



# Financial Regulations

**LEX 5.1.1**

Version 1.11 of 1<sup>st</sup> January 2022

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*The President of EPFL,*

based on the Ordinance on the Organisation of the Ecole polytechnique fédérale de Lausanne<sup>1</sup> of 1<sup>st</sup> March 2004, status as at 1<sup>st</sup> January 2019,

*hereby adopts the following:*

## **Chapter 1      Scope of application and principles<sup>2</sup>**

### **Article 1      Scope of application**

<sup>1</sup> The Financial Regulations, hereinafter referred to as “Regulations”, govern the management and use of the financial resources of EPFL, regardless of their source.

<sup>2</sup> They apply to all employees of the Ecole polytechnique fédérale de Lausanne, hereinafter referred to as “EPFL”.

<sup>3</sup> All legal texts applicable to EPFL referred to in this document are available on the website [polylex.epfl.ch](http://polylex.epfl.ch)<sup>3</sup>.

### **Article 2      Principles**

Financial management at EPFL is based on the following principles:

- a. the adherence to the rules and regulations and legal provisions;
- b. the guarantee that all transactions of the same nature comply with the same rules and regulations;
- c. the economic, efficient, sustainable and transparent<sup>4</sup> management of financial resources.

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<sup>1</sup> Ordinance on the Organisation of EPFL (LEX 1.1.1).

<sup>2</sup> In this document, the generic masculine gender refers to both women and men.

<sup>3</sup> Electronic compendium of EPFL laws, ordinances, regulations and directives (acronym: LEX followed by individual reference number).

<sup>4</sup> Transparent signifies that it must be possible to certify that transactions accurately reflect the reality of the situation.

## Chapter 2 Financial structure, accounting standards and responsibilities

### Section 1 EPFL financial structure

#### Article 3 Financial structure

The financial structure of EPFL comprises four distinct levels:

- Level 1:** EPFL
- Level 2:** Presidency and Vice Presidency, School<sup>5</sup>, College, Transdisciplinary Units (ENT-R, ENT-E; ENT-I), Outposts
- Level 2b:** Technical level reserved for Associate Vice Presidents associated for the VPA and the Directors of the VPO domain
- Level 3:** Institute, Center, Section, Domain, Technological Platform, other
- Level 4<sup>6</sup>:** Laboratory, Chair, Group, Service, Workshop, other unit

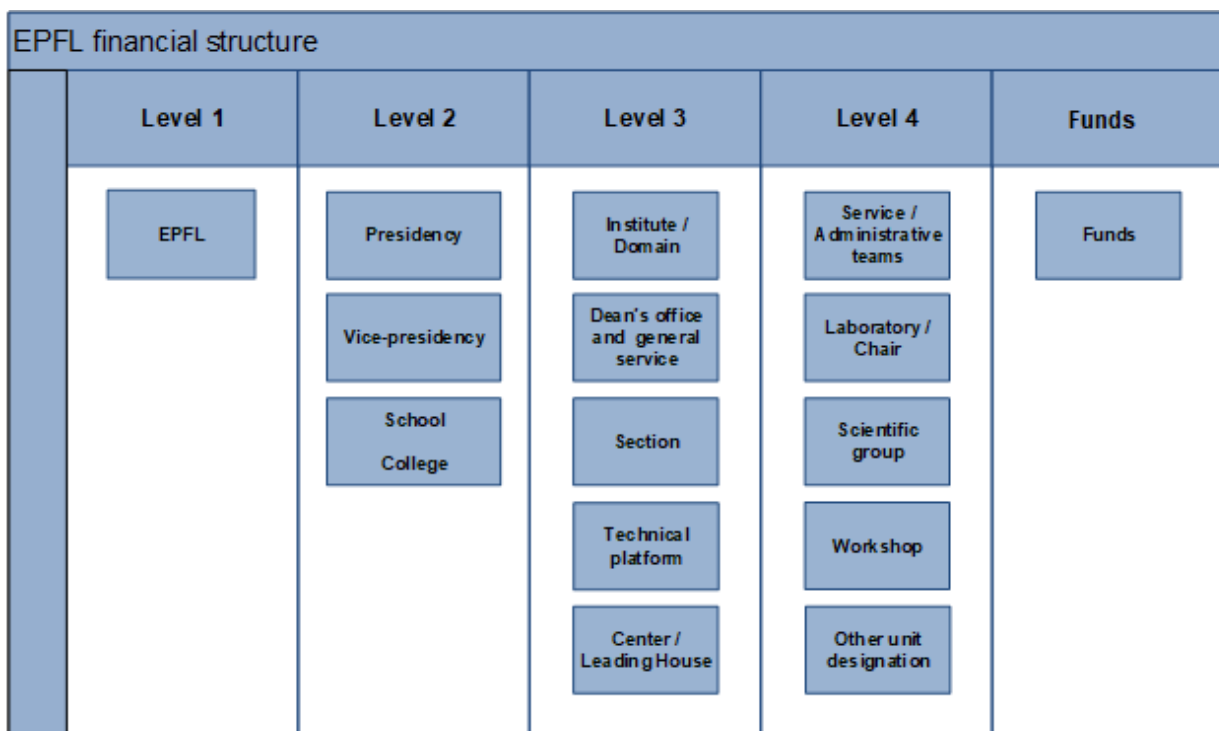


Figure 1 – EPFL financial structure

#### Article 4 Funds

<sup>1</sup> All EPFL financial resources are managed via funds.

<sup>5</sup> In the present document, the term “School” includes Colleges and the term “Deans” includes “College Directors”.

<sup>6</sup> Note: level 4 is designated cost center or unit in these Regulations.

<sup>2</sup> Each fund is attached to a level 4 cost center.

## **Section 2 EPFL accounting and accounting standards**

### **Article 5 Accounting**

<sup>1</sup> EPFL operates budgetary, financial and analytical accounting systems<sup>7</sup>.

<sup>2</sup> The attachment of staff to cost centers must reflect their activity and ensure cost transparency.<sup>8</sup>

### **Article 6 EPFL accounting standards**

<sup>1</sup> The accounting standards are defined in the *Ordonnance sur les finances et la comptabilité du domaine des EPF*<sup>9</sup> and further specified in the accounting manual of the ETH Domain.

<sup>2</sup> These standards include the accounting regulations specific to financial accounting, and the structure of the chart of accounts common to the ETH Domain.

<sup>3</sup> These standards specify the processing of accounting transactions and regulations concerning the closing and presentation of annual accounts.

<sup>4</sup> The consolidated accounts of EPFL are integrated into the consolidated accounts of the ETH Domain, which in turn are consolidated within the Confederation accounts.

<sup>5</sup> The scope of consolidation for EPFL is approved annually by the Vice President for Finances.

## **Section 3 Responsibilities**

### **Article 7 EPFL Direction (level 1)**

The responsibilities of the President and Direction of EPFL (hereinafter referred to as “the Direction”) are defined in the Ordinance on the Organisation of EPFL<sup>10</sup>.

### **Article 8 Vice Presidents and Deans (level 2)**

<sup>1</sup> Each Vice President and Dean is responsible for the management and control of all financial resources allocated to their Vice Presidency or School.

<sup>2</sup> Responsibility for the management and control of financial resources concerns the following domains:

- planning and allocation of budgetary resources;
- efficient use of resources;
- preparation of requests for additional financing;
- regular control of budgetary funds and third-party funds<sup>11</sup>;
- intervention in the event of budget overrun<sup>12</sup> or any overdraft or deficit on a third-party fund.

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<sup>7</sup> For the definition of terms used, see Glossary.

<sup>8</sup> *Ordonnance sur les finances et la comptabilité du domaine des EPF* (RS 414.123 and LEX 5.1.0.2), Art. 23 para. 2d.

<sup>9</sup> *Ordonnance sur les finances et la comptabilité du domaine des EPF* (RS 414.123 and LEX 5.1.0.2).

<sup>10</sup> Ordinance on the Organisation of EPFL (LEX 1.1.1).

<sup>11</sup> See also the Rules and Regulations Concerning the Organisation of EPFL Schools (LEX 1.2.9, Art. 8 para. 4 let. e).

<sup>12</sup> Overrun refers to an overdraft or deficit on a third-party fund or a budget overdraft:

- Overdraft = temporary overrun on third-party fund;

**Article 9 Heads of Units (levels 2b, 3 and 4)**

<sup>1</sup> All Heads of Unit are responsible for the management and control of all financial resources allocated to their Units.

<sup>2</sup> Responsibility for the management and control of financial resources concerns the following domains:

- requests for and monitoring of budgetary resources in accordance with the strategic objectives of EPFL;
- preparation of requests for additional financing;
- efficient use of resources allocated to the Unit;
- regular control of the Unit's budgetary funds (level 4);
- regular control of the status of the Unit's third-party funds (level 4);
- intervention to rectify any budget overrun or overdraft or deficit on third-party funds.

**Chapter 3 Financing of EPFL****Article 10 Origin of financial resources**

<sup>1</sup> The financing of EPFL comprises:

- the financial contribution of the Confederation;
- other School revenue (tuition fees, sale of services, financial revenue, etc.);
- third-party financing (see Art. 12 below).

<sup>2</sup> The annual financial resources are allocated by the Confederation to the ETH Domain on the basis of a performance mandate covering a period of four years.

<sup>3</sup> The ETH Domain concludes agreements on operational objectives with the EPFs and research establishments and allocates the financial contribution.<sup>13</sup>

**Article 11 Third-party financial contribution<sup>14</sup>**

Third-party financing is primarily provided by the following sources:<sup>15</sup>

- research grants (financing from research-funding bodies for research work or projects, without any claims regarding ownership of research results);<sup>16</sup>
- research or service contracts with companies (generally with intellectual property rights);<sup>17</sup>
- others (financing not falling into the above categories).<sup>18</sup>

- 
- Deficit = definitive overrun on third-party fund;
  - Budget overdraft = budget overrun.

