the UK and the Netherlands, a uniform and flexible system is in use. Full costing is an essential tool to ensure accountability and to build up trust between universities, research organisations and public authorities.

FORWHOM ISTHIS SEMINAR?

- Universities and research organisations
- Research and technology centres
- Public administrations engaged in R&D activities as well as competition authorities
- Companies and industry working in research, development and innovation
- Audit courts

from

- Legal departments
- Finance departments
- Accounting and bookkeeping
- Controlling
- State aid and State aid Control
- Competition policy
- EU and national funding
- Coordination of implementation of the EU funds
- EU affairs
- Research and development for innovation operational programme management
- OP research and development
- Research service
- Technology transfer
- Business development
- Higher education and collaborative research
- External affairs
- Intellectual property
- Internal and external audit

The seminar may also be interesting for lawyers and consultants specialised in R&D cooperation.





European Academy
for Taxes, Economics & Law

WHAT DO YOU LEARN AT THIS SEMINAR?

- Why and how to separate economic and non-economic activities?
- How to avoid a spill-over from public funding into economic activities?
- How to find out if there is a State aid element in technology transfer?
- How to identify unlawful State aid in R&D&I projects?
- What is the impact of State aid regulations on R&D&I projects between industry and research organisations?
- How to calculate a price for new innovative products to act in line with EU State aid requirements?
- How to implement full costing successfully and what are possible challenges?
- How to calculate direct and indirect costs of an R&D&I project?
- How to prepare for a financial audit in R&D&I project?

YOUR BENEFIT

- Avoid the risk of unlawful State aid within your R&D&I project
- Gain certainty about State aid issues within technology transfer
- Be proactive – know how to carry out an R&D&I project between research organisations and the industry successfully and without State aid complaints
- Learn from best practice in implementing full costing from the most experienced universities in Europe
- Be prepared for a financial audit of your R&D&I project
- Receive practical advice on your individual questions
- Discuss and network with experts from the European Commission, universities, the industry and a national public authorities



PROGRAMME DAY 1

Financing Research and Development Projects

8.30-9.00

Registration and Hand-out of Seminar Material

9.00-9.05

Opening Remarks from the European Academy for Taxes, Economics & Law

9.05-9.15

Welcome Note from the Chair and Introduction Round

Dr. Hans Arno Petzold, Desk Officer State Aid Control (et. al.), Ministry for Science, Economics and Transport, Schleswig-Holstein, Germany

9.15-10.00

Why Separate Economic and Non-Economic Activities in Cost Accounting for R&D&I Projects? Competition Rules and Unlawful State Aid

- Introduction to the Community framework for State aid for research and development and innovation
- What are the preconditions for cooperation between research organisations and the industry?
- When do universities grant State aid to the industry? How can it be avoided?
- Why separate accounting for economic and non-economic activities?
- Third-party funded projects

Bernhard Michael von Wendland, Case Handler, R&D, Innovation and risk capital, DG Competition, European Commission

10.00-10.15

Discussion Round

10.15-10.45

Coffee Break

10.45-11.30

Keeping Clear of State Aid: Lawful State Aid in Technology Transfer

- How to find out if there is a State aid element in technology transfer and licensing? - Distinction between lawful and unlawful State aid in technology transfer.
- When is a research organisation an undertaking and therefore a potential State aid beneficiary?
- Infrastructural projects – how can they be funded with R&D means?
- When is technology transfer an economic, when a non-economic activity?
- How can knowledge be transferred successfully?

Dr. Hans Arno Petzold, Desk Officer State Aid Control (et. al.), Ministry for Science, Economics and Transport, Schleswig-Holstein, Germany

11.30-11.45

Discussion Round

11.45-12.30

Problems and Challenges when Calculating a Market Price for New Innovative Products

- What are common challenges and problems?
- Example: How to calculate a price for new innovative products to act in line with EU State aid requirements?
- How to calculate a market price for a product that does not yet exist?
- Some ideas on calculating full cost for scientific services

Heike Huisken, IP Lawyer, PROvendis GmbH

12.30-12.45

Discussion Round

12.45-14.00

Lunch Break

YOUR CHAIR



DR. HANS ARNO PETZOLD

Desk Officer State Aid Control (et. al.), Ministry for Science, Economics and Transport, Schleswig-Holstein, Germany

Since 2007 Dr Hans Arno Petzold has been working for the Schleswig-Holstein Ministry for Science, Economics and Transport. He is mainly dealing with EU State aid matters. Previously, Dr Petzold worked in the public and private sector. He was legal adviser of a social health insurance and private secretary to a State Prime Minister. Moreover, he worked as manager for a trade and industry federation, as visiting lecturer at a police academy and as director of an EU information office.



