



Master of Finance and EC Audits

Financial rules of Horizon Europe and H2020

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Part 1 / Chapter One

The Hitchhiker's guide to Financial Reporting

Why Reporting costs?

- „Budget-based, mixed actual cost grant” (HE Art. 5.1)
 - In 90-95% of the actions **funding is based on actual/unit-based direct costs incurred** and reported
 - Apart from:
 - Flat-rate financed costs (for the indirect costs)
 - Pre-fixed unit-cost grants (e.g., MSCA)
 - Lump-sums financed actions (e.g., IA-LS)

No joint financial responsibility but joint technical responsibility!

Lump sum basics

Good to know

- Lump sum funding was tested in a pilot under Horizon 2020.
- Lump sum was designed to make the programme easier and simpler - especially for small organisations and newcomers - by removing the need to report actual costs
- The pilot was assessed in two independent studies
- Lump sum funding was slowly introduced in the 2022 Work Programme
- The first significant wave of lump sum topics are now open in the 2023-2024 Work Programmes
- Improved guidance to clarify how lump sum funding works



Concerns about lump sum

Extract from the second evaluation

Table 2. Concerns of lump sum in brief

- The LS approach may increase the complexity of the evaluation process.
- The grant preparation phase may become more complex.
- More interactions between the coordinator and the project officer may be needed.
- The payment needs to be based on work package completion; defined criteria should be used to demonstrate that the work package activities have been completed.
- The project officer should have the knowledge to understand the technical aspects of the project.
- Extra effort may be required from the coordinator in case of conflicts with underperforming partners.
- It remains to be clarified what the EC audit policy will be around this new approach.

[https://www.europarl.europa.eu/RegData/etudes/STUD/2022/697218/EPRS_STU\(2022\)697218_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2022/697218/EPRS_STU(2022)697218_EN.pdf)



A reimbursement system based on a fixed lump sum

Is it the right tool for the EU Framework Programme for research?

STUDY

Panel for the Future of Science and Technology

EPRS | European Parliamentary Research Service

Scientific Foresight Unit (STOA)
PE 697.218 – May 2022

EN

GOOD TO KNOW....

ACTUAL COST GRANT

- Actual cost reporting used since the beginning of FP1
- Based on a fair, transparent approach and real cost incurred
- No need for proofs until cost incurred: budget with minimal effort, reporting with full-details
- Great built-in flexibility (?) as project implementation requires modifications:
 - In between cost categories
 - In between beneficiaries
 - Timing and costs
- Decent amount of documentation needed

LUMP SUM GRANT

- Lump sum was designed to make the programme easier and decrease the financial errors of actual cost reporting.
- NO actual cost reporting
- NO CFS
- Requires more time to prepare your budget and justify your cost at proposal stage
- Flexibility during project implementation – bit more administration
- Less documentation needed

Part 1 / Chapter Two

From „Accounted” to „Reportable”

The „LOGIC”

Duly accounted in the PnL's?

No
(exception of in-kind by third parties (foreseen))



Accounting or Reporting

„all cost reported must be in line with the beneficiary’s usual cost accounting practices”

(H2020 GA; Art.6.1.a – HE GA; Art.6.1a)

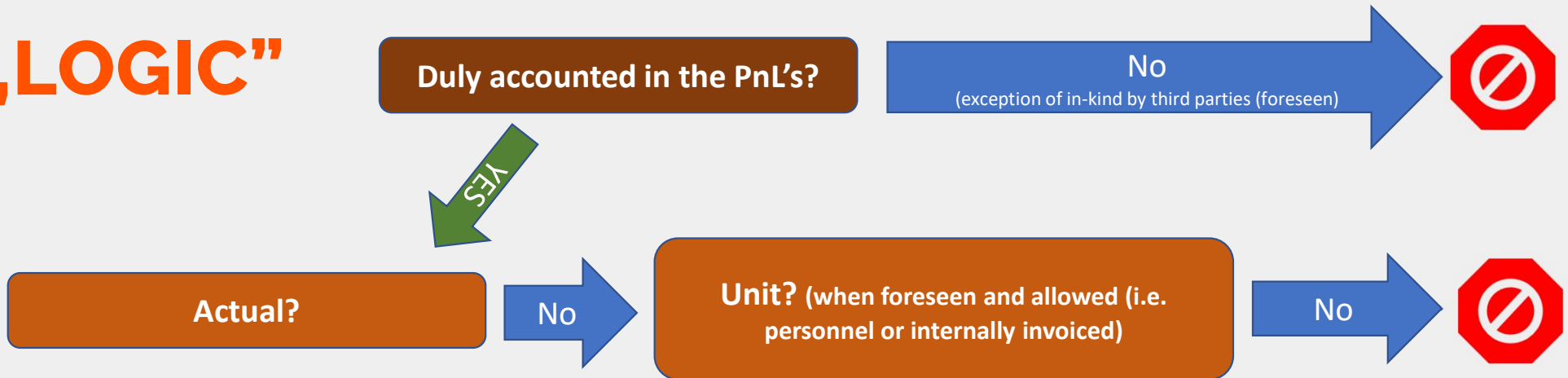
Compare the following:

Do I have to do anything differently compared to normal businesses?

VS

Can I do anything differently compared to normal businesses?

The „LOGIC”



Actual-cost versus Unit-cost



€86.000
-----= €50/hour x 100 hours on project = €5.000
1720 Hours



€77.400
-----= €45/hour x 100 hours on project = €4.500
1720 Hours

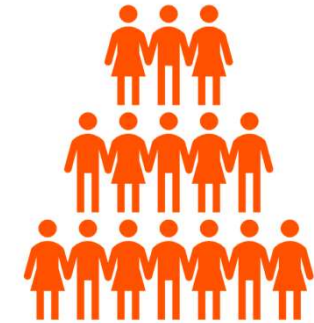


€94.600
-----= €55/hour x 100 hours on project = €5.500
1720 Hours



€82.560
-----= €48/hour x 100 hours on project = €4.800
1720 Hours

Total actual personnel cost: €19.800



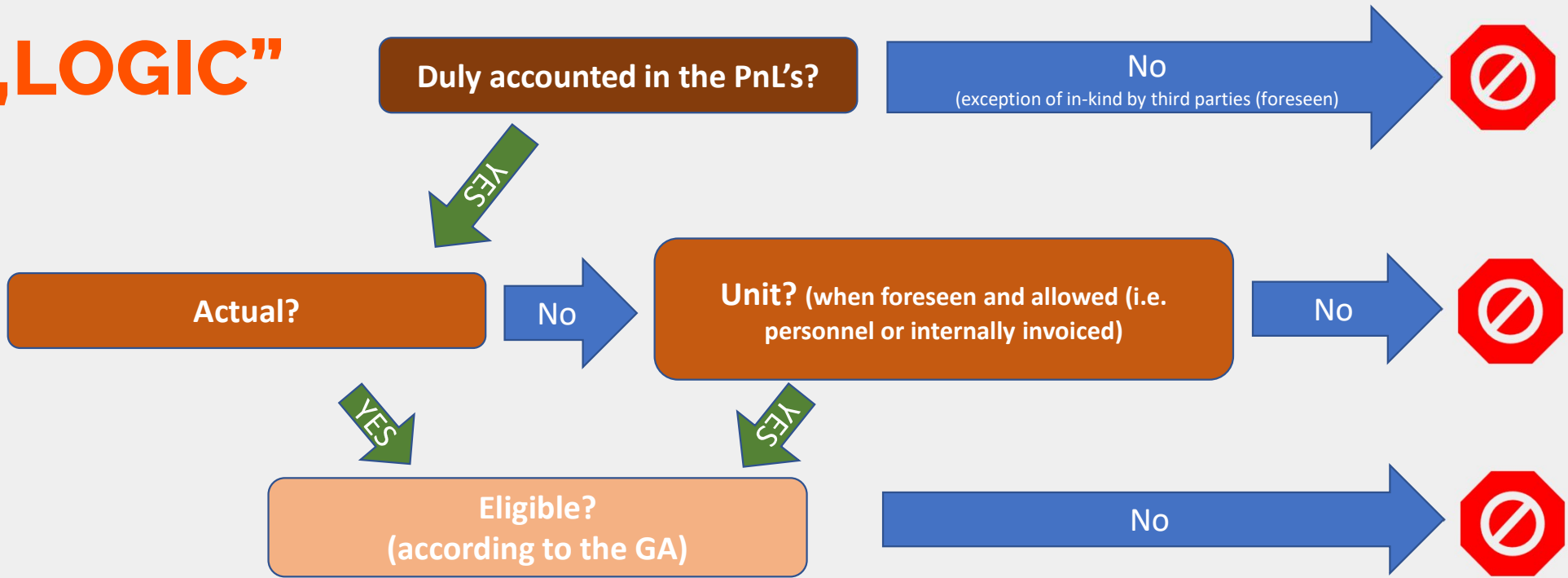
Team: Researchers:

Unit cost: **€ 50/hour***




Total hours spent on
the project by Team
Researchers: **400**

Total unit-based
personnel cost:
€20.000

The „LOGIC”



What makes ANY cost ELIGIBLE?

- It is duly accounted in the Beneficiary's Profit & Loss Accounts
 -  Exceptions?
- In compliance with the relevant applicable national laws
- Incurred during the implementation of the project
 -  Exceptions?
- In accordance with the Beneficiary's usual accounting and management principles
 -  Exceptions?
- Foreseen in the project's budget
- Needed for and linked to the project's implementation
- **Reasonable, justifiable – efficient!!!**