<sup>13</sup> Federal Act on the Federal Institutes of Technology (FIT Act, RS 414.110 and LEX 1.0.1), Art. 33a.

<sup>14</sup> See also Chapter 5 – Third-party funds.

<sup>15</sup> An overview of research-funding possibilities at EPFL can be found on the site <http://research-office.epfl.ch>.

<sup>16</sup> For example: Swiss National Science Foundation (SNSF), Innosuisse, federal offices, foundations, European Commission framework programmes, national and international programmes.

<sup>17</sup> EPFL Directive on grants, research contracts and technology transfer, DSCRTT (LEX 3.4.1), Art. 3.

<sup>18</sup> For example: donations or sponsoring; licensing agreements.



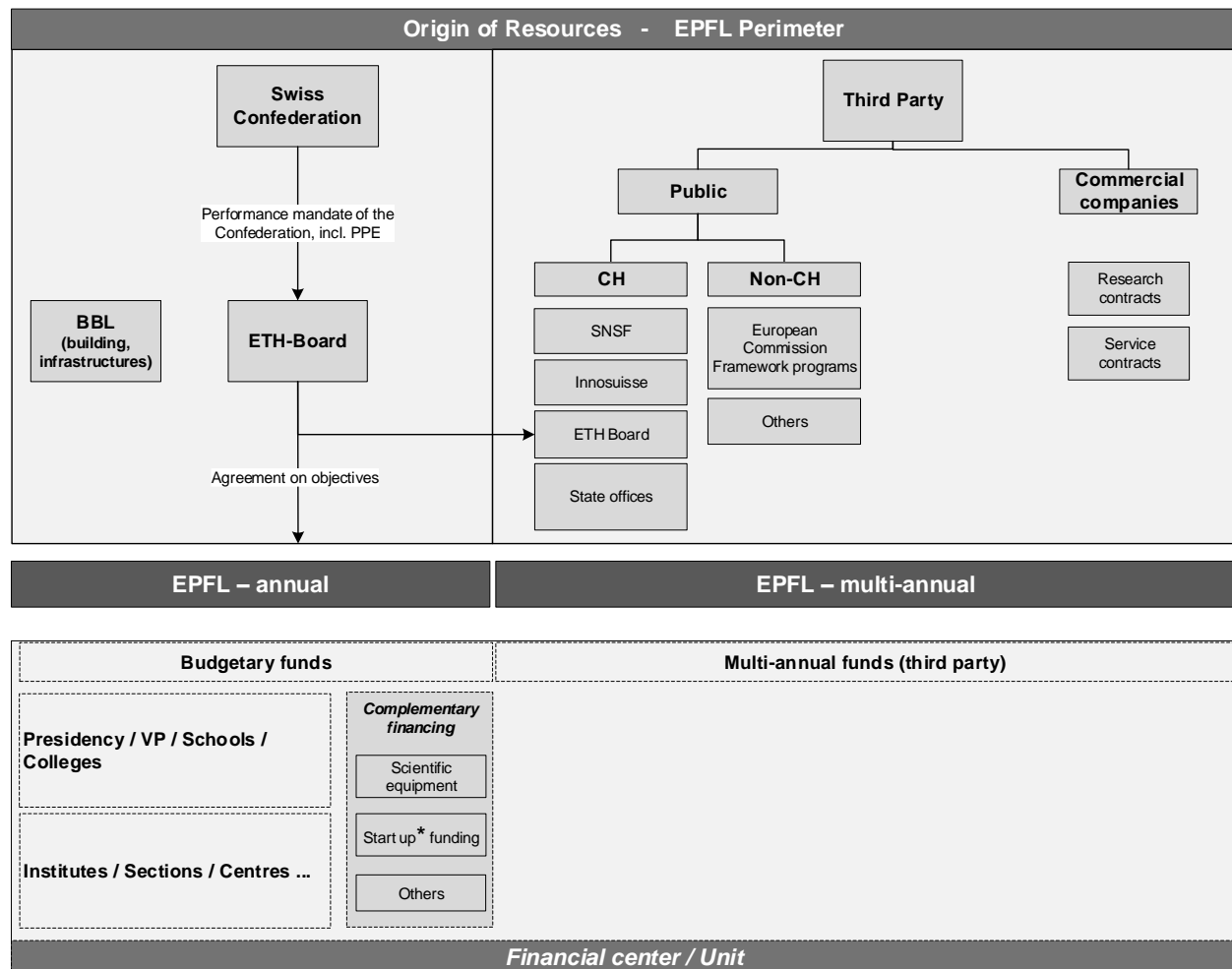


Figure 2 – EPFL funding sources

\* Scientific equipment funds linked with start-up financing are multiannual, although originating from complementary financing.

## Chapter 4 Planning, budget and control

### Article 12 Multiannual financial planning

<sup>1</sup> Based on EPFL strategic objectives, the Vice President for Finances draws up the multiannual financial planning.

<sup>2</sup> The multiannual financial planning is then submitted to the Direction for approval.

### Article 13 Preparation of draft annual budget

<sup>1</sup> The process for preparing the annual budget is described within the framework of the ICS.

<sup>2</sup> The current EPFL budgetary process takes into account only those budgetary resources originating from the financial contribution of the Confederation allocated by the ETH Board and revenue and fees generated by EPFL and defined as being part of the annual budget<sup>19</sup>.

#### **Article 14 Approval and allocation of annual budget**

<sup>1</sup> The President approves the annual budget and allocates to the Vice Presidents and Deans their annual budgets in the form of individual budgets<sup>20</sup>.

<sup>2</sup> The Vice Presidents and Deans allocate the financing to their respective Units.

<sup>3</sup> Budgetary allocations to the Vice Presidents and Deans must be carried out in writing.

<sup>4</sup> Each Vice President shares out the financing received in their individual budgetary allocation<sup>21</sup>.

#### **Article 15 Budgetary funds**

<sup>1</sup> The individual budgets are allocated to budgetary funds.

<sup>2</sup> At the annual closing, the balance of a budgetary fund is not carried over to the following year.

<sup>3</sup> Budgetary funds are attached to the structure of EPFL (level 4) and assigned either directly to the Head of Unit or to the person responsible for the fund.

<sup>4</sup> The request for the opening of a new budgetary fund by the Controlling Service must be linked to the allocation of an expenses budget.

<sup>5</sup> Any budget transfer relating to individual budget A must include the technical rate applied as social security contributions (budget D).

<sup>6</sup> At the end of the year, the overall balance of the budgetary funds of each level 2 Unit is handled as follows:

- If the amount is negative: the School/College/VP compensates with its reserve fund;
- If the amount is positive: in the Schools and Colleges, the amount is transferred into a “roll-over” fund, handled by the VPF, then returned to the Schools and Colleges with the following year’s budget. In other level 2 Units, the amount is transferred to the “Direction’s Reserve” fund, unless another allocation is decided upon by the Direction.

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<sup>19</sup> See Art. 10 para. 1

<sup>20</sup> This provision is in accordance with LEX 1.1.1.

<sup>21</sup> This consists of the following budgetary allocations:

- Salary budgets (budgets A+D): these budgetary allocations cover salary costs, including all social security contributions, for regular staff employed on a permanent basis or on fixed-term contracts;
- Operating budget (budget B): this budgetary allocation covers operating costs (equipment, general expenses, third-party services, etc.), travel expenses, replacement or acquisition of new investment goods < CHF 50,000 and the purchase of computer hardware and software and other IT services. It is also used to finance salaries, including social security contributions for temporary staff (AE/AC and PI/HA) and funding supplements for the salaries of doctoral students employed on a research project financed by the Swiss National Science Foundation (SNSF);
- Other budgetary allocations:
  - Other salaries: Budget C
  - Central Services: Budget E
  - Educational projects: Budget F
  - Research projects (and start-up financing): Budget G
  - Revenue: Budget R.

**Article 16 Multiannual funds**

<sup>1</sup> Multiannual funds are supplied by the financial contribution of the Confederation, either via the EPFL budget or via the budget of other institutions of the ETH Domain (including CEPF).

<sup>2</sup> The balance of a multiannual fund is carried over from one financial year to another.

<sup>3</sup> The allocation is for a period of 12 months, providing that it comes from the EPFL budget. Allocations from the other institutions of the ETH Domain may be for longer periods.

<sup>4</sup> Multiannual funds have a start and end date.

<sup>5</sup> At the end date, a positive balance is refunded (transfer to the Direction's reserve fund) and a negative balance is offset by the Unit's resources.

<sup>6</sup> Opening of and transfers on multiannual funds must be approved by the VPF. The President decides in the event of dispute.

**Article 17 Monthly closing and budgetary control**

<sup>1</sup> EPFL accounts are closed monthly.<sup>22</sup>

<sup>2</sup> A budgetary control of all EPFL funds is carried out on a quarterly basis by the Controlling Service.

**Article 18 Quarterly financial report to EPFL Direction**

A financial report comprising namely the budgetary control, spending from third-party funds, the list of third-party funds at risk of deficit, the status of reserve funds and notably the multiannual funds, is prepared and submitted to the Direction on a quarterly basis by the Vice President for Finances.

**Article 19 Financial statistics**

<sup>1</sup> The VPF is responsible for maintaining and providing EPFL financial and institutional data, including those required by federal bodies.

<sup>2</sup> These financial statistics are regularly made available to the Direction.

**Article 20 Annual closing**

<sup>1</sup> The Vice President for Finances controls and signs the annual accounts.

<sup>2</sup> The Direction must approve the closing entries, in particular the difference in provisions and reserves as well as contingent liabilities.

**Chapter 5 Third-party funds****Article 21 Principles**

<sup>1</sup> Third-party funds are linked to projects or activities and allow the accounting management of third-party financial contributions.

<sup>2</sup> Third-party funds are opened for a limited period defined by the project activity.

<sup>3</sup> Heads of Unit are responsible for any negative balance of the funds they manage and compensate it with the reserve fund.