BERNHARD MICHAEL VON WENDLAND

Case Handler, R&D, Innovation and Risk Capital, DG Competition, European Commission

Bernhard Michael von Wendland joined the European Commission in 2002. There, Mr von Wendland worked for the Directorate General Energy and Transport, as the financial manager of the Trans-European Transport Network. In 2004, he changed to DG Competition and was involved in State aid for R&D and Innovation, for risk capital investments, and public guarantees. Between May and December 2008, he was back to DG Energy and Transport as a project manager, in order to monitor the transposition of the Energy-efficiency Directive and to look at investments and State aids in this field. Since January 2009 he has been working in DG competition again as a case handler. In particular, he has been dealing with large R&D aids in the aeronautics sector, public funding for universities and research facilities, and State Aid for risk capital investments.



HEIKE HUISKEN IP Lawyer, PROvendis GmbH

Heike Huisken is an IP lawyer admitted to the German bar and holding the French maîtrise en droit. She is advising PROvendis GmbH in all aspects of technology transfer contracts. As a patent marketing agency for 27 universities of North Rhine-Westphalia, Germany, PROvendis GmbH offers exclusive access to inventions and patents of over 30,000 scientists in a wide variety of technology fields. As a lawyer in a patent attorney and law firm, Heike Huisken has been giving advice to SMEs on technology transfer and R&D contracts as well as IPR in proposals and executions of funded research projects. Prior, she had been Head of the Legal Team of the IPR-Helpdesk – the European Commission contact point for all IPR and contractual issues of EU funded research projects.





14.00-14.45

How to Separate Economic from Non-economic Activities? How to deal with Economy-Oriented Services?

- Separation of economic and non-economic activities, but how?
- Prevent spill-over from public funding of non-economic activities into economic activities
- How to separate in practice? (Practical example: e.g. in an university hospital)
- How to define economy-oriented services?
- How to handle contract research with regards to State aid

Dr. Hans Arno Petzold, Desk Officer State Aid Control (et. al.), Ministry for Science, Economics and Transport, Schleswig-Holstein, Germany

Practical Example

14.45-15.00

Discussion Round

15.00-15.30

Coffee Break

15.30-16.00

Impact of EU State Aid Regulations on R&D&I-Projects between Industry and Research Organisations - Field Report of an Industrial Company

- The specific regulatory purpose of the community framework for State aid for R&D&I
- Differences between contract R&D&I projects and R&D cooperation
- Conditions to successfully award a R&D&I contract and to carry out R&D cooperation
- State aid conform agreements

René Schäfer, Senior Counsel, Department Global Intellectual Property, BASF SE, Germany

16.00-16.15

Discussion Round

16.15-16.45

Practical Experiences of a Public Administration with Unlawful State Aid

- Experiences with State aid in the context of R&D&I
- How to control if State aid is involved in technology transfer?
- What happens when an unlawful State aid is detected? What needs to be done by the public administration?
- Will the research organization make profit with their national or EU funded project? How to control this?

Dr. Hans Arno Petzold, Desk Officer State Aid Control (et. al.), Ministry for Science, Economics and Transport, Schleswig-Holstein, Germany

16.45-17.00

Discussion Round

17.00

End of Day One



RENÉ SCHÄFER

Senior Counsel, Department Global Intellectual Property, BASF SE, Germany

Since 1999, Mr Schäfer has been working for BASF SE. He is senior counsel in the Department for Global

Intellectual Property and mainly responsible for trade mark matters of various business units as well as for research contracts for various research units. Previously, he was working for a cosmetic company in Germany and France and was dealing with intellectual property matters worldwide. From 1992 until 1996 Mr Schäfer was responsible for licensing, trademarks and remuneration of employee-investors at a chemical and pharmaceutical company. Prior to that he taught civil law and constitutional law to civil servants and public officers at the Hessian School for Education of Civil Servants. Mr Schäfer studied law at the Johann-Wolfgang-Goethe University in Frankfurt and is admitted to the bar in Germany as attorney-at-law.