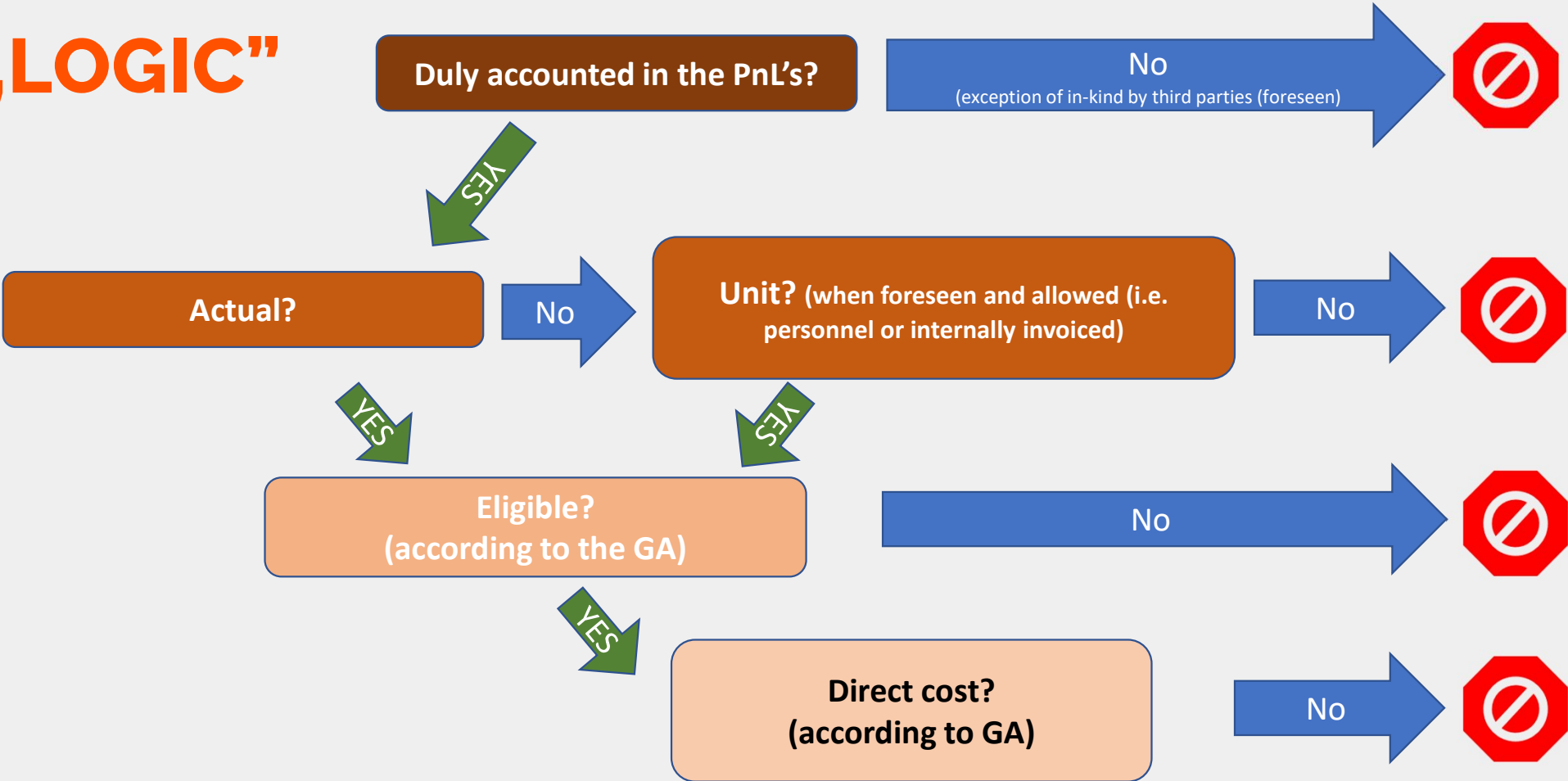


What makes a cost **NON-ELIGIBLE**?



- **Not foreseen** in the proposal/GA (particularly the subcontracting!)
- Related to return on capital, debt and debt-service charges, future losses or debts
- Interest owed, future liabilities
- **Currency exchange losses**
- Bank costs charged by the Beneficiary's bank for receiving the transfers of grants from the EC
- **Excessive or reckless expenditure**
- Deductible VAT
- Cost incurred during suspension of the action
- **Double funding** – no mixing of EU Grants!

The „LOGIC”



What makes any costs **DIRECT** costs?

Can be directly linked with the project

The Beneficiary has to **prove the link** between the project and the costs

Example: travel costs to Brussels - link: project meeting in Brussels, reported in the (periodic) reports

Can be proportionated to the project

The Beneficiary must provide evidence on the **“usage-rate”**

Example: salary cost of a staff member - timesheets show the link and help identify the involvement level



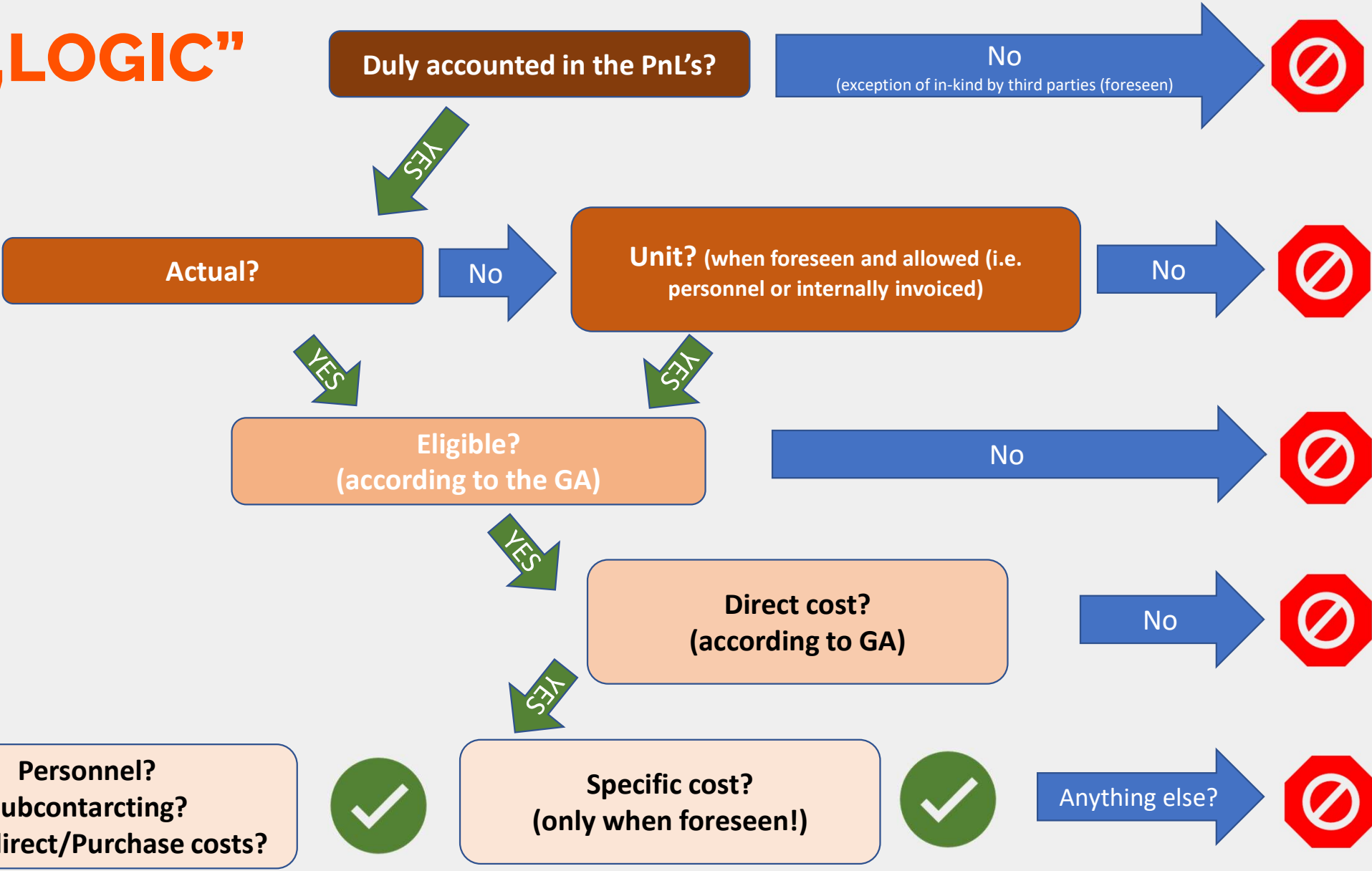
What makes any costs **INDIRECT** costs?

Cannot be measured directly due to practical or administrative reasons:

- Overheads or running costs
- Equipment or staff costs, if cannot be proportionated or linked to the project
- Any other costs with no linked to the project (i.e. travel “forgotten” to be reported; Equipment fully depreciated, etc.)



The „LOGIC”



Direct Cost Categories

H2020

Personnel cost

as actual costs
as unit costs

Subcontracting

as actual costs only!

Other direct costs, including

Travel cost – as actual costs only!
Equipment and infrastructure costs- as actual costs only!
Other costs and services – as actual costs only!

Providing financial support to third parties (only if foreseen by the EC)

as actual costs only!

Internally invoiced goods and services

as unit costs

Costs of Large-scale infrastructure (optional)

Specific Unit costs (only if foreseen by the EC):

Energy Efficiency measures – as unit cost set by the EC
Cost of Clinical Trials – as unit cost calculated by the Beneficiary(es)
Access cost to Research Infrastructure – as unit costs calculated by the Beneficiary

HE

Standard:

Personnel cost (A)

as actual costs
as unit costs

Subcontracting (B)

as actual costs only!

Purchase cost (C)

Travel cost – as actual costs only! (C1)
Equipment - as actual costs only! (C2)
Other goods and services – as actual costs only! (C3)

Programme-specific cost categories:

Other costs (D)

Financial support to Third Parties (FSTP) (D1)

Internally invoiced goods and services (D2)

Transnational access cost to Research Infrastructure (D3)

Virtual access cost to Research Infrastructure (D4)

PCP/PPI (D5)

Euratom Cofund staff mobility costs (D6)

ERC Additional funding (D7)

ERC Additional funding – SC, FSTP, IIGS (D8)

Part II / Chapter One

Personnel cost - Options

Personnel cost reporting

There are far more options than you can imagine...

- Employees
- Seconded Employees
- In-house consultants
- SME-owner rate
- Natural person rate

Personnel cost reporting

H2020

- **Employees**
 - Actual-cost based
 - Fiscal-year based calculation, with
 - 1720
 - Actual hours
 - Beneficiary's standard hours
 - Monthly based calculation, with
 - 1/12 of Beneficiary's standard hours
 - 1/12 of 1720
 - Unit-cost based
 - For all employees
 - For selected categories
 - Set by the beneficiary
 - Set by the GA – MSCA actions
 - Special calculation
 - National reference rates
 - Project based remunerations
 - Additional remuneration
- **Seconded Employees**
- **In-house consultants**
- **SME-owner rate**
- **Natural person rate**

HE

- **Employees:**
 - Actual cost based:
 - **Reporting-period based** calculation with the **215 days/year/FTE FIXED**, and adjusted to the length of the RP and (?) the status of the employee
 - ***Or, alternatively..... @...yearly calculation with 215 days/year***
 - **NO monthly option**
 - Unit costs
 - Same (?) as in H2020
 - Special Calculation
 - National reference rates /project-based remuneration
 - **NO additional remuneration option**
- **Seconded employees**
- **In-house consultants**
- **SME Owners**
- **Natural Persons**

Part II / Chapter Two

Personnel cost - Employees

Personnel costs – DEFAULT (,Case 1A')

3 Steps to follow:

1. Eligible salary costs - *Whose and what part can be included?*

- **WHO?** - Project personnel working at the Beneficiary and ASSIGNED to the Grant
- **WHAT?** - Basic salary plus all mandatory charges and taxes - but excluding any other costs paid for his/her USUAL work/duties

2. Eligible hourly/daily rate – *via various calculation protocols:*

- **H2020: Hourly rate** - yearly (1720/Actual/Beneficiary standard (BS)) or Monthly (1720 and BS)
- **HE: daily rate** – reporting period based (!!!!!) with a yearly 215 days/FTE + 3 different day equivalent calculations if needed (contracted, BS, 8)/alternatively (?) calendar year based calculation

3. Eligible personnel costs:

- **H2020:** Eligible *hourly rate x hours worked* on the project – with special rules
- **HE:** Eligible *day-rate x days worked* on the project – with special rules, but different ones...



