

Eligible costs, costs categories, budget table

Barbara Trammer, IPPT PAN



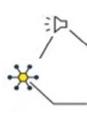




#### Introduction

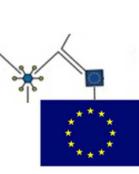


The purpose of this presentation is to provide the participants with information necessary to prepare budget for the project proposal:





- Eligible costs and categories
- Some principles
- Preparing budget table









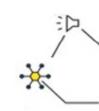




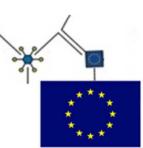


But should have a general understanding of what your researchers/developers will be doing in the project in order to:

- provide realistic cost estimates
- monitor the costs incurred













#### **FUNDING LIMITS - REMINDER**





Innovation Actions (IA) (non-profit)

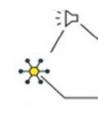


Innovation Actions (IA) (for-profit )



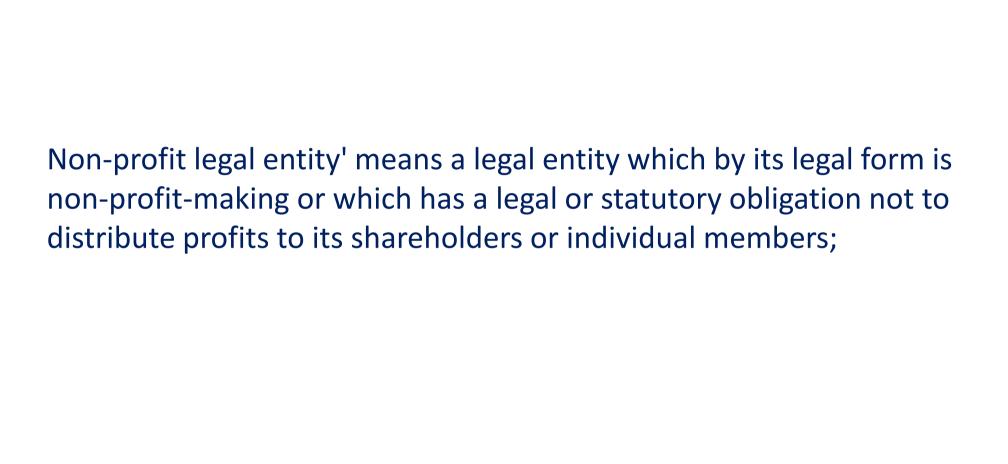
Coordination and Support Actions (CSA)







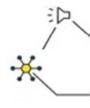








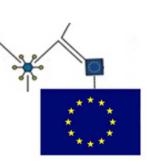














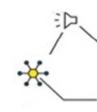




#### You can only claim costs that are ELIGIBLE



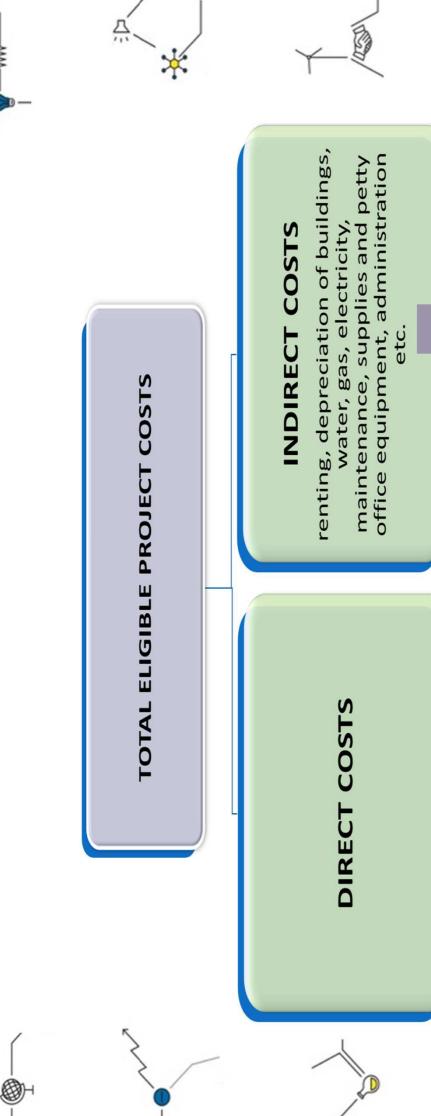
- Actually incurred by the beneficiary
- Must be incurred during project duration
- Indicated in the estimated budget (Annex 2)
- Connected to the action and necessary
- Recorded, identifable and verifable with the beneficiary's accounts
- Calculated according to accounting rules and the benaficiary's usual cost accounting practices
- In compliance with national laws on taxes, labour and social security
- Resonable, justified, in acordance with sound financial management (not excessive, in line with good housekeeping practice)