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<sup>22</sup> The closing of EPFL accounts is carried out around the 10th of the following month. Once the accounts have been closed, the financial reports for the period are final. Any requests for the cancellation or correction of entries are ascribed to the following period.

<sup>4</sup> If necessary, the Head of the Controlling Service has the authority to close a project fund.

<sup>5</sup> The “Directive for the management of reserves at EPFL” completes the rules relating to the management of reserves laid out in this chapter<sup>23</sup>.

## **Article 22 Employment of personnel on third-party funds**

<sup>1</sup> The employment of personnel with fixed-term contracts financed by a third-party fund must reconcile the budget and closing date of the said fund.

<sup>2</sup> Any exceptions are the responsibility of the Human Resources Manager (HR Manager), who decides in accordance with the *Règlement de compétences RH*.<sup>24</sup>

## **Article 23 Types of third-party funds**

Each Unit has project funds, designated funds<sup>25</sup> and a reserve fund.

## **Article 24 Project funds**

<sup>1</sup> A project fund is opened by the Controlling Service on the basis of a contract for an amount of more than CHF 50,000 and a request from the Research Office (research grants), Technology Transfer Office (research contracts) or Philanthropy Services (sponsoring, donation and legacy contracts).

<sup>2</sup> Each contract is first entered into one of the contract management databases.<sup>26</sup>

<sup>3</sup> The project fund is closed on the date the contract ends. This action comes in principle three months after the deadline or at the latest after the final payment.

<sup>4</sup> Any deficit or surplus on the project fund is offset by the Unit’s reserve fund; however, the Head of Unit must conform to the specific management rules defined in the contract by the funding source, donor or sponsor.

<sup>5</sup> The Controlling Service may extend the duration of a fund on the basis of a valid contract (or amended contract), plus a request in accordance with paragraph 1.

## **Article 25 Designated fund**

<sup>1</sup> A designated fund registers revenue and expenditure not financed by a project fund.

<sup>2</sup> A designated fund is supplied by the reserve fund or revenue from research or service contracts for amounts of less than CHF 50,000<sup>27</sup>.

<sup>3</sup> Net expenditure is covered annually by the reserve fund.

<sup>4</sup> Subject to exceptions, designated funds are capped at CHF 50,000.00 at the end of the year, with surplus funding transferred to the reserve fund for the Unit concerned.

## **Article 26 Reserve fund**

<sup>1</sup> Any balance from a project fund that has reached its closure date and does not have to be refunded to the funding source is transferred to the Unit’s reserve fund.

<sup>2</sup> The balance of the reserve fund is to be used for teaching and research activities.

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<sup>23</sup> LEX 5.1.2 – Directive for the management of reserves at EPFL.

<sup>24</sup> *Règlement de compétences RH*, RCRH (LEX 4.6.1).

<sup>25</sup> The term “designated fund” also includes the funds named “mandats divers” or “collaborations diverses”.

<sup>26</sup> Grants database or Polycontrat.

<sup>27</sup> EPFL Directive on Grants, Research, Contracts and Technology Transfer, DSCRTT (LEX 3.4.1) Art. 25 para. 2.

<sup>3</sup> It can also be used to offset deficits on other funds.

<sup>4</sup> The reserve fund only registers internal transfers relating to overheads and surpluses or overdrafts on other funds. The payment and collection of invoices and the payment of salaries may not be carried out using the reserve fund.

#### **Article 27 “Direction’s reserve” fund**

<sup>1</sup> The Direction manages a “Direction’s reserve” fund.

<sup>2</sup> All requests for financing by this fund must be submitted to the Vice President for Finances and all decisions regarding the use of this fund are made by the Direction.

#### **Article 28 Third-party financial reports**

<sup>1</sup> The financial reports for third-party funds are based on the accounts.

<sup>2</sup> The unit responsible for preparing the financial report bases it on the reporting structure and rules established by the funding sources.

<sup>3</sup> The Head of Unit controls and approves the financial reports submitted to them.

<sup>4</sup> These financial reports are archived in the ERP by the Controlling Service.

## **Chapter 6 Accounting transactions**

#### **Article 29 Accounting Service**

<sup>1</sup> The Accounting Service ensures the application of EPFL accounting regulations.

<sup>2</sup> The Accounting Service verifies the correctness of operations in accordance with the principles laid down in these Regulations.

#### **Article 30 Checking of conformity of supplier invoices**

The Accounting Service checks that signatures on invoices comply with the Signature Register via sampling.<sup>28</sup>

#### **Article 31 Correction of entries<sup>29</sup>**

<sup>1</sup> Erroneous transactions<sup>30</sup> must be corrected within 30 days at the latest after the monthly closing of accounts.

<sup>2</sup> At the end of the year, corrections of entries concerning basic financing are accepted up until the annual closing date (according to the closing guidelines issued by the Accounting Service).

<sup>3</sup> Corrections of entries may be accepted in the following situations and must be submitted to the Controlling Service using the “Correction of entries / *correction d’écriture*” form on the VPF website:

- a) Correction after the deadline for non-eligible expenses defined by the funding source (third-party funds);

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<sup>28</sup> The recording of an order generates an order number that must be entered on the invoice in order to offset the commitment. A travel request generates a travel number that appears on the travel expense claim. The invoices relating to a trip must bear the travel number.

<sup>29</sup> An entry correction concerns a modification of an accounting transaction other than salary.

<sup>30</sup> An erroneous transaction may comprise either incorrect text regarding the accounting transaction description or a charging error (incorrect fund, incorrect budgetary account, double posting, etc.).

- b) Correction after the deadline if the fund had not yet been opened at the time of the transaction;
- c) Correction of charge on a debtor invoice;
- d) Correction of charge on an invoice for a purchased asset;
- e) Correction of an erroneous charge of over CHF 10,000.

If the correction concerns a budgetary fund, the form must be signed by the Head of Finance and Controlling (RFF) concerned.

**Article 32 Request for salary reversal**

<sup>1</sup> A reversal request may concern a salary debited to the wrong fund or a salary for which financing must be completely or partially changed.

<sup>2</sup> The Head of Unit submits a signed reversal request via the existing electronic workflow within 60 days following the monthly closure.

<sup>3</sup> All reversal requests must conform to the rules of the funding source.<sup>31</sup>

**Article 33 Request for internal transfer from one fund to another**

<sup>1</sup> A request for an internal transfer between two funds<sup>32</sup> must be signed by the Head of Unit and sent to the Controlling Service.

<sup>2</sup> A request for an internal transfer between two funds, of which one is a budgetary fund, must be signed by the RFF concerned.

<sup>3</sup> A request for an internal transfer must be accompanied by an InfoCentre extract of the fund to be debited and/or the fund to be credited, as well as a concise explanation justifying the nature and the amount of the transaction.

<sup>4</sup> All transfers of funds to or from the budgetary allocation (budget A) must imperatively be accompanied by a transfer to or from budget D at the technical rate of social security contributions.

<sup>5</sup> All transfers of funds representing an entry correction after the deadline or the multi-annualisation of the budget must be refused.

## **Chapter 7 Contracts and signatory rights**

### ***Section 1 Signatory rights in general***

**Article 34 Scope of application**

<sup>1</sup> This chapter determines the signatory rights of EPFL employees and signatory requirements for transactions involving the financial obligations of EPFL towards third parties or internally (e.g. reversals).

<sup>2</sup> Subject to the minimum requirements stipulated in these Regulations, Heads of Units can impose stricter rules regarding signatory rights within their Unit (subject to Art. 36 para. 2).

**Article 35 Principle and responsibility**

<sup>1</sup> A double signature is required upwards of CHF 5,000.

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<sup>31</sup> In case of doubt, the Research Office can provide information.

<sup>32</sup> For example, to balance a fund.

<sup>2</sup> Heads of Level 4 Units automatically have signatory rights up to CHF 50,000.

<sup>3</sup> Persons responsible for a fund other than the Head of Unit are automatically granted power of delegation (of CHF 5,000) for this fund.

<sup>4</sup> In signing, the signatory accepts responsibility for the content of the documents they sign.

<sup>5</sup> When a Head of Unit grants a delegation regarding signatory rights, he/she nonetheless remains responsible for all financial transactions of their Unit.

<sup>6</sup> The EPFL financial transactions' responsibilities and approval matrix<sup>33</sup> details the approval flow as well as the responsibilities and the financial limits allocated to the different EPFL roles within the approval process for all transactions with a financial impact, whether immediate or deferred.

### **Article 36 Delegation**

<sup>1</sup> Delegation consists in authorising signatory rights for a level 4 Unit for the amount of CHF 5,000 or, exceptionally, CHF 50,000 to another person of that same Unit. Any derogation shall be dealt with in accordance with Article 56 of the present Regulations.

<sup>2</sup> At least one person per Unit shall be granted delegation (in principle the Unit Administrator).

### **Article 37 Electronic Signature Register**

<sup>1</sup> The Signature Register centralises the rights of all employees with the right to enter into financial commitments on behalf of EPFL. Signatory rights may be managed using the "Accred" tool, which consists of a table of rights.

<sup>2</sup> All persons authorised to enter into financial commitments on behalf of EPFL must appear in the Signature Register and be employed by EPFL.

<sup>3</sup> Only the Electronic Signature Register is authentic.

<sup>4</sup> The collection and maintenance of the handwritten signatures of EPFL staff members is under the responsibility of Human Resources. The scanned signature is part of each staff member's personal file.

<sup>5</sup> The Internal Control and Risk Management Service (CIGR) oversees managing the Electronic Signature Register.

<sup>6</sup> All Heads of Unit have access to the Electronic Signature Register for their Unit.

### **Article 38 Electronic validation**

All electronic validation processes (workflows) must conform to the Electronic Signature Register.