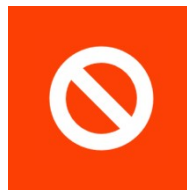
Step 1 – Eligible Salary costs

Who and what can be included?



Eligible salary components:

- Usual **gross salary** stated on the payroll
- **Social security contribution** paid (a.k.a. charges paid by the employer)
- Taxes included in the remuneration
- Mandatory complements to the basic salary (*including 13th month salary or similar*)
- **Variable components**, when set at the Beneficiary's level (*including extra salary, must not be arbitrary*)



Non-eligible salary components:

- **Any salary component paid for working on the project ("triggered by the action")**
- Recruitment costs/HR costs, etc.
- Internal overheads/Future liabilities
- Staff by temporary workforce agency(ies)



Specific cases to be discussed:

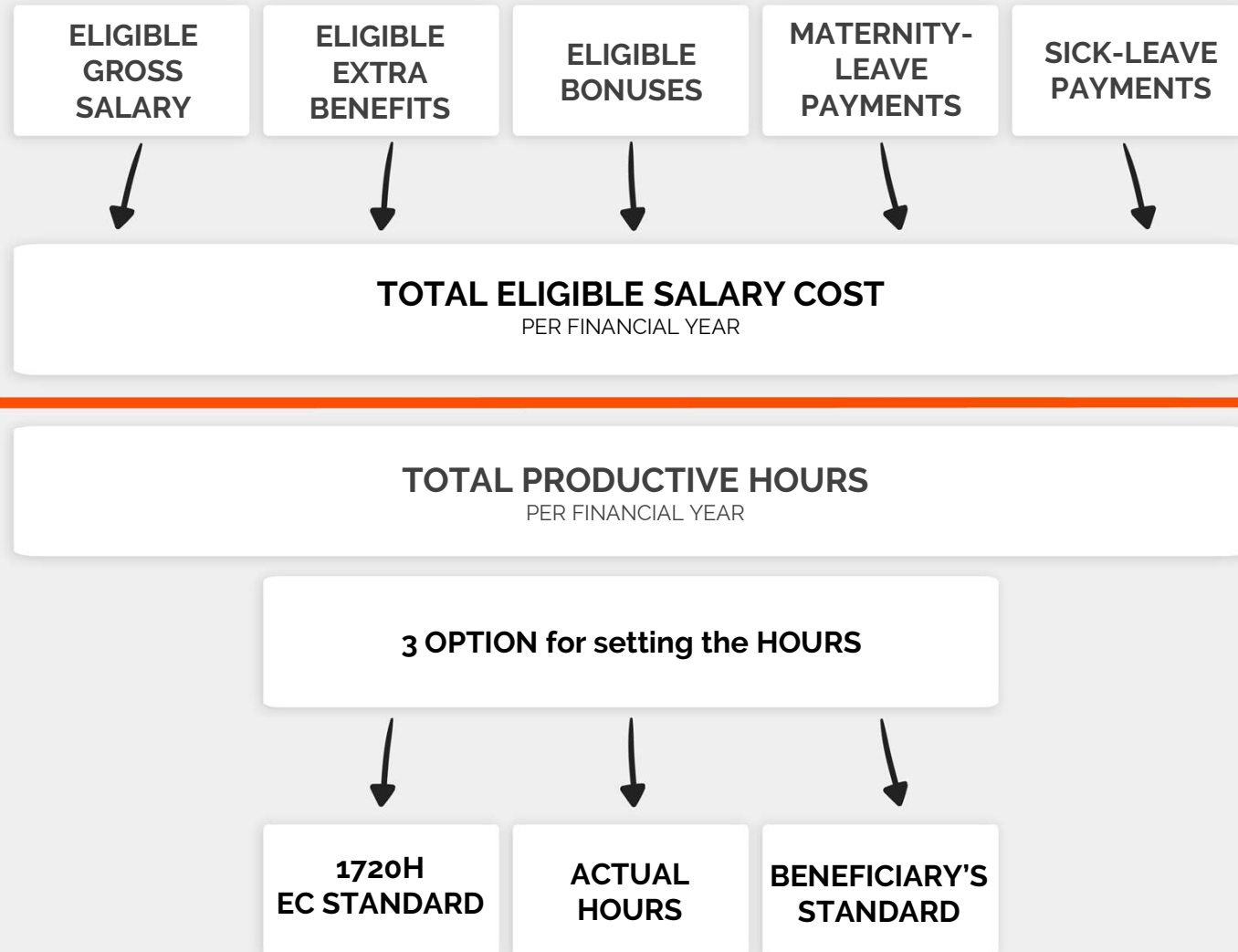
- Overtime?
- Tele-working?
- End-of-contract indemnities
- In-kind benefits (like company cars)?
- Lost academic fees
- Sick-leave
- Parental (maternity) leave

Step 2 – Eligible hourly rate (H2020)

Option 1 - Fiscal-year based calculation for employees

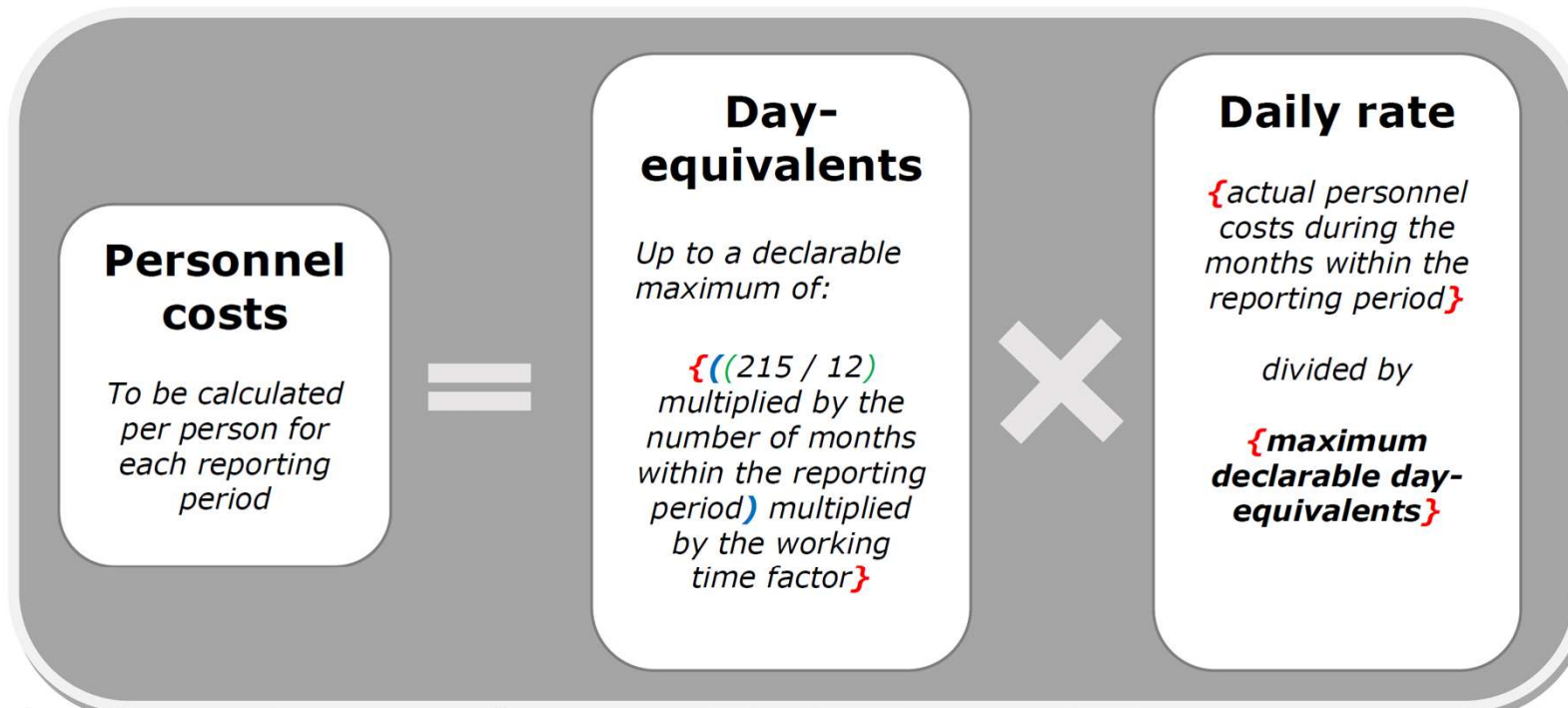


**HOURLY
RATE**



Step 2: Daily rate calculation (HE)

2.1.4 Calculation of the personnel costs. In most cases you have to calculate your personnel costs for the action as follows:



⁶ Alternatively, the calculation may be done separately for each calendar year within the reporting period, if this is consistently applied. In that case, the 'number of months within the reporting period' referred to in the formulas is to be understood as the number of months of the respective calendar year that are within the reporting period.

Time recording system in hours

Day equivalent – 3 conversion rules at hand

1. A conversion based on a fixed number of hours (e.g. for beneficiaries with no reference in their contracts nor standard annual productive hours): 1 day-equivalent= 8 hours

2. A conversion based on the average number of hours that the person must work per working day according to her/his contract.

EXAMPLE: If the contract says that the person must work 37,5 hours per week distributed in 5 working days, a day-equivalent for the person is 7,5 hours (37,5/5). In the same example if the person works 50%, part time, the day-equivalent would be 3,75 hours (18,75/5)

3. A conversion based on the usual standard annual productive hours of the Beneficiary, if it is at least 90% of the annual workable hours of the beneficiary

EXAMPLE: Standard annual productive hours of the beneficiary=1558,75. Standard annual workable hours of the beneficiary=1700.