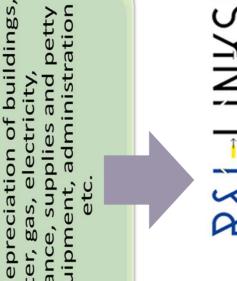










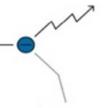




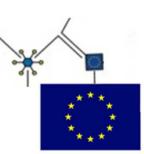




#### **Indirect Costs**









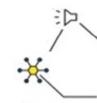






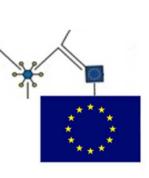






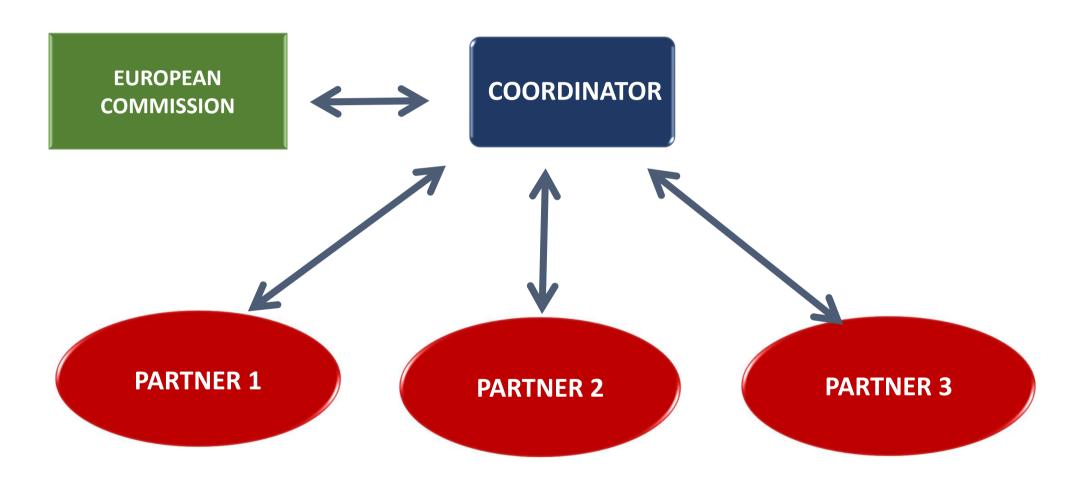
Accounting documentation is necessary only for direct costs. Indirect costs do not need supporting evidence because they are declared using a flat-rate.







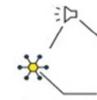
#### **GRANT AGREEMENT**







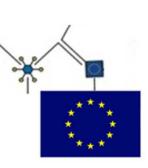




Can you claim the personnel costs for the time that you invested to <u>prepare the</u> proposal?

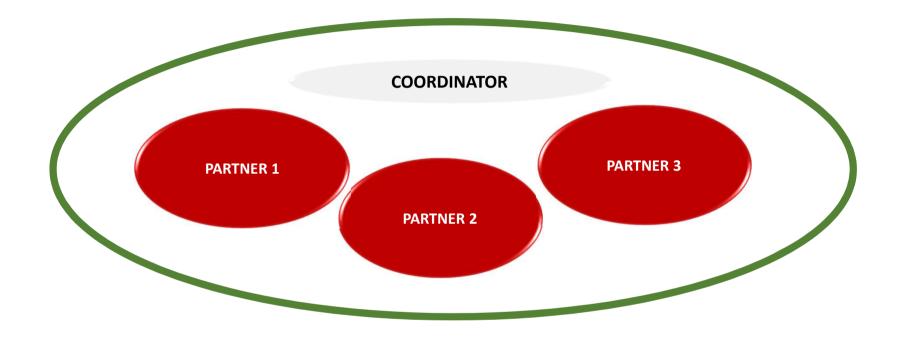


NO, costs related to preparing, submitting and negotiating the proposal are not eligible





#### **CONSORTIUM AGREEMENT**



**AGREEMENT BETWEEN PARTNERS** 

### **EXAMPLES**

Debt and debt service charges

Excessive or reckless expenditure

NON ELIGIBLE

Currency exchange losses

DEDUCTIBLE VATrecoverable under the national "VAT legislation".