### **Article 39 Conflicts of interest**

<sup>1</sup> The employee informs his or her direct superior or goes through the appropriate official channels in case of doubt relating to a conflict of interest concerning a financial transaction, in accordance with the Regulations concerning the procedure to be followed for the acquisition of goods and services in the event of possible conflicts of interest.<sup>34</sup>

<sup>2</sup> Employees must not accept, seek or receive promises of goods or other advantages for themselves or other persons in the exercise of activities resulting from their contract of employment.<sup>35</sup>

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<sup>33</sup> See Annex 3 –EPFL financial transactions' responsibilities and approval matrix.

<sup>34</sup> Regulations concerning the procedure to be followed for the acquisition of goods and services in the event of possible conflicts of interest (LEX 5.8.3).

<sup>35</sup> *Loi sur le personnel de la Confédération, LPers* (RS 172.220.1) (LEX 4.1.0.1), Art. 21 para. 3.

## **Section 2    *General points concerning contracts***

### **Article 40    Definition, form and signature**

<sup>1</sup> Contracts arise from a voluntary commitment binding at least two parties to a specific service and price.

<sup>2</sup> Contracts for an amount exceeding CHF 500 must be concluded in writing.

<sup>3</sup> Two signatures are required for all contracts<sup>36</sup> involving an amount exceeding CHF 5,000.

<sup>4</sup> The source of the countersignature depends on the type and amount of the contract, in accordance with Sections 3 and 4 below.

### **Article 41    Electronic archiving of contracts**

Once signed, contracts shall be recorded in the dedicated databases (GrantsDB, Polycontrat or SAP). Any contracts not recorded in these databases must be archived by the Units and made available to the Accounting Service if necessary.

## **Section 3    *Signatory rights linked with revenue***

### **Article 42    Signatory rights for grant contracts**

<sup>1</sup> The Research Office, as institutional signature holder, signs all contracts concerning research grants in accordance with the DSCRTT.<sup>37</sup>

<sup>2</sup> The person responsible for the fund prepares and signs the calls for funds in accordance with the contract.

### **Article 43    Signatory rights for research or service contracts and licences**

<sup>1</sup> The Technology Transfer Office (hereinafter “TTO”) countersigns research or service contracts and licensing agreements with the Head of Unit concerned in accordance with the DSCRTT<sup>38</sup>.

<sup>2</sup> The TTO monitors the payment of royalties from licensing agreements and requests for the payment of such fees.

### **Article 44    Signatory rights for donation, legacy and sponsoring contracts**

<sup>1</sup> The Direction approves all donation, legacy or sponsoring contracts involving an amount exceeding CHF 50,000<sup>39</sup>.

<sup>2</sup> The President signs donation, legacy or sponsoring contracts involving an amount exceeding CHF 50,000 after approval by the Direction.

### **Article 45    Contracts drawn up by simple partnership companies connected to EPFL**

Simple partnerships shall set out their signatory rights in a “management principles” document while observing the rules established in the present Regulations.

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<sup>36</sup> Grant contracts excepted.

<sup>37</sup> EPFL Directive on grants, research contracts and technology transfer, DSCRTT (LEX 3.4.1).

<sup>38</sup> For contracts for an amount less than CHF 50,000, Art 19 para. 4 DSCRTT applies.

<sup>39</sup> See Directive on Sponsorship and Patronage at EPFL (LEX 1.10.1).



## Section 4 Signatory rights linked with expenditures

### Article 46 Signatory rights for human resources (HR)

Signatory rights concerning HR contracts are defined in the *Règlement de compétences RH*.<sup>40</sup>

### Article 47 Signatory rights for commercial contracts

Rights for the second signature depend on the amount according to the table below:

Level of competence in CHF	Limit of amount					from
	5,000 →	50,000 →	100,000 →	250,000 →	500,000 →	500,000 →
1						
2						
2b						
3						
4						
Funds						
Responsible:	Fund	Unit/Lab	Institute	Associate Vice Presidents VPA & Directors of VPO Domain	VP/Deans School College	EPFL

	First signature – level of competence
	Second signature

### Article 48 Signatory rights for the reimbursement of professional expenses

<sup>1</sup> The Directive concerning professional travel and the reimbursement of expenses stipulates the details regarding the reimbursement of these expenses.<sup>41</sup>

<sup>2</sup> All expense claim forms must be signed by the beneficiary of the reimbursement and the direct superior<sup>42</sup>.

<sup>4</sup> For the reimbursement of the professional expenses of the Deans, the countersignature is provided by the Vice President for Finances.

<sup>5</sup> For the reimbursement of the professional expenses of the Vice Presidents and President, the countersignature is provided by the AJ.

<sup>40</sup> *Règlement de compétences Ressources Humaines*, RCRH (LEX 4.6.1).

<sup>41</sup> Directive concerning professional travel and the reimbursement of expenses (LEX 5.6.1).

<sup>42</sup> By their signature, the direct superior or their delegate certifies the economic necessity of these expenses in the interests of EPFL and their conformity in relation to the budget and supporting documents presented.

## **Section 5    *Special signatory rights***

### **Article 49    Signatory rights for internal transactions**

Internal transactions at EPFL require only one signature, that of the Head of Unit at the origin of the transaction or of the latter's delegate according to Art. 36.

### **Article 50    Lease agreements**

<sup>1</sup> Entry into a lease agreement (in which EPFL is the lessor and lessee) is the responsibility of the Vice Presidency for Operations, which is the sole Unit authorised to enter into such an agreement. This authority is also applicable for contracts for the provision of rent-free surfaces.

<sup>2</sup> The applicable signatory rights are determined according to the amount of the lease until its expiry date.

<sup>3</sup> The Vice Presidency for Operations drafts an annual report on the active lease agreements<sup>43</sup>

### **Article 51    Inter-institutional agreements**

This is a contract signed between EPFL and another academic institution. Signing these contracts is the responsibility of the EPFL Direction.<sup>44</sup>

### **Article 52    (Financial) loan agreements**

The EPFL President and the Vice President for Finances shall jointly sign any loan agreement.

### **Article 53    Signatory rights in the event of possible conflict of interests**

<sup>1</sup> For any acquisition of goods or services in the event of a possible conflict of interests (e.g. from a spin-off / start-up connected with the Unit), the procedure and signatory rights are determined in the regulations adopted by the Direction concerning this subject.<sup>45</sup>

<sup>2</sup> For any other contract between a Unit and a spin-off / start-up in which the Head of Unit has interests or exercises an activity, the countersignature of the Dean is required.<sup>46</sup>

### **Article 54    Signatory rights for bank and post office accounts**

<sup>1</sup> All bank accounts, post office accounts and online payment/collection services (e.g. Paypal, Stripe, etc.) are opened in the name of EPFL.

<sup>2</sup> These accounts are managed by the PLAN Service, which represents EPFL to counterparties in accordance with the Rules and regulations regarding cash management (LEX 5.7.3).

<sup>3</sup> Bank and post office accounts require two signatures, with the exception of bank accounts which enable decentralised Units (Outposts) to pay into their Unit funds. In this case, the balance of the bank account must not exceed CHF 10,000.

### **Article 55    Special signatory rights**

<sup>1</sup> The President may delegate signatory rights to the Vice Presidents or AJ for matters linked with a particular domain.

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<sup>43</sup> See also the *Directive immobilière du domaine des EPF* (LEX 7.1.0.2), Art. 21.

<sup>44</sup> See EPFL Directive on grants, research contracts and technology transfer, DSCRTT (LEX 3.4.1), Art.17 para. 3.

<sup>45</sup> Regulations concerning the procedure to be followed for the acquisition of goods and services in the event of possible conflicts of interest (LEX 5.8.3).

<sup>46</sup> Directive concerning the management of conflicts of interest (LEX 4.1.1).

<sup>2</sup> All RFF are authorised to countersign financial commitments for an amount of up to CHF 50,000.

**Article 56 Derogations**

<sup>1</sup> All derogations to the present rules must be approved by the Vice President for Finances before implementation.

<sup>2</sup> Special authorisations are recorded in the Electronic Signature Register.

## Chapter 8      Income-generating contracts, invoicing, collection & VAT

### Article 57    General points

<sup>1</sup> All income must be subject to a written contract, which shall mention at least the name of the client, funding source or donor, the amount and currency, the nature of the service, the date of the contract, the period of performance of the service (if applicable) and payment deadlines and terms.

<sup>2</sup> The TTO provides templates for research agreements and agreements for scientific services such as testing or measurements<sup>47</sup>.

<sup>3</sup> All resources (goods and services) supplied or made available by EPFL to third parties must be invoiced in accordance with the directives issued by the Accounting Service. Heads of Unit give instructions to ensure the entirety of invoicing within their Unit, and check this upon their biannual control of accounts.

<sup>4</sup> EPFL charges fees for its services,<sup>48</sup> particularly tuition fees and payment for the use of its infrastructures.

<sup>5</sup> EPFL revenue and remuneration must be paid exclusively into a bank or post office account in the name of EPFL.

### Article 58    Rates and overheads

<sup>1</sup> For goods and services sold to third parties, the rates applied must conform to those practised on the market and comply with commercial practices.

<sup>2</sup> The pricing practice must be clearly documented and accessible when needed.

<sup>3</sup> All services invoiced to a third party include an overhead as contribution to indirect costs.<sup>49</sup> All exceptions must be approved by the VPF (e.g. DII revenue).

<sup>4</sup> The applicable overhead rate and internal allocation of the amount in question is set out in Annex 1 to the present Regulations.

<sup>5</sup> Unless otherwise decided by the competent body (see Annex 1), a 60% overhead rate applies.

<sup>6</sup> When EPFL is the recipient of a grant and subcontracts tasks to a third party, unless otherwise specified the maximum overhead granted by the funding source also applies to the share of funding allocated to the subcontracted part.

<sup>7</sup> Where the subcontracted amount in the framework of a research or service contract is above CHF 50,000, EPFL applies a 20% overhead on this amount.