1700x90%= 1530 < 1558,75 1558,75/215=7,25 hours = 1 day-equivalent

Disclaimer: information not legally binding



Part II / Chapter Three

Employees – calculation examples

Example:

Eligible personnel cost calculations:

Project „Hybrid”

- Start Date: 01/SEP/2021
- End Date: 31/AUG/2024
- Duration: 36 months
- RP1: M1-M18
- RP2: M19-M36

Employee „Z”

- Employed since 2011
- Category: researcher
- FTE: 1
- **Works 50 hours on the project „HYBRID” each month**

Beneficiary „U”

- Regular, yearly salary raise, effective from each July
- 13th month salary
- Performance related bonuses paid each year
- 1000 EUR each month is paid to all involved in H2020/HE project(s)
- **H2020/YPH: 1720 / 1634 (BS)**
- **HE/DE: unknown (8) / 7,6**

Example - Fiscal Year based calculation for employees - 2021

Gross salary

- ✓ Jan 5.000 €
- ✓ Feb 5.000 €
- ✓ Mar 5.000 €
- ✓ Apr 5.000 €
- ✓ May 5.000 €
- ✓ June 5.000 €
- ✓ July 5.500€
- ✓ Aug 5.500€
- ✓ Sept 5.500€
- ✓ Oct 5.500€
- ✓ Nov 5.500€
- ✓ Dec 5.500€
- ✓ X-mas bonus: 5.500€

Other salary cost

- ✓ Employer's taxes, in total: 14.900€
- ✓ Annual bonus: 6.000€
- ✗ Project bonus: 4.000€

Example - Fiscal Year based calculation for employees - 2021

Gross salary

- ✓ Jan 5.000 €
- ✓ Feb 5.000 €
- ✓ Mar 5.000 €
- ✓ Apr 5.000 €
- ✓ May 5.000 €
- ✓ June 5.000 €
- ✓ July 5.500€
- ✓ Aug 5.500€
- ✓ Sept 5.500€
- ✓ Oct 5.500€
- ✓ Nov 5.500€
- ✓ Dec 5.500€
- ✓ X-mas bonus: 5.500€

Other salary cost

- ✓ Employer's taxes, in total: 14.900€
- ✓ Annual bonus: 6.000€
- ✗ Project bonus: 4.000€

Total eligible salary cost for the fiscal year

6x5.000 €

6x5.500 €

1x5.500 €

14.900 €

6.000 €

89.400 €

Example - Fiscal Year based calculation for employees -2022

Gross salary

- ✓ Jan 5.500€
- ✓ Feb 5.500€
- ✓ Mar 5.500€
- ✓ Apr 5.500€
- ✓ May 5.500€
- ✓ June 5.500€
- ✓ July 6.000€
- ✓ Aug 6.000€
- ✓ Sept 6.000€
- ✓ Oct 6.000€
- ✓ Nov 6.000€
- ✓ Dec 6.000€
- ✓ X-mas bonus: 6.000€

Other salary cost

- ✓ Employer's taxes, in total: 16.440€
- ✓ Annual Bonus 7.200 €
- ✗ Project bonus: 12.000€

Total eligible salary cost for the fiscal year

6x5.500 €

6x 6.000 €

1x 6.000 €

16.440 €

7.200 €

98.640 €

Example - Fiscal Year based calculation for employees - 2023

Gross salary

- ✓ Jan 6.000€
- ✓ Feb 6.000€
- ✓ Mar 6.000€
- ✓ Apr 6.000€
- ✓ May 6.000€
- ✓ June 6.000€
- ✓ July 6.500€
- ✓ Aug 6.500€
- ✓ Sept 6.500€
- ✓ Oct 6.500€
- ✓ Nov 6.500€
- ✓ Dec 6.500€
- ✓ X-mas bonus: 6.500€

Other salary cost

- ✓ Employer's taxes, in total: 17.980€
- ✓ Annual Bonus: 8.400€
- ✗ Project bonus: 12.000€

Total eligible salary cost for the fiscal year

6x6.000 €
6x 6.500 €
1x 6.500 €
17.980 €
8.400 €

107.880 €

Example - Fiscal Year based calculation for employees - 2024

Gross salary

- ✓ Jan 6.500€
- ✓ Feb 6.500 €
- ✓ Mar 6.500 €
- ✓ Apr 6.500 €
- ✓ May 6.500 €
- ✓ June 6.500 €
- ✓ July 7.000€
- ✓ Aug 7.000 €
- ✓ Sept 7.000 €
- ✓ Oct 7.000 €
- ✓ Nov 7.000 €
- ✓ Dec 7.000 €
- ✓ X-mas bonus: 7.000 €

Other salary cost

- ✓ Employer's taxes, in total: 19.520€
- ✓ Annual Bonus: 9.600€
- ✗ Project bonus: 8.000€

Total eligible salary cost for the fiscal year

6x6.500 €
6x 7.000 €
1x 7.000€
19.520€
9.600€

117.120 €

2021		Gross Salary	13 th month salary	Annual Bonus	eligible gross salary	eligible employer's charges	eligible total salary costs
	JAN	5 000,00 €	- €	- €	5 000,00 €	1 000,00 €	6 000,00 €
	FEB	5 000,00 €	- €	- €	5 000,00 €	1 000,00 €	6 000,00 €
	MAR	5 000,00 €	- €	- €	5 000,00 €	1 000,00 €	6 000,00 €
	APR	5 000,00 €	- €	- €	5 000,00 €	1 000,00 €	6 000,00 €
	MAY	5 000,00 €	- €	- €	5 000,00 €	1 000,00 €	6 000,00 €
	JUN	5 000,00 €	- €	- €	5 000,00 €	1 000,00 €	6 000,00 €
	JUL	5 500,00 €	- €	- €	5 500,00 €	1 100,00 €	6 600,00 €
	AUG	5 500,00 €	- €	- €	5 500,00 €	1 100,00 €	6 600,00 €
RP1	SEP	5 500,00 €	- €	- €	5 500,00 €	1 100,00 €	6 600,00 €
	OCT	5 500,00 €	- €	- €	5 500,00 €	1 100,00 €	6 600,00 €
	NOV	5 500,00 €	- €	- €	5 500,00 €	1 100,00 €	6 600,00 €
	DEC	5 500,00 €	5 500,00 €	6 000,00 €	17 000,00 €	3 400,00 €	20 400,00 €
			63 000,00 €	5 500,00 €	6 000,00 €	74 500,00 €	14 900,00 €

2022		Gross Salary	13 th month salary	Annual Bonus	eligible gross salary	eligible employer's charges	eligible total salary costs
RP1	JAN	5 500,00 €	- €	- €	5 500,00 €	1 100,00 €	6 600,00 €
	FEB	5 500,00 €	- €	- €	5 500,00 €	1 100,00 €	6 600,00 €
	MAR	5 500,00 €	- €	- €	5 500,00 €	1 100,00 €	6 600,00 €
	APR	5 500,00 €	- €	- €	5 500,00 €	1 100,00 €	6 600,00 €
	MAY	5 500,00 €	- €	- €	5 500,00 €	1 100,00 €	6 600,00 €
	JUN	5 500,00 €	- €	- €	5 500,00 €	1 100,00 €	6 600,00 €
	JUL	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €
	AUG	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €
	SEP	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €
	OCT	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €
	NOV	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €
	DEC	6 000,00 €	6 000,00 €	7 200,00 €	19 200,00 €	3 840,00 €	23 040,00 €
		69 000,00 €	6 000,00 €	7 200,00 €	82 200,00 €	16 440,00 €	98 640,00 €

2023		Gross Salary	13 th month salary	Annual Bonus	eligible gross salary	eligible employer's charges	eligible total salary costs
RP1	JAN	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €
	FEB	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €
RP2	MAR	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €
	APR	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €
	MAY	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €
	JUN	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €
	JUL	6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
	AUG	6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
	SEP	6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
	OCT	6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
	NOV	6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
	DEC	6 500,00 €	6 500,00 €	8 400,00 €	21 400,00 €	4 280,00 €	25 680,00 €
		75 000,00 €	6 500,00 €	8 400,00 €	89 900,00 €	17 980,00 €	107 880,00 €

2024		Gross Salary	13 th month salary	Annual Bonus	eligible gross salary	eligible employer's charges	eligible total salary costs
RP2	JAN	6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
	FEB	6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
	MAR	6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
	APR	6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
	MAY	6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
	JUN	6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
	JUL	7 000,00 €	- €	- €	7 000,00 €	1 400,00 €	8 400,00 €
	AUG	7 000,00 €	- €	- €	7 000,00 €	1 400,00 €	8 400,00 €
	SEP	7 000,00 €	- €	- €	7 000,00 €	1 400,00 €	8 400,00 €
	OCT	7 000,00 €	- €	- €	7 000,00 €	1 400,00 €	8 400,00 €
	NOV	7 000,00 €	- €	- €	7 000,00 €	1 400,00 €	8 400,00 €
	DEC	7 000,00 €	7 000,00 €	9 600,00 €	23 600,00 €	4 720,00 €	28 320,00 €
		81 000,00 €	7 000,00 €	9 600,00 €	97 600,00 €	19 520,00 €	117 120,00 €

Step 2+3a: How to do it in H2020?

1720

Hourly rates:

- 2021: €89.400 / 1720 = 51,98 €/h
- 2022: €98.640 / 1720 = 57,35 €/h
- 2023: €107.880 / 1720 = 62,72 €/h
- 2024 €117.120 / 1720 = 68,09 €/h

RP1: 01/SEP/2021 - 28/FEB/2023 (to be reported in April 2023)

- SEP - DEC 2021: 4x50 = 200 hours x €51,98 (FY'21) = €10.395,35
- JAN-DEC 2022: 12x50 = 600 hours x €57,35 (FY'22) = €34.409,30
- JAN-FEB 2023: 2x50 = 100 hours x €57,35 (FY'22) = € 5.734,88
- **Total eligible personnel costs for RP1 = € 50.539,53**

RP2: 01/MAR/2023 - 31/AUG/2024 (to be reported in October 2024)

- MAR-DEC 2023: 10x50 = 500 hours x €62,72 (FY'23) = €31.360,47
- JAN-AUG 2024: 8x50 = 400 hours x €62,72 (FY'23) = €25.088,37
- **Total eligible personnel costs for RP2 = €56.448,84**

Total eligible personnel costs for the project = €106.988,37

Step 2 + 3b: How to do it in H2020?

1634

Hourly rates:

- 2021: €89.400 / **1634** = 54,71 €/h
- 2022: €98.640 / **1634** = 60,37 €/h
- 2023 €107.880 / **1634** = 66,02 €/h
- 2024 €117.120 / **1634** = 71,68 €/h

RP1: 01/SEP/2021 - 28/FEB/2023 (to be reported in April 2023)

- SEP - DEC 2021: 4x50 = 200 hours x €54.71 (FY21) = €10.942,47
- JAN-DEC 2022: 12x50 = 600 hours x €60.37 (FY'22) = €36.220,32
- JAN-FEB 2023: 2x50 = 100 hours x €60.37 (**FY'22**) = € 6.036,72
- **Total eligible personnel costs for RP1 = € 53.199,51**

RP2: 01/MAR/2023 - 31/AUG/2024 (to be reported in October 2024)

- MAR-DEC 2023: 10x50 = 500 hours x €66.02 (FY'23) = €33.011,02
- JAN-AUG 2024: 8x50 = 400 hours x €66.02 (**FY'23**)= €26.408,81
- **Total eligible personnel costs for RP2 = €59.419,83**

Total eligible personnel costs for the project = €112.619,34

Step 2+3c: How to do it in HE?



