

**Addendum I to Volume III –
University-Industry Collaboration Programme (June 2002) of
the Guide to the Innovation and Technology Fund**

For projects submitted on or after 1 September 2004, universities are allowed to include administrative overheads as part of the project cost in the project budget. The administrative overheads to be included in the project budget can be at most 15% of the total ITF fund requested and not less than 15% of the matching fund from the company. Such administrative overheads would cover expense items including, but not limiting to, the following:

- (a) rental/time cost of existing equipment.
- (b) maintenance cost of existing equipment.
- (c) depreciation/amortization or provisions not representing actual expenses incurred.
- (d) general office and IT equipment.
- (e) building facilities (including office, laboratory, accommodation) - rates, rental, renovation, and operation, repair and maintenance expenses.
- (f) utilities - charges for electricity, gas, water, telephone and fax.
- (g) general administration and office expenses.
- (h) staff-related costs - provident fund handling charges, staff training and development costs and staff facilities.
- (i) costs related to staff recruitment.
- (j) charges for services provided by the recipient organization or their contractors/agents - accounting services, personnel services, procurement services, library services, security services, cleansing services, legal services, and central and departmental administrative services.

The administrative overheads would be disbursed to the university upon request, and after receipt of final audited accounts and proof that the company has contributed its share of the project-related administrative overheads. Subject to the ceiling of ITF funding approved for a project, the Government's share of the administrative overheads would be capped at 15% of the ITF funding utilized for the project, i.e. total disbursed ITF funding less the residual funds remaining in the project account (excluding interest income).¹

As the administrative overheads would have covered the relevant expenses as listed above, such expenses should not be separately included and charged in the project budget and/or account.

The administrative overheads thus calculated should be included as receivable and payable in the financial statements for the final report and the final audited accounts of each project.

¹ To be calculated in accordance with the percentage specified in the project agreement or as otherwise agreed.