### Article 59    System and deadlines

<sup>1</sup> The services provided by an EPFL Unit must be invoiced within 15 days at the latest following the date of the provision of the service.

<sup>2</sup> Each Head of Unit must keep a permanent record of services provided and a record of invoices to be made out.<sup>50</sup>

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<sup>47</sup> See [http://tto.epfl.ch/modeles\\_de\\_contrats\\_1](http://tto.epfl.ch/modeles_de_contrats_1) and [http://tto.epfl.ch/modeles\\_de\\_contrats\\_eng\\_1](http://tto.epfl.ch/modeles_de_contrats_eng_1)

<sup>48</sup> Federal Act on the Federal Institutes of Technology (FIT Act, RS 414.110 and LEX 1.0.1), Art. 34d.

<sup>49</sup> EPFL Directive on grants, research contracts and technology transfer, DSCRTT, (LEX 3.4.1) Art. 5.2.

<sup>50</sup> This information is required for the closing of EPFL accounts.

**Article 60 Issuing and sending of invoices**

<sup>1</sup> The Head of Unit must ensure that the invoice is prepared according to the terms and conditions of the contract or requests for reimbursements.

<sup>2</sup> The Sesame portal is used as a priority to edit the invoices sent to clients or funding sources.

**Article 61 Value added tax (VAT)**

<sup>1</sup> EPFL is subject to the Value Added Tax Act<sup>51</sup>.

<sup>2</sup> All invoices issued by EPFL mention the VAT rate applied and whether or not the invoiced amount includes VAT.

**Article 62 Conditions of payment**

<sup>1</sup> EPFL conditions of payment are 30 days following the date of the invoice.

<sup>2</sup> Provision may be made for special conditions, but these must be approved by the Head of Accounting.

<sup>3</sup> Prices are net. No rebate, discount, or reduction is allowed.

**Article 63 Accounting of revenue**

<sup>1</sup> The revenue from services resulting particularly from a research contract, grant, provision of scientific service, licence, technology transfer or sale of services is credited to a third-party fund of the Unit.

<sup>2</sup> The revenue from the resale of EPFL goods is credited in accordance with the instructions of the purchase office concerned (namely CRI, ECO).

<sup>3</sup> The Accounting Service has the authority to determine to which fund a revenue will be credited. Any exceptions (e.g. reimbursement from insurance) are handled in accordance with individual instructions.

**Article 64 Reminders and debt collection procedures**

<sup>1</sup> A reminder is a letter sent to a client requesting that they settle the due invoice. The automatic reminder procedure allows for two reminders.

<sup>2</sup> Debt collection is a legal procedure against a client who has failed to settle his/her invoice after the second reminder.

<sup>3</sup> The Accounting Service issues information and instructions concerning the sending of reminders and is the only Service authorised to initiate a debt collection procedure.

<sup>3</sup> The Head of Unit shall provide the Accounting Service with any information likely to support or alter the reminder procedure and the debt collection procedure.

<sup>4</sup> The steps and actions for debt collection are decided upon in coordination with the Unit. Debt collection costs are to be covered by the Unit.

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<sup>51</sup> Federal Act on Value Added Tax (VAT Act), (RS 641.20).

## Chapter 9 Investment policy and petty cash management

### Section 1 Investment

#### Article 65 Subject

<sup>1</sup> The *Convention de trésorerie entre le CEPF et l'Administration fédérale des finances*,<sup>52</sup> and the *Directive de placement du Conseil des EPF*<sup>53</sup> govern:

- the cash flows of the financial contribution of the Confederation;
- the way in which institutions of the ETH Domain invest their capital;
- their responsibility regarding currency exchange rate control;
- the planning and preservation of liquid assets and the resulting reporting duties.

<sup>2</sup> The rules concerning investment activities are defined in the Rules and Regulations regarding Financial Management.<sup>54</sup>

### Section 2 Petty cash management

#### Article 66 Petty cash of Units

<sup>1</sup> The Head of Unit may request a petty cash advance of CHF 300<sup>55</sup> from the Accounting Service to cover small operating expenses.

<sup>2</sup> Petty cash transactions are listed in a cash book.

<sup>3</sup> The Head of Unit<sup>56</sup> checks the petty cash balance quarterly and verifies that the balance corresponds to the amount indicated in the cash book.

<sup>4</sup> The control must be documented, signed and archived for 10 years by the Unit.

### Section 3 Credit cards<sup>57</sup>

#### Article 67 Individual credit cards

<sup>1</sup> EPFL personal credit cards are available to Heads of Unit and frequent travellers (five or more trips per year) and may be used exclusively for paying travel expenses and expenses related to professional activity.

<sup>2</sup> All purchase transactions are to be entered in an expense claim and submitted to the direct superior for approval.

<sup>3</sup> The official EPFL purchasing channels must be respected.

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<sup>52</sup> *Convention de trésorerie* (LEX 5.7.1).

<sup>53</sup> *Directive de placement du Conseil des EPF* (LEX 5.7.2).

<sup>54</sup> Rules and Regulations regarding Financial Management (LEX 5.7.3).

<sup>55</sup> In justified cases, the Accounting Service may allocate a higher amount.

<sup>56</sup> The Head of Unit may delegate this task to an employee who is not involved in the process.

<sup>57</sup> Directive on the use of credit cards (LEX 5.4.1), entry into force on 01.05.2019.

**Article 68 Purchasing credit cards**

<sup>1</sup> Purchasing credit cards are available to all Units and are to be used for the purchase of goods and services which cannot be acquired in any other way and, under certain conditions, for paying travel expenses and related expenses for persons who are not in possession of an Individual Credit Card (see Article 67 above).

<sup>2</sup> All purchase transactions related to expenses as defined in LEX 5.6.1 are to be entered in an expense claim and submitted to a validation procedure<sup>58</sup>.

<sup>3</sup> All Units possessing a purchasing credit card must ensure that transactions are approved at all times and that all card management activities are carried out within the deadlines, in accordance with the rules concerning their use.

<sup>4</sup> The purchasing credit card is not personal and does not require a signature.

<sup>5</sup> This method of payment is intended exclusively for transactions of a value of less than CHF 5,000.

<sup>6</sup> Purchasing inventory goods is prohibited. The Accounting Service may decide on exceptions.

<sup>7</sup> Failure on the part of the credit card manager to respect the rules applicable may result in the credit card being blocked by the Accounting Service.

**Article 69 Lodged card for travel**

<sup>1</sup> The official EPFL travel agency holds a lodged card (used solely by the agency), used primarily for the payment of plane tickets and hotel reservations.

<sup>2</sup> Purchase transactions are automatically entered in an expense claim for the person undertaking travel and submitted to a validation procedure<sup>59</sup>.

**Chapter 10 Controlling and internal control****Section 1 Controlling****Article 70 General principles**

<sup>1</sup> The Head of Unit ensures that the competences and financial processes are clearly established and known by all the Unit's staff.

<sup>2</sup> The Head of Unit checks that all financial transactions are documented and archived.

<sup>3</sup> The RFF and the Human Resources Manager concerned support the Head of Unit in this activity.

<sup>4</sup> The CDG Service ensures the coordination of controlling and management activities at School level and provides analyses to the Direction.

**Article 71 Monthly control of funds by the Head of Unit**

<sup>1</sup> The Head of Unit must control the management of the funds for which they are responsible.

<sup>2</sup> They must carry out a monthly control of the entirety and accuracy of the accounting entries (revenue and expenditure) for each fund, as well as the status of contracts (employment, purchase, sales).

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<sup>58</sup> From the entry into force of LEX 5.6.1 as of 01.05.2019.

<sup>59</sup> From the entry into force of LEX 5.6.1 as of 01.05.2019

<sup>3</sup> The reports necessary for controlling the funds and salaries of all staff whose employment is financed by the funds of a unit are available via the « Infocentre » tool.

<sup>4</sup> Any overdraft on a fund must be reported by the Head of Unit to the RFF for the Vice Presidency or School.

**Article 72 Biannual control of funds by the Head of Unit**

<sup>1</sup> The Head of Unit must validate by their signature the list of the balances of all the funds of their Unit twice yearly (June and December).

<sup>2</sup> These signed lists are archived by the Unit.

**Article 73 Quarterly control of funds in deficit by the CDG Service**

<sup>1</sup> The CDG Service produces a list of funds in deficit.

<sup>2</sup> This list is analysed jointly by the CDG Service and the RFF concerned.

<sup>3</sup> In the event of an overdraft, the Head of Unit must justify if requested to do so any negative balance or overdraft on the funds they manage.

<sup>4</sup> The funds that are in deficit are mentioned in the quarterly financial reporting distributed to the Direction.

**Article 74 Access to financial data**

<sup>1</sup> All persons who have access to data originating from EPFL information systems are bound by the duty of discretion, in accordance with the provisions in force concerning data protection (RS 235.1 Federal Act on Data Protection).

<sup>2</sup> The Head of Unit and the Unit Administrator have the right to consult the funds and data concerning the staff of their unit.

<sup>3</sup> The Head of Unit can delegate this access to other persons.

**Article 75 Archiving**

<sup>1</sup> All accounting records processed by the Accounting Service are digitised and archived for a period of 10 years.

<sup>2</sup> The Units archive for a period of 10 years the half-year fund balance statements and petty cash statements, as well as holiday records.

<sup>3</sup> Other documents such as financial reports and working day reports are kept by the Units and must also be archived for a period of 10 years.



**Article 76 Management of Inventories<sup>60</sup>**

<sup>1</sup> All material and immaterial assets which satisfy the criteria for entry in the inventory must be inventoried. The thresholds for entry in the inventory are as follows (amounts in CHF):

<i>Type of asset</i>	<i>Threshold for entry in inventory</i>
<i>Desktop computers, laptops, tablets, servers, workstations</i>	0
<i>Screens, printers, scanners</i>	1,000
<i>Purchased software</i>	100,000
<i>Software developed by EPFL</i>	1,000,000
<i>All other assets</i>	10,000

<sup>2</sup> Stocks of raw materials, finished or semi-finished goods for which the value exceeds CHF 100,000 are managed regularly and are inventoried annually.