Daily rates:

RP1: 01/SEP/2021 - 28/FEB/2023

- Total Salary costs: 153.240.- EUR
- Total Day equivalent: 215/12*18= 322,5 days
- Daily Rate: 475.16 EUR

RP2: 01/MAR/2023 - 31/AUG/2024

- Total Salary costs: 157.080.- EUR
- Total Day equivalent: 215/12*18 = 322,5 days
- Daily Rate: 487.07 EUR

		Gross Salary	13 th month salary	Annual Bonus	eligible gross salary	eligible employer's charges	eligible total salary costs
RP1: 01/SEP/2021 - 28/FEB/2023 (to be reported in April 2023)							
JAN		5 000,00 €	- €	- €	5 000,00 €	1 000,00 €	6 000,00 €
FEB	• 18 months, 50 hours each month	5 000,00 €	- €	- €	5 000,00 €	1 000,00 €	6 000,00 €
MAR	• 900 hours worked on the project in total	5 000,00 €	- €	- €	5 000,00 €	1 000,00 €	6 000,00 €
APR	• 1125 days						6 000,00 €
MAR		6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €
APR		6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €
MAY		6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €
JUN		6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €
JUL		6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
AUG		6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
SEP		6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
OCT		6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
NOV		6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
DEC		6 500,00 €	6 500,00 €	8 400,00 €	21 400,00 €	4 280,00 €	25 680,00 €
JAN		6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
FEB		6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
MAR		6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
APR		6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
MAY		6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
JUN		6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €
JUL		7 000,00 €	- €	- €	7 000,00 €	1 400,00 €	8 400,00 €
AUG		7 000,00 €	- €	- €	7 000,00 €	1 400,00 €	8 400,00 €
							157 080,00 €
NOV		8 000,00 €	- €	- €	8 000,00 €	1 400,00 €	9 400,00 €
DEC		8 000,00 €	6 000,00 €	7 200,00 €	19 200,00 €	3 840,00 €	23 040,00 €
JAN		8 000,00 €	- €	- €	8 000,00 €	1 400,00 €	9 400,00 €
FEB		8 000,00 €	7 000,00 €	9 600,00 €	28 600,00 €	4 720,00 €	33 320,00 €
Total eligible r							153 240,00 €

Step 2+3c: How to do it in HE?

Daily rates:

RP1: 01/SEP/2021 - 28/FEB/2023

- Total Salary costs: 153.240.- EUR
- Total Day equivalent: 322,5 days
- Daily Rate: 475.16 EUR

RP2: 01/MAR/2023 - 31/AUG/2024

- Total Salary costs: 157.080.- EUR
- Total Day equivalent: 322,5 days
- Daily Rate: 487.07 EUR

RP1: 01/SEP/2021 - 28/FEB/2023 (to be reported in April 2023)

- 18 months, 50 hours each month
- 900 hours worked on the project in total = $900/7,6 = 118,5$ days
- 118,5 days x 475.16 EUR daily rate = 56.306,79 EUR

Total eligible personnel costs for RP1 = € 56.306,79 EUR

RP2: 01/MAR/2023 - 31/AUG/2024 (to be reported in October 2024)

- 18 months, 50 hours each month
- 900 hours worked on the project in total = $900/7,6 = 118,5$ days
- 118,5 days x 487.07 EUR daily rate = 57.717,77 EUR

Total eligible personnel costs for RP2 = €57.717,77

Total eligible personnel costs for the project = €114,024,56

Step 2+3c: How to do it in HE?

2024		JAN	6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €	
		FEB	6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €	
		MAR	6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €	
		APR	6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €	
		MAY	6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €	
		JUN	6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €	
		JUL	7 000,00 €	- €	- €	7 000,00 €	1 400,00 €	8 400,00 €	
		AUG	7 000,00 €	- €	- €	7 000,00 €	1 400,00 €	8 400,00 €	63 600,00 €
	RP2	NOV	6 500,00 €	- €	- €	6 500,00 €	1 300,00 €	7 800,00 €	
		DEC	6 500,00 €	6 500,00 €	8 400,00 €	21 400,00 €	4 280,00 €	25 680,00 €	93 480,00 €
2023		FEB	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €	14 400,00 €
		JUL	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €	
		AUG	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €	
		SEP	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €	
		OCT	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €	
		NOV	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €	
		DEC	6 000,00 €	6 000,00 €	7 200,00 €	19 200,00 €	3 840,00 €	23 040,00 €	98 640,00 €

Total eligible personnel costs for the project = €108.265,19

Step 2+3c: How to do it in HE?

Daily rates/Calendar year:

RP1: 01/SEPT/2021 – 28/FEB/2023

- **Sept-Dec 2021:**
 - Salary costs: 40.200.- EUR
 - MDDE: $215/12 \cdot 4 = 71,50$
 - Daily Rate for 2021: **562,24 EUR**
- **Jan-Dec 2022**
 - Salary costs: 98.650.- EUR
 - MDDE: $215/12 \cdot 12 = 215$
 - Daily rate for 2022: **458,79 EUR**
- **Jan-Feb 2023**
 - Salary cost: 14.400.- EUR
 - MDDE: $215/12 \cdot 2 = 36,00$
 - Daily Rate for 2023: **400 EUR**

RP2: 01/MAR/2023 – 31/AUG/2024

- **Mar-Dec 2023**
 - Salary costs: 93.480.- EUR
 - MDDE: $215/12 \cdot 10 = 179,00$
 - Daily rate for 2023: **522,23 EUR**
- **Jan-Aug 2024**
 - Salary costs: 63.600 EUR
 - MDDE: $215/12 \cdot 8 = 143,50$
 - Daily Rate for 2024: **443,21 EUR**

RP1: 01/SEP/2021 - 28/FEB/2023 (to be reported in April 2023)

- Sept-Dec 2021: $4 \cdot 50 = 200$ hours / **7,6** = 26,5 days x 562,24 = 14.899,30€
- Jan-Febr 2022: $12 \cdot 50 = 600$ hours / **7,6** = 79,0 days x 458,79 = 36.244,47€
- Jan-Febr 2023: $2 \cdot 50 = 100$ hours / **7,6** = 13,0 days x 400,00 = 5.200,00€

Total eligible personnel costs for RP1 = € 56.343,77

RP2: 01/MAR/2023 - 31/AUG/2024 (to be reported in October 2024)

- Mar – Dec 2023: $10 \cdot 50 = 500$ hours / **7,6** = 66,0 days x 522,23 = 34.467,49€
- Jan – Aug 2024: $8 \cdot 50 = 400$ hours / **7,6** = 52,5 days x 443,21 = 23.268,29€

Total eligible personnel costs for RP2 = € 57.735,78

Total eligible personnel costs for the project = €114.079,54

Comparison

**H2020 with 1720:
€106.988,37**

>>>
+1,1%

**HE with DE/8:
€108.251,16
€108.265,19**

>>> +5,3%

>>> -3,9%

>>> +5,3%

**H2020 with 1634:
€112.619,34**

>>>
+1,2%

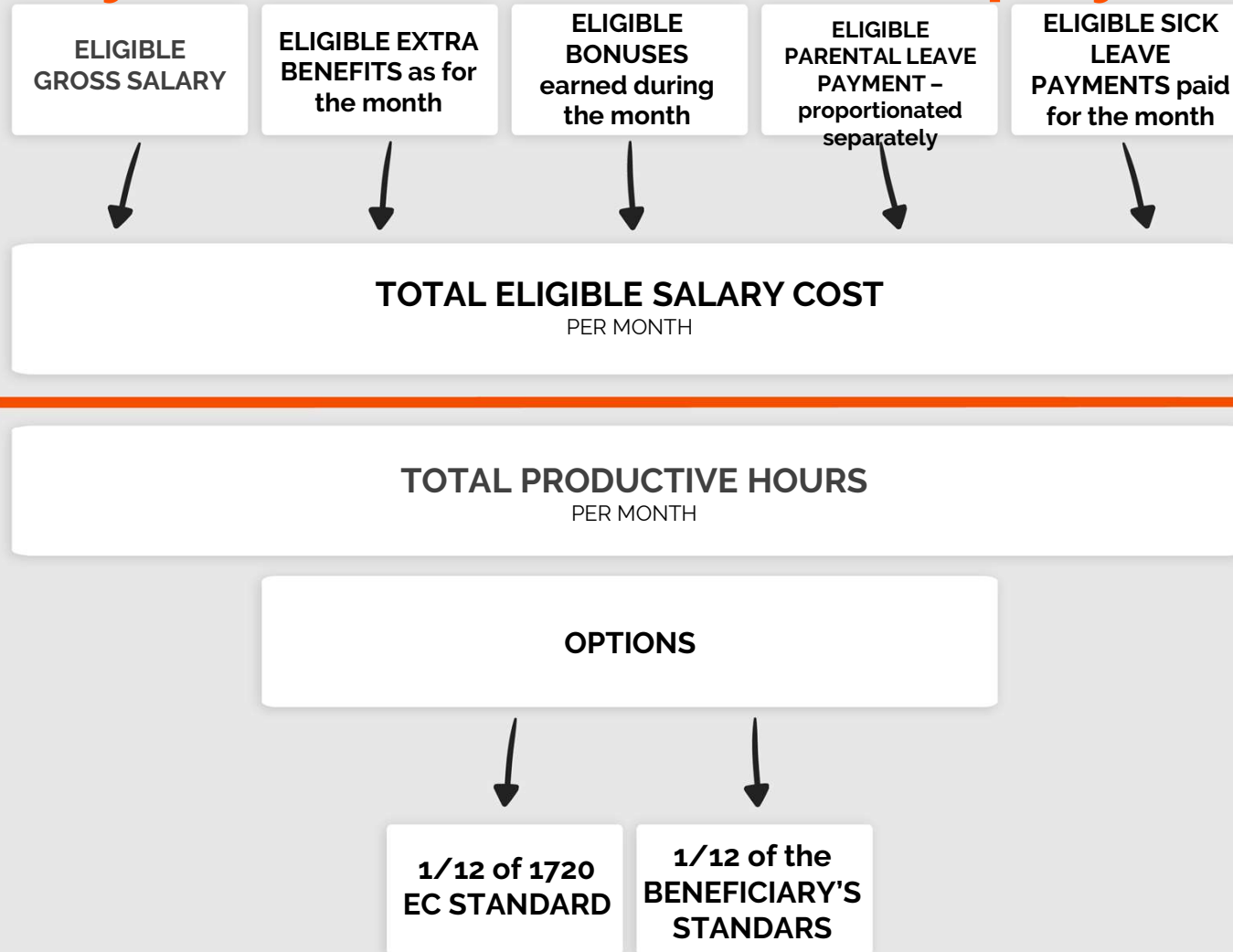
**HE with DE/7,6:
€114.024,56
€114.079,54**

Comparison - 2

	H2020 FY-based	HE RP-based	HE CY-based
2021	10 395,35 €	14 055,94 €	11 879,07 €
2022	34 409,30 €	34 409,30 €	35 637,21 €
2023	5 734,88 €	5 000,00 €	5 939,53 €
RP1	50 539,53 €	53 465,25 €	53 455,81 €
2023	31 360,47 €	32 639,66 €	30 441,86 €
2024	25 088,37 €	22 160,28 €	24 353,49 €
RP2	56 448,84 €	54 799,94 €	54 795,35 €
RP1+RP2:	106 988,37 €	108 265,19 €	108 251,16 €

