

Useful definitions

The following definitions could be useful when applying for grants

Direct costs – are directly related to the project (exclusive of VAT)

- **Personnel costs / personalkostnader** – direct labor costs. Include always gross salary, social security contributions (LKP) and if justified even holiday pay

Gross salary / bruttolön is stated in your contract of employment and means the amount before tax is paid

Social security contributions / LKP is paid by your employer and entitle you to sickness benefits, parent's allowance, pension and occupational injuries benefits. LKP for 2017 is 50,04%

Holiday pay / semesterlön – you are entitled to holiday with pay, approximately 3 days a month. If your participation in the project is shorter than one year you have to add to personnel costs 5,04% of your gross salary for every day of your holiday.

- **Operational costs / driftkostnader** – travel, materials, literature, supplies, equipment, consultant services.
- **Direct local cost / direkta lokalkostnader** - facility costs or rent
- **Costs for conferences / konferenskostnader** – there are special rules and procedure that are valid if you are going to organize a conference. Please contact Anders Nyström before you apply.

Indirect costs (overhead costs)

The overhead costs (OH) are the ongoing costs that are not classified as direct costs for the project but incurred by a project such as the costs for central administration, infrastructure and rent for the premises.

Lund University applies the full cost accounting model for allocating indirect (OH) costs and recognizes three levels in the organization: central, faculty and department. Both direct labor (salary plus social insurance) and operational costs (driftkostnader) carry overhead costs of **30,18%**.

For the year 2018 the indirect cost rate (OH) for the Department of Business Adm is 23,94% and the rate for local costs is 6,24%. In total it is **30,18%**. This year's rate is relatively low so for projects ranging from 2019 and beyond, we recommend that you use an OH of 35% in your budget.

It is important that the overhead cost is included in the total sum applied for.