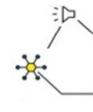




#### Main cost categories:



- Personnel costs
- Costs of subcontracting
- Other direct costs
  - Travel costs and subsistence allowances
  - Depreciation costs of equipment
  - Costs of other goods and services









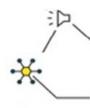
Participant	Country	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(1)	(K)
		Direct	Other direct	Direct costs of	Direct costs of	Costs of inkind	Indirect costs/	Special unit	Total	Reimburse	Max.grant/ €	Requested
		personnel	costs/€	subcontracting/ €	providing	contributions not	€	costs covering	estimated	ment rate		grant/ €
		costs/€			financial support	used on the		direct and	eligible		(=H*I)	
					to third parties/	beneficiary's	(=0,25(A+B-E))	indirect costs	costs/ €			
					€	premises/ €			(A+B+C+D+F+			
									G)			
Total												



















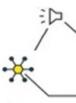




• Personnel costs for employees or equiwalent - i.e. persons working for the beneficiary on the basis of an employment contract or equivalent appointing act (civil servants)



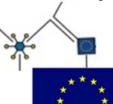
BASIC REMUNERATION - the payments for the employee's normal work and participation in projects – up to what is the beneficiary's usual remuneration practice for national projects



 Cover the payment + social security contributions (mandatory employer and employee contributions) + taxes included in the remuneration (e.g.income tax)...



- Should be paid in acordance with national law and the employment contract/equivallent appointing act
  - Must exclude arbitrary bonuses (i.e. bonuses which are not part of the beneficiary's usual remuneration practices and/or which are not based on objective conditions)

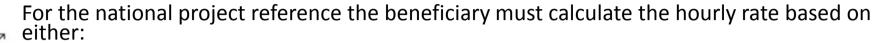




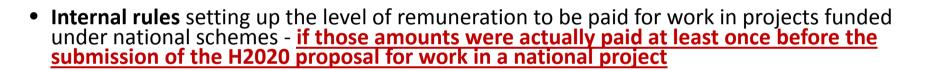




#### National project reference needed



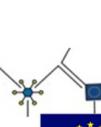




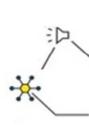


AGA p. 59-65

http://ec.europa.eu/research/participants/data/ref/h2020/grants manual/amga/h2020amga en.pdf











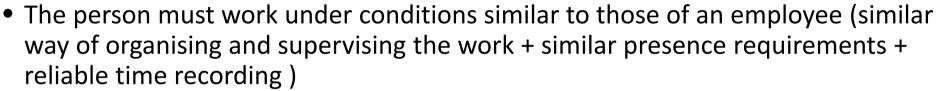


#### Natural person with direct contract

(AGA p. 73-74)







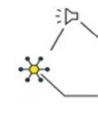


 The remuneration must not be significantly different from costs for employees performing similar tasks











# Project preparation phase - estimation

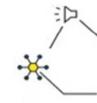
#### PERSONNEL COST - example:













## SUBCONTRACTING Grant Agreement art. 13



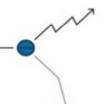




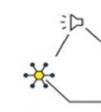




### SUBCONTRACTING (1)

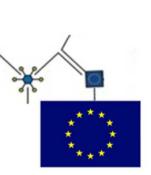


 Based on 'business conditions' (subcontractor charges a price, which usually includes profit)



 The beneficiaries must base their subcontracts on the 'best value for money' – competitive selection procedures – requesting several offers



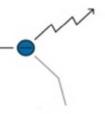








### SUBCONTRACTING (2)

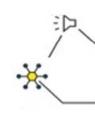


- Concern implementation of project tasks described in Annex 1
- Only limited part of the action may be subcontracted
- Indicated in Annex 1
- Costs must be set out in Annex 2



#### **Examples**

- 1) Testing and analysis of the resistance of a new component under high temperatures, if described in Annex 1 as project task
- 2) Building of a prototype or pilot plant, if described in Annex 1 as project task









#### THIRD PARTIES

- Consider if subcontracting and/or other third parties shall be involved in the project
- Explain planned involvement of third parties in the proposal

#### 4.2. Third parties involved in the project (including use of third party resources)

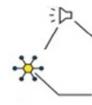
Please complete, for each participant, the following table (or simply state "No third parties involved", if applicable):

Does the participant plan to subcontract certain tasks (please note that core tasks of the project should not be sub-contracted)	Y/N						
If yes, please describe and justify the tasks to be subcontracted							
Does the participant envisage that part of its work is performed by linked third parties?							
ves, please describe the third party, the link of the participant to the third party, and scribe and justify the foreseen tasks to be performed by the third party							
Does the participant envisage the use of contributions in kind provided by third parties (Articles 11 and 12 of the General Model Grant Agreement)	Y/N						
yes, please describe the third party and their contributions							