Step 2: Eligible hourly rate in H2020

Option 2: Monthly - based calculation for employees



HOURLY RATE

Monthly-based calculation - example

2021	Gross Salary	13 th month	Annual	eligible gross salary	eligible	eligible total salary costs	productive hours/month	monthly hourly rate	
		salary	Bonus		employer's charges				
	J	5 000,00 €	458,33 €	500,00 €	5 958,33 €	1 191,67 €	7 150,00 €	143,33 €	49,88 €
	F	5 000,00 €	458,33 €	500,00 €	5 958,33 €	1 191,67 €	7 150,00 €	143,33 €	49,88 €
	M	5 000,00 €	458,33 €	500,00 €	5 958,33 €	1 191,67 €	7 150,00 €	143,33 €	49,88 €
	A	5 000,00 €	458,33 €	500,00 €	5 958,33 €	1 191,67 €	7 150,00 €	143,33 €	49,88 €
	M	5 000,00 €	458,33 €	500,00 €	5 958,33 €	1 191,67 €	7 150,00 €	143,33 €	49,88 €
	J	5 000,00 €	458,33 €	500,00 €	5 958,33 €	1 191,67 €	7 150,00 €	143,33 €	49,88 €
	J	5 500,00 €	458,33 €	500,00 €	6 458,33 €	1 291,67 €	7 750,00 €	143,33 €	54,07 €
	A	5 500,00 €	458,33 €	500,00 €	6 458,33 €	1 291,67 €	7 750,00 €	143,33 €	54,07 €
RP1	S	5 500,00 €	458,33 €	500,00 €	6 458,33 €	1 291,67 €	7 750,00 €	143,33 €	54,07 €
	O	5 500,00 €	458,33 €	500,00 €	6 458,33 €	1 291,67 €	7 750,00 €	143,33 €	54,07 €
	N	5 500,00 €	458,33 €	500,00 €	6 458,33 €	1 291,67 €	7 750,00 €	143,33 €	54,07 €
	D	5 500,00 €	458,33 €	500,00 €	6 458,33 €	1 291,67 €	7 750,00 €	143,33 €	54,07 €
		5 500,00 €	6 000,00 €	74 500,00 €	14 900,00 €	89 400,00 €	1720		

Monthly-based calculation - example

2022		Gross Salary	13 th month salary	Annual Bonus	eligible gross salary	eligible employer's charges	eligible total salary costs	productive hours/month	monthly hourly rate
RP1	J	5 500,00 €	500,00 €	600,00 €	6 600,00 €	1 320,00 €	7 920,00 €	143,33 €	55,26 €
	F	5 500,00 €	500,00 €	600,00 €	6 600,00 €	1 320,00 €	7 920,00 €	143,33 €	55,26 €
	M	5 500,00 €	500,00 €	600,00 €	6 600,00 €	1 320,00 €	7 920,00 €	143,33 €	55,26 €
	A	5 500,00 €	500,00 €	600,00 €	6 600,00 €	1 320,00 €	7 920,00 €	143,33 €	55,26 €
	M	5 500,00 €	500,00 €	600,00 €	6 600,00 €	1 320,00 €	7 920,00 €	143,33 €	55,26 €
	J	5 500,00 €	500,00 €	600,00 €	6 600,00 €	1 320,00 €	7 920,00 €	143,33 €	55,26 €
	J	6 000,00 €	500,00 €	600,00 €	7 100,00 €	1 420,00 €	8 520,00 €	143,33 €	59,44 €
	A	6 000,00 €	500,00 €	600,00 €	7 100,00 €	1 420,00 €	8 520,00 €	143,33 €	59,44 €
	S	6 000,00 €	500,00 €	600,00 €	7 100,00 €	1 420,00 €	8 520,00 €	143,33 €	59,44 €
	O	6 000,00 €	500,00 €	600,00 €	7 100,00 €	1 420,00 €	8 520,00 €	143,33 €	59,44 €
	N	6 000,00 €	500,00 €	600,00 €	7 100,00 €	1 420,00 €	8 520,00 €	143,33 €	59,44 €
	D	6 000,00 €	500,00 €	600,00 €	7 100,00 €	1 420,00 €	8 520,00 €	143,33 €	59,44 €
			6 000,00 €	7 200,00 €	82 200,00 €	16 440,00 €	98 640,00 €		

Monthly-based calculation - example

2023		Gross Salary	13 th month salary	Annual Bonus	eligible gross salary	eligible employer's charges	eligible total salary costs	productive hours/month	monthly hourly rate
RP1	J	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €	143,33 €	50,23 €
	F	6 000,00 €	- €	- €	6 000,00 €	1 200,00 €	7 200,00 €	143,33 €	50,23 €
RP2	M	6 000,00 €	541,67 €	700,00 €	7 241,67 €	1 448,33 €	8 690,00 €	143,33 €	60,63 €
	A	6 000,00 €	541,67 €	700,00 €	7 241,67 €	1 448,33 €	8 690,00 €	143,33 €	60,63 €
	M	6 000,00 €	541,67 €	700,00 €	7 241,67 €	1 448,33 €	8 690,00 €	143,33 €	60,63 €
	J	6 000,00 €	541,67 €	700,00 €	7 241,67 €	1 448,33 €	8 690,00 €	143,33 €	60,63 €
	J	6 500,00 €	541,67 €	700,00 €	7 741,67 €	1 548,33 €	9 290,00 €	143,33 €	64,81 €
	A	6 500,00 €	541,67 €	700,00 €	7 741,67 €	1 548,33 €	9 290,00 €	143,33 €	64,81 €
	S	6 500,00 €	541,67 €	700,00 €	7 741,67 €	1 548,33 €	9 290,00 €	143,33 €	64,81 €
	O	6 500,00 €	541,67 €	700,00 €	7 741,67 €	1 548,33 €	9 290,00 €	143,33 €	64,81 €
	N	6 500,00 €	541,67 €	700,00 €	7 741,67 €	1 548,33 €	9 290,00 €	143,33 €	64,81 €
	D	6 500,00 €	541,67 €	700,00 €	7 741,67 €	1 548,33 €	9 290,00 €	143,33 €	64,81 €
			5 416,67 €	7 000,00 €	87 416,67 €	17 483,33 €	104 900,00 €		

Monthly-based calculation - example

2024		Gross Salary	13 th month salary	Annual Bonus	eligible gross salary	eligible employer's charges	eligible total salary costs	productive hours/month	monthly hourly rate
RP2	J	6 500,00 €			6 500,00 €	1 300,00 €	7 800,00 €	143,33 €	54,42 €
	F	6 500,00 €			6 500,00 €	1 300,00 €	7 800,00 €	143,33 €	54,42 €
	M	6 500,00 €			6 500,00 €	1 300,00 €	7 800,00 €	143,33 €	54,42 €
	A	6 500,00 €			6 500,00 €	1 300,00 €	7 800,00 €	143,33 €	54,42 €
	M	6 500,00 €			6 500,00 €	1 300,00 €	7 800,00 €	143,33 €	54,42 €
	J	6 500,00 €			6 500,00 €	1 300,00 €	7 800,00 €	143,33 €	54,42 €
	J	7 000,00 €			7 000,00 €	1 400,00 €	8 400,00 €	143,33 €	58,60 €
	A	7 000,00 €			7 000,00 €	1 400,00 €	8 400,00 €	143,33 €	58,60 €
	S	7 000,00 €			7 000,00 €	1 400,00 €	8 400,00 €	143,33 €	58,60 €
	O	7 000,00 €			7 000,00 €	1 400,00 €	8 400,00 €	143,33 €	58,60 €
	N	7 000,00 €			7 000,00 €	1 400,00 €	8 400,00 €	143,33 €	58,60 €
	D	7 000,00 €			7 000,00 €	9 600,00 €	23 600,00 €	4 720,00 €	28 320,00 €
			7 000,00 €	9 600,00 €	97 600,00 €	19 520,00 €	117 120,00 €		

Step 3: How to use them?

Project „Hybrid“

- Start Date: 01/SEP/2021
- End Date: 31/AUG/2024
- RP1: M1-M18
- RP2: M19-M36

**Mr. ‚Z‘ spends each month
50 hours on the project**

RP1		1/SEPT/2021 to 28/FEB/2023	
Month	hourly rate	hours on project	personnel costs
szept.21	54,07 €	50	2 703,49 €
okt.21	54,07 €	50	2 703,49 €
nov.21	54,07 €	50	2 703,49 €
dec.21	54,07 €	50	2 703,49 €
jan.22	55,26 €	50	2 762,79 €
febr.22	55,26 €	50	2 762,79 €
márc.22	55,26 €	50	2 762,79 €
ápr.22	55,26 €	50	2 762,79 €
máj.22	55,26 €	50	2 762,79 €
jún.22	55,26 €	50	2 762,79 €
júl.22	59,44 €	50	2 972,09 €
aug.22	59,44 €	50	2 972,09 €
szept.22	59,44 €	50	2 972,09 €
okt.22	59,44 €	50	2 972,09 €
nov.22	59,44 €	50	2 972,09 €
dec.22	59,44 €	50	2 972,09 €
jan.23	50,23 €	50	2 511,63 €
febr.23	50,23 €	50	2 511,63 €
Total eligible personnel costs for RP1			50 246,51 €

RP2		1/MAR/2023 to 31/AUG/2024	
Month	hourly rate	hours on project	personnel costs
márc.23	60,63 €	50	3 031,40 €
ápr.23	60,63 €	50	3 031,40 €
máj.23	60,63 €	50	3 031,40 €
jún.23	60,63 €	50	3 031,40 €
júl.23	64,81 €	50	3 240,70 €
aug.23	64,81 €	50	3 240,70 €
szept.23	64,81 €	50	3 240,70 €
okt.23	64,81 €	50	3 240,70 €
nov.23	64,81 €	50	3 240,70 €
dec.23	64,81 €	50	3 240,70 €
jan.24	54,42 €	50	2 720,93 €
febr.24	54,42 €	50	2 720,93 €
márc.24	54,42 €	50	2 720,93 €
ápr.24	54,42 €	50	2 720,93 €
máj.24	54,42 €	50	2 720,93 €
jún.24	54,42 €	50	2 720,93 €
júl.24	58,60 €	50	2 930,23 €
aug.24	58,60 €	50	2 930,23 €
Total eligible personnel costs for RP2			53 755,81 €

Total eligible personnel costs for the project: 104 002,33 €

Another example.... to freak the accounting 😊

- **1 person**
- **Involved in 3 projects:**
 - **H2020:**
 - 3-year duration, starting from October 2021
 - RP1: M1-M18
 - RP2: M19-M36
 - **Horizon Europe/1**
 - 3-year duration, starting from June 2022
 - RP1: M1-M18
 - RP2: M19-M36
 - **Horizon Europe/2**
 - 3-year duration, starting from October 2022
 - RP1: M1-M12
 - RP2: M13-M36

