

## ARIA's Eligible Expenditure/Cost Rules

### Eligible Expenditure/Cost

The following costs will be considered as Eligible Expenditure/Costs if incurred for the purposes of the Project Activities:

- + Costs directly incurred or directly allocated as a result of delivering the Project Activities, these costs may include:
  - + Labour – defined as salary costs plus employers national insurance, plus employer pension contributions
  - + Materials
  - + Travel and subsistence – travel costs must be reasonable and necessary for the purposes of the project
  - + Sub contractor costs
  - + Equipment & facility use – costs relating to workshops or laboratories that can be identified specifically as directly attributable to the project can be claimed in this section.
  - + Other costs as identified in you application and approved by ARIA as part of any subsequent agreement
  - + There are three options for claiming indirect costs either:
    - An overhead charge of 25% of your labour costs and 5% of all other costs;
    - Company calculated overhead rate. If this option is selected then evidence of your overhead rate will be required for agreement by ARIA; or
    - Full Economic Costing can be used. This cost should be verifiable and evidence of workings will be required.

### Ineligible Expenditure/Cost

Potential funding recipients may not claim the following non-exhaustive list as Eligible Expenditure/Cost unless otherwise agreed on a case by case basis:

- + margin on costs unless otherwise stated in the funding agreement letter
- + input VAT reclaimable by the funding recipient from HMRC
- + the acquisition or improvement of assets by the recipient (unless the funding is explicitly for capital use – this will be stipulated in the funding letter); and

- + liabilities incurred before the commencement of the funding agreement unless agreed in writing by ARIA.

Other examples of expenditure which are prohibited include the following:

- + paid for lobbying, which means using ARIA funding to fund lobbying (via an external firm or in-house staff) in order to undertake activities intended to influence or attempt to influence Parliament, government or political activity; or attempting to influence legislative or regulatory action;
- + using the ARIA funding to directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the project;
- + using the ARIA funding to petition for additional funding;
- + expenses such as for entertaining, specifically aimed at exerting undue influence to change government policy;
- + payments for activities of a political or exclusively religious nature.
- + contributions in kind;
- + interest payments or service charge payments for finance leases;
- + gifts;
- + statutory fines, criminal fines or penalties civil penalties, damages or any associated legal costs;
- + payments for works or activities which the recipient, or any member of their partnership, has a existing statutory duty to undertake, or that are fully funded by other sources;
- + bad debts to related parties;
- + payments for unfair dismissal or other compensation.