PROGRAMME DAY 2

Financing Research and Development Projects

9.00-9.05

Welcome Note from the Chair

Dr. Hans Arno Petzold, Desk Officer State Aid Control (et. al.), Ministry for Science, Economics and Transport, Schleswig-Holstein, Germany

9.05-9.45

Full Costing as a Tool for Fulfilling the EU Requirements

- How to identify full costs
- Covering costs from internal and external sources
- Managing costs strategically
- Calculating direct and indirect costs and determining relevant cost area types
- Relation of research, teaching, infrastructure and indirect costs
- Separation of costs for research, teaching and scientific service

Jan Pieter Aartsen, Corporate Controller, University of Amsterdam, the Netherlands

9.45-10.00

Discussion Round

10.00-10.30

Coffee Break

10.30-11.15

Preparing for Financial Audit in R&D&I Projects

- How does a financial audit look like? What will be controlled?
- How to prove that all costs are correct?
- How to demonstrate that high indirect costs are satisfied?
- How to show that calculated and charged prices are compatible with the market price?
- What do auditors expect from research organisations, the industry and public authorities?
- Criteria for audits

Jan Pieter Aartsen, Corporate Controller, University of Amsterdam, the Netherlands

11.15-11.30

Discussion Round

11.30-12.15

Forecasting and Documentary Proof – Implementation Problems with Full Costing

- Problems and challenges and how to solve them

Tim Fähnrich, Systems Accountant, Research Services, Finance Division, University College London, United Kingdom

12.15-12.30

Discussion Round

12.30-13.45

Lunch Break

13.45-14.30

The Successful UK Approach: Transparent Approach to Costing (TRAC)

- Activity based accounting methodology
- Full transparency of costs by all actors involved
- Clear understanding of costs
- How to implement methods such as the transparent costing approach?

Tim Fähnrich, Systems Accountant, Research Services, Finance Division, University College London, United Kingdom

14.30-15.00

Discussion Round

15.00

End of Seminar and Hand-out of Certificates



JAN PIETER AARTSEN
Corporate Controller, University of Amsterdam, the Netherlands

Pieter-Jan Aartsen (MA) had been Internal Auditor at the University of Amsterdam for seven years, before he was appointed as Corporate Controller

in 2006. In this position he has been responsible for the implementation of the full cost methodology throughout the universities financial system. Based on this experience he has been advisor to the Dutch Universities Association in setting the principles of full costing nationwide in the Netherlands.

In the most recent years he has contributed as architect to the establishment of a business warehouse and management reporting system to anchor all aspects of the current financial governance model in the organization of the University of Amsterdam. He takes part in the EUIMA-project of the European University Association to help and train universities in developing to financial sustainable institutions as state funding decreases in most European countries while autonomy of universities is increasing.



TIM FÄHNRICH
Systems Accountant, Research Services, Finance Division, University College London (UCL), United Kingdom

Tim Fähnrich, a UK qualified Management Accountant, has been working for UCL since 2000. He arrived at UCL following several years working in banking in Germany, mainly in the areas for foreign exchange and money market. Currently he is working as Systems Accountant in the Research Service at UCL dealing with all aspects of full-costing of research projects, the annual TRAC return as well as the integration of the costing requirements into the various systems at UCL. Mr Fähnrich is also the Financial Manager of a multi-national project (SINTROPHER) funded by the Interreg IVB North-West Europe programme, with a budget of 23 million Euros.



ORGANISATIONAL MATTERS

Financing Research and Development Projects



Europäische Akademie
für Steuern, Wirtschaft & Recht

Date of Event

13th - 14th February 2012

Booking Number

S-411

Event Language

The event language will be English.

Event Price

1389,- Euro, excl. German VAT (19%)

The above price covers the following:

- Admission to the seminar
- Hand-out documents
- Soft drinks and coffee/tea on both event days
- Lunch on both event days

Booking Modalities

It is recommended to book soon as seats are limited. For organisational matters, we kindly ask you to complete the booking form in capital letters.



BOOKING

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Internet: www.maritim.de

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NOTE

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BOOKING

BOOKING NUMBER: S-411(DM)

13TH - 14TH FEBRUARY 2012

Herewith we register the following persons for the Seminar: "Financing Research and Development Projects"

Delegate 1
 Ms. Mr.

First name _____ Last name _____ Phone _____
 Department _____ Fax _____
 Job position _____ E-mail _____
 Your organisation _____
 Street _____
 Postcode / City _____
 Country _____

Delegate 2
 Ms. Mr.

First name _____ Last name _____ Phone _____
 Department _____ Fax _____
 Job position _____ E-mail _____
 Your organisation _____
 Street _____
 Postcode / City _____
 Country _____

Delegate 3
 Ms. Mr.

First name _____ Last name _____ Phone _____
 Department _____ Fax _____
 Job position _____ E-mail _____
 Your organisation _____
 Street _____
 Postcode / City _____
 Country _____

Invoice organisation

To the attention of _____
 Street _____ Phone _____
 Postcode / City _____ Fax _____
 Country _____ E-mail _____

In case of registration of more than one delegate - do you prefer: single invoice? collective invoice?

With my signature I confirm my registration and accept the General Terms and Conditions as legally binding.

I herewith agree to receive further information from the European Academy for Taxes, Economics & Law

Place, Date

Authorised Signature and Stamp



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