MONTH/YEAR	Basic salary	fringe benefits	13 th month salary	total eligible salary costs
January 2021	3 000 €	125 €	1 500 €	4 625 €
February 2021	3 000 €	125 €	- €	3 125 €
March 2021	3 000 €	125 €	- €	3 125 €
April 2021	3 000 €	125 €	- €	3 125 €
May 2021	3 000 €	125 €	- €	3 125 €
June 2021	3 000 €	125 €	- €	3 125 €
July 2021	3 000 €	125 €	1 500 €	4 625 €
August 2021	4 000 €	125 €	- €	4 125 €
September 2021	4 000 €	125 €	- €	4 125 €
October 2021	4 000 €	125 €	- €	4 125 €
November 2021	4 000 €	125 €	- €	4 125 €
December 2021	4 000 €	125 €	- €	4 125 €
45 500 € 2021 Salary costs/ 1720 TPHs = 26,45 € FY2021 Hourly rate				
January 2022	4 000 €	125 €	2 000 €	6 125 €
February 2022	4 000 €	125 €	- €	4 125 €
March 2022	4 000 €	125 €	- €	4 125 €
April 2022	4 000 €	125 €	- €	4 125 €
May 2022	4 000 €	125 €	- €	4 125 €
June 2022	4 000 €	125 €	- €	4 125 €
July 2022	4 000 €	125 €	2 000 €	6 125 €
August 2022	5 000 €	125 €	- €	5 125 €
September 2022	5 000 €	125 €	- €	5 125 €
October 2022	5 000 €	125 €	- €	5 125 €
November 2022	5 000 €	125 €	- €	5 125 €
December 2022	5 000 €	125 €	- €	5 125 €
58 500 € 2022 Salary costs/ 1720 TPHs = 34,01 € FY2022 Hourly Rate				
January 2023	5 000 €	125 €	2 500 €	7 625 €
February 2023	5 000 €	125 €	- €	5 125 €
March 2023	5 000 €	125 €	- €	5 125 €
April 2023	5 000 €	125 €	- €	5 125 €
May 2023	5 000 €	125 €	- €	5 125 €
June 2023	5 000 €	125 €	- €	5 125 €
July 2023	5 000 €	125 €	2 500 €	7 625 €
August 2023	6 000 €	125 €	- €	6 125 €
September 2023	6 000 €	125 €	- €	6 125 €
October 2023	6 000 €	125 €	- €	6 125 €
November 2023	6 000 €	125 €	- €	6 125 €
December 2023	6 000 €	125 €	- €	6 125 €
71 500 € 2023 Salary costs/ 1720 TPHs = 41,57 € FY2023 Hourly Rate				
January 2024	6 000 €	125 €	3 000 €	9 125 €
February 2024	6 000 €	125 €	- €	6 125 €
March 2024	6 000 €	125 €	- €	6 125 €
April 2024	6 000 €	125 €	- €	6 125 €
May 2024	6 000 €	125 €	- €	6 125 €
June 2024	6 000 €	125 €	- €	6 125 €
July 2024	6 000 €	125 €	3 000 €	9 125 €
August 2024	7 000 €	125 €	- €	7 125 €
September 2024	7 000 €	125 €	- €	7 125 €
October 2024	7 000 €	125 €	- €	7 125 €
November 2024	7 000 €	125 €	- €	7 125 €
December 2024	7 000 €	125 €	- €	7 125 €
January 2025	7 000 €	125 €	3 500 €	10 625 €
February 2025	7 000 €	125 €	- €	7 125 €
March 2025	7 000 €	125 €	- €	7 125 €
April 2025	7 000 €	125 €	- €	7 125 €
May 2025	7 000 €	125 €	- €	7 125 €
June 2025	7 000 €	125 €	- €	7 125 €
July 2025	7 000 €	125 €	3 500 €	10 625 €
August 2025	8 000 €	125 €	- €	8 125 €
September 2025	8 000 €	125 €	- €	8 125 €
October 2025	8 000 €	125 €	- €	8 125 €
November 2025	8 000 €	125 €	- €	8 125 €
December 2025	8 000 €	125 €	- €	8 125 €

Hours Recorded				
TOTAL	H2020	HE1	HE2	OTHER
150	0	0	0	150
150	0	0	0	150
150	0	0	0	150
150	0	0	0	150
150	0	0	0	150
150	0	0	0	150
150	0	0	0	150
90	0	0	0	90
90	0	0	0	90
150	0	0	0	150
150	112,5	0	0	37,5
150	112,5	0	0	37,5
120	90	315	0	-285
150	112,5	0	0	37,5
150	112,5	0	0	37,5
150	112,5	0	0	37,5
150	112,5	0	0	37,5
150	112,5	0	0	37,5
150	75	37,5	0	37,5
90	45	22,5	0	22,5
90	45	22,5	0	22,5
150	75	37,5	0	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
120	30	907,5	30	-877,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	112,5	37,5	-75
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
90	22,5	22,5	22,5	22,5
90	22,5	22,5	22,5	22,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
120	30	300	30	-270
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
90	22,5	22,5	22,5	22,5
90	22,5	22,5	22,5	22,5
150	37,5	307,5	37,5	-270
150	0	37,5	75	37,5
150	0	37,5	75	37,5
120	0	30	60	30
150	0	37,5	75	37,5
150	0	37,5	75	37,5
150	0	37,5	75	37,5
150	0	37,5	75	37,5
150	0	0	112,5	37,5
90	0	0	67,5	22,5
90	0	0	67,5	22,5
150	0	0	112,5	37,5
150	0	0	0	150
150	0	0	0	150
90	0	0	0	90

H2020:

- 3-year duration, starting from October 2021
- RP1: M1-M18
- RP2: M19-M36

Horizon 2020		Reporting Period 1	
Start Date:	October 2021	End Date	March 2023
Year	hourly rate	Hours on the project	Total eligible personnel costs
2021	26,45 €	315	8 332,85 €
2022	34,01 €	907,5	30 865,55 €
2023	34,01 €	112,5	3 826,31 €
Total in RP1			43 024,71 €

Horizon 2020		Reporting Period 2	
Start Date:	April 2023	End Date	September 2024
Year	hourly rate	Hours on the project	Total eligible personnel costs
2023	41,57 €	300	12 470,93 €
2024	41,57 €	307,5	12 782,70 €
Total in RP2			25 253,63 €

Total RP1+RP2 68 278,34 €

MONTH/YEAR	Basic salary	fringe benefits	13 th month salary	total eligible salary costs				
January 2021	3 000 €	125 €	1 500 €	4 625 €				
February 2021	3 000 €	125 €	- €	3 125 €				
March 2021	3 000 €	125 €	- €	3 125 €				
April 2021	3 000 €	125 €	- €	3 125 €				
May 2021	3 000 €	125 €	- €	3 125 €				
June 2021	3 000 €	125 €	- €	3 125 €				
July 2021	3 000 €	125 €	1 500 €	4 625 €				
August 2021	4 000 €	125 €	- €	4 125 €				
September 2021	4 000 €	125 €	- €	4 125 €				
October 2021	4 000 €	125 €	- €	4 125 €				
November 2021	4 000 €	125 €	- €	4 125 €				
December 2021	4 000 €	125 €	- €	4 125 €				
January 2022	4 000 €	125 €	2 000 €	6 125 €				
February 2022	4 000 €	125 €	- €	4 125 €				
March 2022	4 000 €	125 €	- €	4 125 €				
April 2022	4 000 €	125 €	- €	4 125 €				
May 2022	4 000 €	125 €	- €	4 125 €				
June 2022	4 000 €	125 €	- €	4 125 €				
July 2022	4 000 €	125 €	2 000 €	6 125 €				
August 2022	5 000 €	125 €	- €	5 125 €				
September 2022	5 000 €	125 €	- €	5 125 €				
October 2022	5 000 €	125 €	- €	5 125 €				
November 2022	5 000 €	125 €	- €	5 125 €				
December 2022	5 000 €	125 €	- €	5 125 €				
January 2023	5 000 €	125 €	2 500 €	7 625 €				
February 2023	5 000 €	125 €	- €	5 125 €				
March 2023	5 000 €	125 €	- €	5 125 €				
April 2023	5 000 €	125 €	- €	5 125 €				
May 2023	5 000 €	125 €	- €	5 125 €				
June 2023	5 000 €	125 €	- €	5 125 €				
July 2023	5 000 €	125 €	2 500 €	7 625 €				
August 2023	6 000 €	125 €	- €	6 125 €				
September 2023	6 000 €	125 €	- €	6 125 €				
October 2023	6 000 €	125 €	- €	6 125 €				
November 2023	6 000 €	125 €	- €	6 125 €	101 250 €	322,5 MDDE	313,95 €	RP1 Daily Rate
December 2023	6 000 €	125 €	- €	6 125 €				
January 2024	6 000 €	125 €	3 000 €	9 125 €				
February 2024	6 000 €	125 €	- €	6 125 €				
March 2024	6 000 €	125 €	- €	6 125 €				
April 2024	6 000 €	125 €	- €	6 125 €				
May 2024	6 000 €	125 €	- €	6 125 €				
June 2024	6 000 €	125 €	- €	6 125 €				
July 2024	6 000 €	125 €	3 000 €	9 125 €				
August 2024	7 000 €	125 €	- €	7 125 €				
September 2024	7 000 €	125 €	- €	7 125 €				
October 2024	7 000 €	125 €	- €	7 125 €				
November 2024	7 000 €	125 €	- €	7 125 €				
December 2024	7 000 €	125 €	- €	7 125 €				
January 2025	7 000 €	125 €	3 500 €	10 625 €				
February 2025	7 000 €	125 €	- €	7 125 €				
March 2025	7 000 €	125 €	- €	7 125 €				
April 2025	7 000 €	125 €	- €	7 125 €				
May 2025	7 000 €	125 €	- €	7 125 €	129 750 €	322,5 MDDE	402,33 €	RP2 Daily Rate
June 2025	7 000 €	125 €	- €	7 125 €				
July 2025	7 000 €	125 €	3 500 €	10 625 €				
August 2025	8 000 €	125 €	- €	8 125 €				
September 2025	8 000 €	125 €	- €	8 125 €				
October 2025	8 000 €	125 €	- €	8 125 €				
November 2025	8 000 €	125 €	- €	8 125 €				
December 2025	8 000 €	125 €	- €	8 125 €				

Hours Recorded				
TOTAL	H2020	HE1	HE2	OTHER
150	0	0	0	150
150	0	0	0	150
150	0	0	0	150
150	0	0	0	150
150	0	0	0	150
150	0	0	0	150
150	0	0	0	150
90	0	0	0	90
90	0	0	0	90
150	0	0	0	150
150	112,5	0	0	37,5
150	112,5	0	0	37,5
120	90	0	0	30
150	112,5	0	0	37,5
150	112,5	0	0	37,5
150	112,5	0	0	37,5
150	112,5	0	0	37,5
150	112,5	0	0	37,5
150	75	37,5	0	37,5
90	45	22,5	0	22,5
90	45	22,5	0	22,5
150	75	37,5	0	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
120	30	30	30	30
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
90	22,5	22,5	22,5	22,5
90	22,5	22,5	22,5	22,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	607,5	37,5
120	30	30	30	30
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
90	22,5	22,5	22,5	22,5
90	22,5	22,5	22,5	22,5
150	37,5	37,5	37,5	37,5
150	0	37,5	75	37,5
150	0	37,5	75	37,5
120	0	30	60	30
150	0	37,5	75	37,5
150	0	37,5	75	37,5
150	0	37,5	75	37,5
150	0	37,5	75	37,5
150	0	37,5	630	75
150	0	0	112,5	37,5
90	0	0	67,5	22,5
90	0	0	67,5	22,5
150	0	0	112,5	37,5
150	0	0	0	150
150	0	0	0	150
90	0	0	0	90