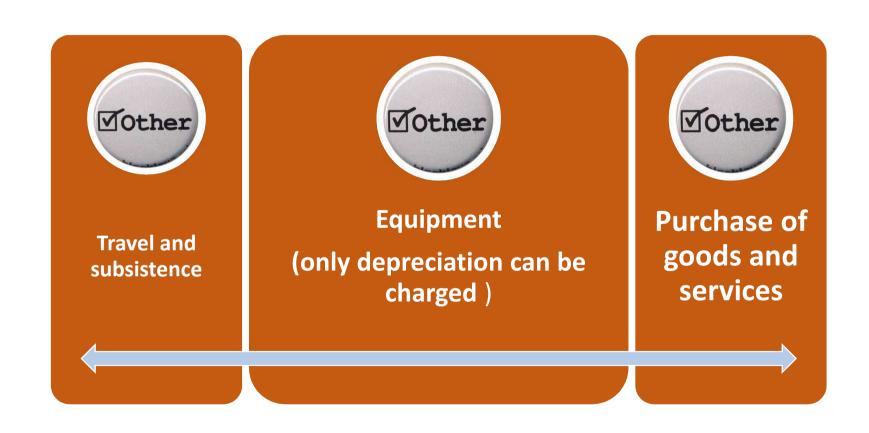


Generally it is not known at this stage, but if the name of the subcontractor is known at the time of the grant signature the beneficiary may indicate it in Annex 1 (framework agreement).





#### OTHER DIRECT COSTS



# Project preparation phase - estimation

#### TRAVEL COST - example:

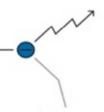
Usually averages of travel costs used





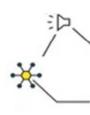


#### PURCHASE OF GOODS AND SERVICES

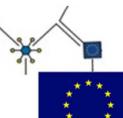


#### Examples:

- audit certificate on the financial statements
- translation of documents
- conference fees
- publication of brochures
- creation of a website that enables an action's beneficiaries to work together (if creating the website is not an action task)
- contract for organisation of the rooms and catering for a meeting (if the organisation of the meeting is not an action task mentioned as such in Annex 1);
- contract for hiring IPR consultants/agents
- costs of intelectual property rights (including fees paid to the patent office for patent registration)









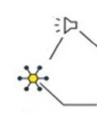




#### **BUDGET**



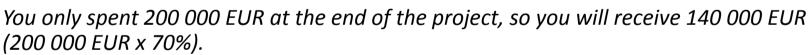
• The total funding is the maximum amount that can be paid by the EC. It is in no way a guarantee



If you spent less than planned you will receive less funding

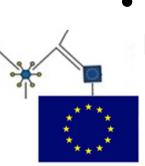
Example:

You estimated 300 000 EUR of total costs on 70% funding - this would mean 210 000 EUR from the EC.





 The budget can be transferred between cost categories and partners during project realization

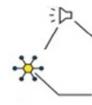








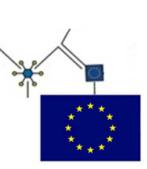






## HOW TO FILL IN BUDGET TABLE







#### 325 000 €

# Certificate on the financial statements

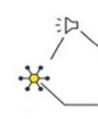
• If a beneficiary requests a total contribution of 325 000 EUR or more as reimbursement of actual costs







**COLUMN D** – FINANCIAL SUPPORT TO THIRD PARTIES - to be used only where this is explicitly allowed in the work programme





**COLUMN G** – SPECIAL UNIT COSTS COVERING DIRECT AND INDIRECT COSTS - to be used only where this is explicitly allowed in the work programme









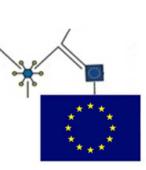














(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(1)	(J)	(K)
Direct	Other direct	Direct costs of	Direct costs	Costs of inkind	Indirect costs/	Special unit	Total estimated	Reimburse	Max.grant/ €	Requested grant/
personnel	costs/€	subcontractin	of	contributions	€	costs	eligible costs/ €	ment rate		€
costs/€		g/€	providing	not used on the		covering	(A+B+C+D+F+G)		(=H*I)	
			financial	beneficiary's	(=0,25(A+B-E))	direct and				
			support to	premises/ €		indirect costs				
			third							
			parties/ €							
240 000	27 000	50 000			110 000		600 000	100%	600 000	600 000
	10 000									
	1 000									
	160 000									
	2000									
240 000	200 000	50 000			110 000		600 000		600 000	600 000
240 000	200 000	50 000			110 000		000 000		800 000	000 000



#### PARTICIPANT PORTAL

http://ec.europa.eu/research/participants/portal/desktop/en/home.html

HORIZON 2020 on-line MANUAL

http://ec.europa.eu/research/participants/portal/desktop/en/funding/guide.html

**HORIZON 2020 DOCUMENTS** 

/Annotated Grant Agreement/

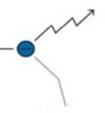
http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference\_docs.html

RESEARCH ENQUIRY SERVICE

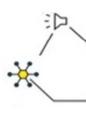
http://ec.europa.eu/research/index.cfm?pg=enquiries







#### Thank you for your attention!





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Contact details: barbara.trammer@kpk.gov.pl