**Section 2 Internal control****Article 77 Internal Control System (ICS)**

<sup>1</sup> The EPFL internal control system (ICS) contains the risks relating to the financial impact of management processes and implements key controls in order to ensure an acceptable risk level.

<sup>2</sup> The ICS serves to guarantee that financial operations at EPFL are carried out in accordance with existing rules and regulations.

<sup>3</sup> The Vice President for Finances is responsible for the ICS and the monitoring of key controls.

**Chapter 11 Audit and control bodies****Article 78 Swiss Federal Audit Office**

The Swiss Federal Audit Office (SFAO) is the supreme financial supervisory body for the Swiss Confederation. It audits the annual accounts of EPFL and the ETH Domain (FIT Act)<sup>61</sup> and exercises financial supervision according to the criteria of regularity, legality and profitability (LCF Art. 5 para. 1)<sup>62</sup>.

**Article 79 Internal Audit of the ETH Board**

The Internal Audit of the ETH Board is responsible for the internal auditing of the two EPF institutions and four research institutions of the ETH Domain. It exercises controlling activities according to the criteria of regularity, legality, profitability and efficiency. The Internal Audit of the ETH Board carries out its tasks independently and autonomously and has unlimited right to access information: it may access all files and request all information necessary for the completion of its mandates.

<sup>60</sup> *Directive d'Inventaire* (LEX 5.9.1), entry into force as of 01.04.2019

<sup>61</sup> Federal Act on the Federal Institutes of Technology (FIT Act, RS 414.110 and LEX 1.0.1), Art. 35a para. 3.

<sup>62</sup> *Loi fédérale sur le Contrôle fédéral des finances (LCF)*, (LEX 1.6.0.1 and RS 614.0).

## Chapter 12 Departure of a Head of Unit<sup>63</sup>

### Article 80 Planning of retirement of the Head of a Research Unit

<sup>1</sup> Each year, in coordination with Faculty Affairs, Human Resources prepare a list of Heads of Unit due to leave their posts within the next 4 years.

<sup>2</sup> Once consolidated and checked, this information is transferred to the EPFL Direction and to the Dean of the School or the Director of the College concerned.

<sup>3</sup> Four years prior to the retirement, the Dean prepares a reverse schedule for the departure.

<sup>4</sup> The reverse schedule for departure documents the situation of the Unit's resources (basic financing, administrative and technical staff, equipment, current projects financed by third-party funds and resulting obligations, amount of reserve fund, royalties, doctoral candidates for which professor is responsible, inventory) and determines the arrangements to be made up until the time of retirement.

### Article 81 Balance of funds, withdrawal of resources

<sup>1</sup> The Head of Unit ensures, at the time of their retirement, that the funds allocated to them have no negative balance and that no outstanding contractual obligations exist.

<sup>2</sup> Once all contractual obligations have been fulfilled, it is the responsibility of the School Dean to settle the balances on designated or third-party funds, whether positive or negative, via the reserve fund.

### Article 82 Right to use funds

<sup>1</sup> The termination of the employment contract automatically results in the suspension of the right of a Head of Unit to use the Unit's funds.

<sup>2</sup> Any delegation of rights regarding the Unit ceases on the day of departure.

<sup>3</sup> In response to a duly justified request on the part of the Head of Unit, the Dean may authorise the latter to retain the right to use the funds for a limited period of time. However, the former Head of Unit no longer possesses any signatory rights. These rights are transmitted to the person who is henceforth responsible for the funds.

### Article 83 Change of Head of Unit

<sup>1</sup> In the case of a change of Head of Unit, the above provisions apply by analogy.

<sup>2</sup> If, in the case of a change of Head of Unit, specific projects continue under a new employer, the person responsible for the fund must obtain the prior consent of the funding source.

<sup>3</sup> In the case of the departure of the Head of a Unit who receives royalties resulting from the exploitation of intellectual property, the Associate Vice President for Research (AVP-R) determines the right concerning the use of the share reserved for the research group concerned.

### Article 84 Closing inventory<sup>64</sup>

<sup>1</sup> The Dean, in collaboration with Human Resources, the RFF, the Infrastructure Manager, the Inventory Coordinator and the Head of the Unit concerned, records the status of resources in order to draw up a closing inventory.

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<sup>63</sup> Closing inventory procedure for the departure of a Head of Unit or closure of a Unit (LEX 4.1.2).

<sup>64</sup> Closing inventory procedure for the departure of a Head of Unit or closure of a Unit (LEX 4.1.2), Annex 2.

<sup>2</sup> The closing inventory is approved by the Head of Unit prior to his/her departure.

<sup>3</sup> If the Unit is being taken over by a new Head of Unit, this closing inventory is an essential document for ensuring the transfer of activities and responsibilities to the new Head.

<sup>4</sup> If the Unit is closing definitively, the closing inventory functions as a final inventory.

<sup>5</sup> The CIGR Service checks procedure conformity prior to the departure of the Head of Unit.

<sup>6</sup> Once the document has been signed, it is forwarded to the Direction for informative purposes and is archived by the CIGR Service.

<sup>7</sup> The Unit may be closed after completion of all actions listed in the closing inventory. The RFF provides instructions for the closure of a Unit.

## **Chapter 13      Final provisions**

### **Article 85      Sanctions**

Any violation of the provisions of these Regulations constitutes a failure to fulfil professional obligations that may be punishable by sanctions.<sup>65</sup>

### **Article 86      Transitional provisions**

The previous provisions applying to obligations entered into by EPFL before the entry into force of these Regulations remain valid.

### **Article 87      Legal provisions**

The current version of legal texts cited in these Regulations can be found in the Polylex electronic compendium.

### **Article 88      Abrogation of previous provisions**

The entry into force of these Regulations results in the abrogation of the following:

- *Règlement financier annoté* of 21st December 2001;
- *Règlement des compétences et des droits de signature de l'EPFL* of 2<sup>nd</sup> September 2002.

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<sup>65</sup> *Ordonnance sur le personnel du domaine des EPF* (LEX 4.1.0.4), Art. 58a.

## **Chapter 14      Entry into force**

### **Article 89      Entry into force**

The present Regulations entered into force on 12<sup>th</sup> March 2012, and were revised on 1<sup>st</sup> January 2021 (version 1.10) and on 1<sup>st</sup> January 2022 (version 1.11).

On behalf of the EPFL Direction:

Martin Vetterli  
President

Françoise Chardonnens  
Director of Legal Affairs

## Abbreviations and Glossary

### Abbreviations

AE/AC et PI/HA	Student/Auxiliary and Construction Assistant, Visiting Professor and Academic Guest
CDG	Controlling Service
CEPF	ETH Board
CIGR	Internal Control and Risk Management Service
COMPTA	Accounting Service
CRI	IT Repair Center
DII	Real Estate and Infrastructures Domain
DSCRTT	EPFL Directive on grants, research contracts and technology transfer
ECO	Equipment and Centers Management Office
AJ	Legal Affairs
ICS	Internal Control System
Innosuisse	Swiss Innovation Agency
LEX	Laws, ordinances and directives (see Polylex)
PLAN	Planning, Treasury and Institutional Data Service
REO	Research Office
RFF	Head of Finance and Controlling, for Schools, Colleges and Vice Presidencies
RRH	HR Manager
SNSF	Swiss National Science Foundation
TTO	Technology Transfer Office
VAT	Value Added Tax
VP	Vice Presidency
VPF	Vice Presidency for Finances

Terms	Definition
Analytical accounting	Cost price or cost accounting. This accounting serves particularly to provide information concerning the cost of education, research and services.
Budget account	A budget account is used for each financial transaction in order to determine the nature of the revenue or expenditure. The budget accounts are grouped into a chart of accounts common to the ETH Domain.
Budgetary accounting	Revenue and expenditure accounting per fund.
Budgetary fund	This is used to manage the global budget – these funds are grouped into individual budgets. At the annual closure, the budgetary balance of this type of fund is not carried over to the following year.
Complementary Financing	Complementary financing comprises the financial resources allocated in the form of complementary budgets by a member of the Direction for financing specific projects of limited duration.
Contributions	Generic term for donations, inheritances and legacies received from donors.
Cost center	Unit grouping financial activities. These units are attributed an identification number in the Unit Accreditation database.
ETH Board	Strategic management and control body of the ETH Domain (Art. 33a of the Federal Act on the Federal Institutes of Technology <sup>66</sup> ).
Financial accounting	Income and expenditure accounting. This accounting allows the production of the profit and loss account, investment account, balance sheet, and cash flow statement.
Funding source	Comprises all external entities providing research funding
ICS	Internal Control System (ICS; “SCF” in French). The EPFL internal control system contains the risks relating to management processes with financial impacts and defines controls to attenuate these risks. This system helps to guarantee that financial operations at EPFL are carried out in accordance with all existing rules and regulations.
Operating budget	Basic financing comprises the financial resources allocated in the form of operating budget by the President of EPFL to the Schools and Vice Presidencies to allow them to fulfil their basic mandate of teaching, research and technology transfer, provide services or invest in infrastructures.
Polycontrat	EPFL contract management software.
Polylex	Electronic compendium of legal texts applicable at EPFL.
Professional expenses	Expenses incurred by EPFL staff for activities linked with their employment (including professional travel, entertainment expenses and other allowances).

Technical Rate	<p>The Technical Rate refers to the standard rate for social security charges applied to salaries and used for all budgetary transfer transactions concerning budget A or all other financing of salaries.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>a) Transfer from budget B to budget A. Using a hypothetical rate for social security charges of 22.5%, a budgetary transfer of CHF 100,000 from budget B to budget A will result in a budgetary increase of CHF 81,630 in budget A and CHF 18,370 in budget D.</li> <li>b) Transfer from budget A to budget B. Using a hypothetical rate for social security charges of 22.5%, a budgetary transfer of CHF 100,000 from budget A to budget B will result in a reduction of CHF 100,000 in budget A and CHF 22,500 in budget D and an increase of CHF 122,500 in budget B.</li> </ul>
Technology Transfer Office	The Technology Transfer Office (TTO) evaluates EPFL inventions, files patent applications, transfers EPFL intellectual property, and negotiates and approves research contracts with companies and licensing agreements.
Third-party fund	These funds are used to manage financial contributions from third parties. The balance of third-party funds is carried forward at the annual closure.
Transaction	Financial operation.
Type of fund	<p>EPFL distinguishes between two types of funds according to their origin:</p> <ul style="list-style-type: none"> <li>- for internal resources: budgetary funds;</li> <li>- for external resources: third-party funds.</li> </ul>
VAT	Value added tax. For simplification purposes, the amounts appearing in the present document do not include VAT even if VAT applies to the transaction concerned.

<sup>66</sup> Federal Act on the Federal Institutes of Technology (FIT Act, RS 414.110 and LEX 1.0.1).

## Annex 1: Overhead Rates

### Principles

- Overhead distribution rules: an overhead is withheld and allocated to the rate of 10% to the Unit, 10% to the Faculty/Vice Presidency and 80% to the central fund.
- If the remittance is to be split between various Units, the leading applicant unit will be allocated the 10% overhead.

Unless otherwise specified by the competent decision body (AVP-R, REO, TTO, ECO, CDG or AJ) or in the case of the opening of a specific third-party fund, the Accounting Service will withhold an overhead rate in accordance with the table below. The table below does not represent contracts for which the overhead rate is decided by the source of financing.

OH	Deliverables <i>Material, data, milestones, reports</i>	Funding purpose	Activities	Intellectual property creation; publications	Intellectual property (IP) rights	Examples*
0%	No	Research		Yes; EPFL can publish with no restrictions	EPFL has all rights on IP	A lump sum donated by a charitable entity or company; no contractual obligations for EPFL other than sending a report if requested and/or disclosing the donation in publications and/or making results publicly available.
		Training services (other than Foundation for continuing education ( <i>Fondation formation continue</i> ))	Conference registration fees			The organising entity pays for the venues rental fees, other expenses, etc. to the EPFL's event management office.
		Donation without link to research		The funding partner has the right to communicate on its funding activities (e.g. visibility on the conference website).		Donation (sponsoring) for a conference, etc.



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20%	Yes	Research		Yes; EPFL can publish within a reasonable timescale, a timescale allowing for the partner to exercise its option on IP, if any.	EPFL retains all rights on IP; partner may have an option to negotiate a fee and/or royalty-bearing access to EPFL's IP for commercial exploitation; upon approval from the AVP-R, non-profit or swiss public service entities may request non-exclusive rights to use the results for their own purposes.	Research projects with non-profit and public entities and industrial grants.
		Training services (other than Foundation for continuing education ( <i>Fondation formation continue</i> ))	Tuition invoicing			
		Services delivered to Swiss academic institutions <sup>67</sup> relating to the use of EPFL platforms (for which the tariffs have been validated <sup>68</sup> ).				
40%	Yes	Research		Yes; EPFL can publish within a reasonable timescale, a timescale allowing for the partner to protect IP.	Partner has rights to commercially exploit IP in a specific field of use.	Research contracts with industries, with a main focus on technology transfer and innovation.
60%	Yes	Research		No; existing EPFL expertise or equipment is used; EPFL can only publish with the prior	Partner will become the sole owner of the data resulting from the service; EPFL remains	A service contract for a company, a non-profit or public entity; the budget must cover all

<sup>67</sup> Updated list of Swiss academic institutions available on the website of the Vice Presidency for Research.

<sup>68</sup> List of eligible platforms available online, via the following link: <https://www.epfl.ch/campus/services/finance/fr/prestations-de-la-vice-presidence-finances/gestion-des-fonds/directives-sur-leligibilite-des-couts-des-plateformes/>

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				agreement of the partner.	owner of the methods and tools used or developed to provide the service.	direct and indirect costs; it must be at market price.
		All other services and activities				See examples <sup>69</sup>

### Applicable Overhead rates for subsidies awarded through public financing agencies<sup>70</sup> (status as at 01.01.2019)

#### Funding source

#### Comments

- SNSF (Swiss National Science Foundation) the SNSF contributes to an overhead in addition to its subsidies<sup>71</sup>. [SNSF Funding Regulations](#) apply.
- Innosuisse 15% of employee expenses
- ETH Board (SFA) 0 %
- NIH (National Institutes of Health, USA) for non-US organisations 8 % of direct costs, without equipment.
- ESA (European Space Agency) 6 %
- H2020 Program (programmes financed by SEFRI and European Commission) 25% (except MSC, for which specific rules are set on a case-by-case basis)

<sup>69</sup> Examples: venue renting; mice housing; career centre services (job advertisement, help in the search for candidates); book drafting; labour force for setting up an exhibition/event; secretarial office tasks; sales of chemical goods or products; invoicing of administrative and technical services.

<sup>70</sup> The current overhead rate at EPFL for research subsidies is the maximum rate admitted by the agency or the foundation's regulations.

<sup>71</sup> The SNSF applies an overhead rate *a posteriori* on all subsidies awarded to EPFL over a time period of one year. The overhead rate is determined on an annual basis.

## Annex 2: Signature Register – Procedure to Create a Signatory Right

	Level	Amount	Joint Approval by	Notification of Creation
Delegation	Fund	Up to CHF 5,000	→ Head of Unit → RFF	→ Head of Unit → RFF → Beneficiary
Delegation	4	Up to CHF 5,000 Up to CHF 50,000	→ Head of Unit → RFF	→ Head of Unit → RFF → Beneficiary
Delegation	3	Up to CHF 5,000 Up to CHF 50,000	→ Head of Institute → RFF	→ Head of Institute → RFF → Beneficiary
Delegation	3	Up to CHF 100,000	→ Head of Institute → VP / Dean	→ Head of Institute → VP / Dean → Beneficiary
Delegation	2b	Up to CHF 5,000 Up to CHF 50,000	→ Associate Vice Presidents for the VPA and Directors of the VPO Domain → RFF	→ Associate Vice Presidents for the VPA and Directors of the VPO Domain → RFF → Beneficiary
Delegation	2b	Up to CHF 250,000	→ Associate Vice Presidents for the VPA and Directors of the VPO Domain → VP	→ Associate Vice Presidents for the VPA and Directors of the VPO Domain → VP → Beneficiary
Delegation	2	Up to CHF 5,000 Up to CHF 50,000	→ VP / Dean → RFF	→ VP / Dean → RFF → Beneficiary
Delegation	2	Up to CHF 500,000	→ Dean / VP → President	→ VP / Dean → President → Beneficiary

### Annex 3: Matrix of EPFL financial transactions' responsibilities and approvals

Financial transactions	Function	Professor	Director of Philanthropy	Director of Legal Affairs	VP Finance / CFO	Dean, VP	President	Direction <sup>1</sup>	CEPF
I. Revenues	Replacement in case of absences	Delegate	Deputy Philanthropy	Deputy Legal Affairs	Head Accnt. & Controlling	Deputy or ad hoc delegate	VPA	-	-
<b>A. Donation, legacy and sponsoring contracts ≥50k CHF</b>									
1. Donation and Legacy ≥50k CHF Donation: money or goods donated to EPFL. Legacy: money or property donated after the death of the donor For due diligence: see section E below		C	A	A	A (2b)	A	A (2a)	A (2b)	
2. Chair sponsoring Sponsoring: A lump sum donated by a charitable entity, a company or a person; no contractual obligations for EPFL other than sending a financial and scientific report if requested and/or disclosing the donation in publications and/or making results publicly available		C	A	A	A (2b)	A (3)	A (2a)	A	
3. Donation contracts related to research (see I. Revenues / B. Research)									
4. Annual end-of-year report on Philanthropy			A		C		I	I	
5. Individual annual report to donors (scientific and financial)		A	A		C / A for financial section	A			
6. Dispute management (≥50k CHF)			C	A	A (2b)	A	I	I	I(4)

Source: LEX 3.4.1 and LEX 1.10.1

C = Contributes before the event A = Approves I = Informed after the event

All amounts are in CHF excluding taxes

Process Owner (resp. for securing transaction and approval process)

Notes:

- When the Direction approves a Financial Transaction, it requires that all listed functions have approved it individually previously
- 2a: President: for contracts ≥ 500k CHF; 2b: VPF & Direction: for contracts ≥ 250k CHF
- Dean mandatory
- LEX 1.4.0.3 and Directives CEPF "Devoir d'information des EPF"
- A professor can sign alone if the contract is < 50 kCHF

- Legal Procurement (function to be confirmed by end 2020)
- VPF + control and reporting to CEPF by Accounting Department
- Controlling department is informed upon request of the opening of an account
- When EPFL obtains a participation (equity) in a company (i.e. spin-off)
- For contracts ≥ 5 MCHF
- VPA/ECO co-sign with professor scientific equipment purchases up to 500k CHF, VPF does not contribute to the approval process
- Institute/Domain Director when required
- DII contracts excepted up to 500k CHF, VPF does not contribute to the approval process
- Transactions ≥ 500 kCHF
- Associate Vice Presidents or Directors of the VPO Domain (Art. 47 Financial Regulations)

# Financial Regulations

12<sup>th</sup> March 2012, Status as at 1<sup>st</sup> August 2020

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Financial Transactions		Function	Professor / Head of Unit	Director of Legal Affairs	VP of relevant domain	VP Finance / CFO	Associate VP Research (AVP-R)	VPA	President	DIR <sup>1</sup>
I. Revenues		<i>Replacement in case of absences</i>	<i>Delegate</i>	<i>Deputy Legal Affairs</i>	<i>Deputy or ad hoc delegate</i>	<i>Head Acct. &amp; Controlling</i>	<i>Deputy or ad hoc delegate</i>	<i>Associate VP Research</i>	<i>VPA</i>	-
<b>B. Donations, grants, research, service, technology transfer and use of research infrastructure contracts</b>										
1.	Donations, grants, research and service contracts with not-for-profit entities		A	A (strategic interinstitutional contracts)		I (8), C (donations ≥1MCHF)	A (REO)	A (14)		I (10)
2.	Donations, grants, research and service contracts with for-profit entities		A (5)			I (8), C (≥ 1M CHF)	A (TTO)	A (14)		I (10)
3.	Technology transfer contracts		A			I (9)	A (TTO)	A (14)		I (10)
4.	Contracts for use of research infrastructure		A			I (8)	A (ECO)	A (14)		I (10)
<b>C. Other interinstitutional contracts</b> (e.g. pluri-annual conventions between EPFL and cantons)				A	A	I			A (2a)	I (10)

Source: LEX 3.4.1, LEX 5.1.1

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# Financial Regulations

12<sup>th</sup> March 2012, Status as at 1<sup>st</sup> August 2020

LEX 5.1.1

Financial Transactions	Function	Director of Legal Affairs	VP Finance / CFO	Dean, VP	President	Direction <sup>1</sup>	CEPF
<b>I. Revenues</b>	<i>Replacement in case of absences</i>	<i>Deputy Legal Affairs</i>	<i>Head Acctnt. &amp; Controlling</i>	<i>Deputy or ad hoc delegate</i>	VPA	-	-
<b>D. Revenue from Lease contracts (EPFL leases to a third party)</b>  ≥1 MCHF per year or ≥5-year engagement ≥500 kCHF & < 1MCHF < 500 kCHF PPP lease contracts			A C I A	A (VPO) A (VPO) A (VPO) A (VPO)	A (2a) A (2a) A	I  A	A (if ≥2M CHF)  A
<b>E. Financial and reputational due diligence (Contracts ≥ 1 M CHF per year)</b> - excluding contracts under I.B Due diligence is an investigation or audit of a potential investment, donor or partner to confirm all facts prior to any agreement. It includes the review of financial records, the consistency check of the business case and a reputation analysis.		A	A	A	I	I (4)	
<b>F. Additional contributions from Article 15 LERI</b>  Business plan Creation of a new instrument to receive funds (e.g. foundation)			C C		A		A A

Source: LEX 3.4.1 and Immobilienweisung\_ETH-Bereich\_2016 (LEX 7.1.0.2), 420.1 Loi fédérale du 14 décembre 2012 sur l'encouragement de la recherche et de l'innovation (LERI), Compliance Guide, Ordonnance du 19 décembre 2003.

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- Associate Vice Presidents or Directors of the VPO Domain (Art. 47 Financial Regulations)

# Financial Regulations

12<sup>th</sup> March 2012, Status as at 1<sup>st</sup> August 2020

LEX 5.1.1

<b>Financial Transactions</b>	<b>Function</b>	<b>Professor / Head of Unit</b>	<b>Head of Procurement</b>	<b>Director of Legal Affairs (6)</b>	<b>VP Finance / CFO</b>	<b>Dean, VP</b>	<b>President</b>	<b>Direction<sup>1</sup></b>	<b>CEPF</b>
<b>II. Costs</b>	<i>Replacement in case of absences</i>	<i>Delegate (if existing)</i>	<i>Deputy Head of Procurement</i>	<i>Deputy Legal Affairs (6)</i>	<i>Head Accnt. &amp; Controlling</i>	<i>Deputy or ad hoc delegate</i>	<i>VPA</i>	-	-
<b>A. Goods, equipment and service Procurement</b>									
≥ 5% annual EPFL federal budget (~30M CHF)		A	C	C (6)	A	A	A		A
≥500 kCHF (double signing)		A	C	C (6)	A	A	A		
≥250 kCHF & < 500 kCHF (double signing)		A	C	C (6)	A (11,13)	A			
≥100k CHF & < 250k CHF (double signing)		A	A	C (6)	A (11,13)	A (15)			
≥50k CHF & < 100k CHF (double signing)		A				A (12)			
≥5k CHF & < 50kCHF (double signing)		A							
< 5k CHF		A							
<b>B. Lease contracts (EPFL rents space from third party)</b>									
>2M CHF / year or >10-year engagement					A	A (VPO)	A	A	A
>500 kCHF / year & <2 MCHF / lease engagement					A	A (VPO)	A		
>100 kCHF / year & < 500 kCHF / lease engagement					I	A (VPO)			
<100 kCHF / year					I	A (VPO)			
PPP lease contracts between the Confederation, a third party and EPFL as a lessee					A		A	A	A

Source: LEX 5.1.1, Immobilienweisung\_ETH-Bereich\_2016 (LEX 7.1.0.2), LEX 5.8.1, LEX 3.4.0.1 and LEX 3.4.1, LEX 3.4.0.2 (Appendix 1)

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- Dean mandatory
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- A professor can sign alone if the contract is < 50 kCHF

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- Institute/Domain Director when required
- DII contracts excepted up to 500k CHF, VPF does not contribute to the approval process
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- Associate Vice Presidents or Directors of the VPO Domain (Art. 47 Financial Regulations)

# Financial Regulations

12<sup>th</sup> March 2012, Status as at 1<sup>st</sup> August 2020

LEX 5.1.1

Financial Transactions III. Participations	Function	Director of Legal Affairs	VP Finance / CFO	Dean	VPA	President	Direction <sup>1</sup>	CEPF
	<i>Replacement in case of absences</i>	<i>Deputy Legal Affairs</i>	<i>Head Accnt. &amp; Controlling</i>	<i>Deputy or ad hoc delegate</i>	<i>Deputy or ad hoc delegate</i>	<i>VPA</i>	-	-
<b>A. Participation in spin-offs and start-ups</b>								
1. Participation in a spin-off or a start-up in the context of a Technology Transfer contract (see I.B.3)			I (9)	C (3)	A (TTO and AVP-R)			I (if ≥ 5% annual EPFL federal budget)
2. Annual reporting to CEPF on participations			A		A (TTO and AVP-R)			I
3. Dispute management (i.e. conflict of interest)			C	C (3)	A (TTO and AVP-R)	I	I	I
4. Sales of participations			C		A (TTO and AVP-R)			
<b>B. Strategic participation or venture</b>								
A strategic participation consists in a long-term strategic partnership in the fields of teaching, research and technology knowledge transfer (i.e. Microcity, CSEM, EXAF)								
1. Business plan	A	A	A	C	A	A	A	A (if ≥ 5% annual EPFL federal budget)
2. Set-up	A	A	A	C	A	A	A	
<b>C. Creation of a legal entity abroad or in Switzerland</b>								
1. Business plan	A	A	A		A	A	A	A (if ≥ 5% annual EPFL federal budget)
2. Set-up	A	A	A		A	A	A	

Source: LEX 5.1.1, Immobilienweisung\_ETH-Bereich\_2016 (LEX 7.1.0.2), LEX 3.4.0.1 and LEX 3.4.1, LEX 3.4.0.2 (Appendix 1)

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- Dean mandatory
- LEX 1.4.0.3 and Directives CEPF "Devoir d'information des EPF"
- A professor can sign alone if the contract is < 50 kCHF

- Legal Procurement (function to be confirmed by end 2020)
- VPF + control and reporting to CEPF by Accounting Department
- Controlling department is informed upon request of the opening of an account
- When EPFL obtains a participation (equity) in a company (i.e. spin-off)
- For contracts ≥ 5 MCHF
- VPA/ECO co-sign with professor scientific equipment purchases up to 500k CHF, VPF does not contribute to the approval process
- Institute/Domain Director when required
- DII contracts excepted up to 500k CHF, VPF does not contribute to the approval process
- Transactions ≥ 500 kCHF
- Associate Vice Presidents or Directors of the VPO Domain (Art. 47 Financial Regulations)



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12<sup>th</sup> March 2012, Status as at 1<sup>st</sup> August 2020

LEX 5.1.1

Financial Transactions	Function	Professor	VPF - Head of Accnt. & Controlling	VPF - Head of Plan - Treasury	VP Finance / CFO
IV. Financial management	<i>Replacement in case of absences</i>	<i>Delegate</i>	<i>Delegate</i>	<i>Delegate</i>	<i>Head Accnt. &amp; Controlling</i>
<b>A. Hedging (currency)</b>					
1. Exchange rate to apply when submitting a financing proposal for a project (ex: European project)		I		A	I
2. Hedging			I	A	A
3. Selling of foreign currency			I	A	I

Source: LEX 4.1.1, LEX 4.1.0.4, LEX 5.5.1, LEX 5.7.3

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Process Owner (resp. for securing transaction and approval process)

Notes:

1. When the Direction approves a Financial Transaction, it requires that all listed functions have approved it individually previously
2. 2a: President: for contracts ≥ 500k CHF; 2b: VPF & Direction: for contracts ≥ 250k CHF
3. Dean mandatory
4. LEX 1.4.0.3 and Directives CEPF "Devoir d'information des EPF"
5. A professor can sign alone if the contract is < 50 kCHF

6. Legal Procurement (function to be confirmed by end 2020)
7. VPF + control and reporting to CEPF by Accounting Department
8. Controlling department is informed upon request of the opening of an account
9. When EPFL obtains a participation (equity) in a company (i.e. spin-off)
10. For contracts ≥ 5 MCHF
11. VPA/ECO co-sign with professor scientific equipment purchases up to 500k CHF, VPF does not contribute to the approval process
12. Institute/Domain Director when required
13. DII contracts excepted up to 500k CHF, VPF does not contribute to the approval process
14. Transactions ≥ 500 kCHF
15. Associate Vice Presidents or Directors of the VPO Domain (Art. 47 Financial Regulations)