Horizon Europe / 1

- 3-year duration, starting from June 2022
- RP1: M1-M18
- RP2: M19-M36

Horizon Europe / 1				Reporting Period 1	
Start Date:	June 2022		End Date	November 2023	
Reporting Period?	Daily Rate	Hours on the project	Day equivalent	Days on the project	Total eligible personnel costs
RP1	313,95 €	607,50	8	76,0	23 860,47 €

Horizon Europe / 1				Reporting Period 2	
Start Date:	December 2023		End Date	May 2025	
Reporting Period?	Daily Rate	Hours on the project	Day equivalent	Days on the project	Total eligible personnel costs
RP2	402,33 €	630,00	8	79,0	31 783,72 €

Total in RP1 + RP2 55 644,19 €

MONTH/YEAR	Basic salary	fringe benefits	13 th month salary	total eligible salary costs
January 2021	3 000 €	125 €	1 500 €	4 625 €
February 2021	3 000 €	125 €	- €	3 125 €
March 2021	3 000 €	125 €	- €	3 125 €
April 2021	3 000 €	125 €	- €	3 125 €
May 2021	3 000 €	125 €	- €	3 125 €
June 2021	3 000 €	125 €	- €	3 125 €
July 2021	3 000 €	125 €	1 500 €	4 625 €
August 2021	4 000 €	125 €	- €	4 125 €
September 2021	4 000 €	125 €	- €	4 125 €
October 2021	4 000 €	125 €	- €	4 125 €
November 2021	4 000 €	125 €	- €	4 125 €
December 2021	4 000 €	125 €	- €	4 125 €
January 2022	4 000 €	125 €	2 000 €	6 125 €
February 2022	4 000 €	125 €	- €	4 125 €
March 2022	4 000 €	125 €	- €	4 125 €
April 2022	4 000 €	125 €	- €	4 125 €
May 2022	4 000 €	125 €	- €	4 125 €
June 2022	4 000 €	125 €	- €	4 125 €
July 2022	4 000 €	125 €	2 000 €	6 125 €
August 2022	5 000 €	125 €	- €	5 125 €
September 2022	5 000 €	125 €	- €	5 125 €
October 2022	5 000 €	125 €	- €	5 125 €
November 2022	5 000 €	125 €	- €	5 125 €
December 2022	5 000 €	125 €	- €	5 125 €
January 2023	5 000 €	125 €	2 500 €	7 625 €
February 2023	5 000 €	125 €	- €	5 125 €
March 2023	5 000 €	125 €	- €	5 125 €
April 2023	5 000 €	125 €	- €	5 125 €
May 2023	5 000 €	125 €	- €	5 125 €
June 2023	5 000 €	125 €	- €	5 125 €
July 2023	5 000 €	125 €	2 500 €	7 625 €
August 2023	6 000 €	125 €	- €	6 125 €
September 2023	6 000 €	125 €	- €	6 125 €
October 2023	6 000 €	125 €	- €	6 125 €
November 2023	6 000 €	125 €	- €	6 125 €
December 2023	6 000 €	125 €	- €	6 125 €
January 2024	6 000 €	125 €	3 000 €	9 125 €
February 2024	6 000 €	125 €	- €	6 125 €
March 2024	6 000 €	125 €	- €	6 125 €
April 2024	6 000 €	125 €	- €	6 125 €
May 2024	6 000 €	125 €	- €	6 125 €
June 2024	6 000 €	125 €	- €	6 125 €
July 2024	6 000 €	125 €	3 000 €	9 125 €
August 2024	7 000 €	125 €	- €	7 125 €
September 2024	7 000 €	125 €	- €	7 125 €
October 2024	7 000 €	125 €	- €	7 125 €
November 2024	7 000 €	125 €	- €	7 125 €
December 2024	7 000 €	125 €	- €	7 125 €
January 2025	7 000 €	125 €	3 500 €	10 625 €
February 2025	7 000 €	125 €	- €	7 125 €
March 2025	7 000 €	125 €	- €	7 125 €
April 2025	7 000 €	125 €	- €	7 125 €
May 2025	7 000 €	125 €	- €	7 125 €
June 2025	7 000 €	125 €	- €	7 125 €
July 2025	7 000 €	125 €	3 500 €	10 625 €
August 2025	8 000 €	125 €	- €	8 125 €
September 2025	8 000 €	125 €	- €	8 125 €
October 2025	8 000 €	125 €	- €	8 125 €
November 2025	8 000 €	125 €	- €	8 125 €
December 2025	8 000 €	125 €	- €	8 125 €

Hours Recorded				
TOTAL	H2020	HE1	HE2	OTHER
150	0	0	0	150
150	0	0	0	150
150	0	0	0	150
150	0	0	0	150
150	0	0	0	150
150	0	0	0	150
150	0	0	0	150
90	0	0	0	90
90	0	0	0	90
150	0	0	0	150
150	112,5	0	0	37,5
150	112,5	0	0	37,5
120	90	0	0	30
150	112,5	0	0	37,5
150	112,5	0	0	37,5
150	112,5	0	0	37,5
150	112,5	0	0	37,5
150	75	37,5	0	37,5
90	45	22,5	0	22,5
90	45	22,5	0	22,5
150	75	37,5	0	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
120	30	30	30	30
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
90	22,5	22,5	22,5	22,5
90	22,5	22,5	22,5	22,5
150	37,5	37,5	37,5	412,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
120	30	30	30	30
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
150	37,5	37,5	37,5	37,5
90	22,5	22,5	22,5	22,5
150	0	37,5	75	37,5
150	0	37,5	75	37,5
120	0	30	60	30
150	0	37,5	75	37,5
150	0	37,5	75	37,5
150	0	37,5	75	37,5
150	0	37,5	75	37,5
150	0	0	112,5	37,5
90	0	0	67,5	22,5
90	0	0	67,5	22,5
150	0	0	112,5	1357,5
150	0	0	0	150
150	0	0	0	150
90	0	0	0	90

Horizon Europe / 2

- 3-year duration, starting from October 2022
- RP1: M1-M12
- RP2: M13-M36

Horizon Europe / 2			Reporting Period 1		
Start Date:	October 2022	End Date:	September 2023		
Reporting Period?	Daily Rate	Hours on the project	Day equivalent	Days on the project	Total eligible personnel costs
RP1	318,60 €	412,50	8	51,5	16 408,14 €

Horizon Europe / 2			Reporting Period 2		
Start Date:	October 2023	End Date:	September 2025		
Reporting Period?	Daily Rate	Hours on the project	Day equivalent	Days on the project	Total eligible personnel costs
RP2	409,30 €	1357,50	8	169,5	69 376,74 €

Total in RP1 + RP2 85 784,88 €

PERSONNEL Costs – Employees: UNIT COSTS (,Case 2')



Average (UNIT-COSTS) personnel costs calculation

Unit costs are not internal RATES – they are calculated based on historical actual data, coming from the accounts, by setting a consistent manner to calculate the average (unit) of the actual costs

- Beneficiary can choose unit-based personnel costs reporting, when foreseen in the Proposal/GA
- General cost accounting principles must be applied and used
- A “hybrid system” is possible to be used – e.g. actual costs for senior researchers, unit-costs for lab-staff

Example

Name of employee	Actual total salary costs from the chosen Financial Year	Number of productive hours	Actual salary costs per hour based on the chosen year
Mr. Alpha	111,800 €	1720	65.00 €
Ms. Beta	103,200 €	1720	60.00 €
Mr. Charlie	99,760 €	1720	58.00 €
Ms. Delta	94,600 €	1720	55.00 €
Ms. Echo	86,000 €	1720	50.00 €
Mr. Foxtrot	67,940 €	1720	39.50 €
Ms. Golf	60,200 €	1720	35.00 €
Ms. Hotel	60,200 €	1720	35.00 €
Mr. India	59,340 €	1720	34.50 €
Ms. Juliet	55,900 €	1720	32.50 €
Mr. Kilo	54,180 €	1720	31.50 €
Ms. Lima	51,600 €	1720	30.00 €

Example

Name of employee	Actual total salary costs from the chosen Financial Year	Number of productive hours	Actual salary costs per hour based on the chosen year	Unit hourly rate #1	Deviation from the average
Mr. Alpha	111,800 €	1720	65.00 €	43.83 €	148.29%
Ms. Beta	103,200 €	1720	60.00 €		136.88%
Mr. Charlie	99,760 €	1720	58.00 €		132.32%
Ms. Delta	94,600 €	1720	55.00 €		125.48%
Ms. Echo	86,000 €	1720	50.00 €		114.07%
Mr. Foxtrot	67,940 €	1720	39.50 €		90.11%
Ms. Golf	60,200 €	1720	35.00 €		79.85%
Ms. Hotel	60,200 €	1720	35.00 €		79.85%
Mr. India	59,340 €	1720	34.50 €		78.71%
Ms. Juliet	55,900 €	1720	32.50 €		74.14%
Mr. Kilo	54,180 €	1720	31.50 €		71.86%
Ms. Lima	51,600 €	1720	30.00 €		68.44%

Example

Name of employee	Actual total salary costs from the chosen Financial Year	Number of productive hours	Actual salary costs per hour based on the chosen year	Unit hourly rate #2	Deviation from the average
Mr. Alpha	111,800 €	1720	65.00 €	57.60 €	112.85%
Ms. Beta	103,200 €	1720	60.00 €		104.17%
Mr. Charlie	99,760 €	1720	58.00 €		100.69%
Ms. Delta	94,600 €	1720	55.00 €		95.49%
Ms. Echo	86,000 €	1720	50.00 €		86.81%
Mr. Foxtrot	67,940 €	1720	39.50 €	34.00 €	116.18%
Ms. Golf	60,200 €	1720	35.00 €		102.94%
Ms. Hotel	60,200 €	1720	35.00 €		102.94%
Mr. India	59,340 €	1720	34.50 €		101.47%
Ms. Juliet	55,900 €	1720	32.50 €		95.59%
Mr. Kilo	54,180 €	1720	31.50 €		92.65%
Ms. Lima	51,600 €	1720	30.00 €		88.24%

Example

Name of employee	Actual total salary costs from the chosen Financial Year	Number of productive hours	Actual salary costs per hour based on the chosen year	Unit hourly rate #2	Deviation from the average	Actual Hours on the project	Actual hourly rate	Actual eligible salary costs
Mr. Alpha	111,800 €	1720	65.00 €	57.60 €	112.85%	0	65.00 €	- €
Ms. Beta	103,200 €	1720	60.00 €		104.17%	0	60.00 €	- €
Mr. Charlie	99,760 €	1720	58.00 €		100.69%	160	58.00 €	9,280 €
Ms. Delta	94,600 €	1720	55.00 €		95.49%	0	55.00 €	- €
Ms. Echo	86,000 €	1720	50.00 €		86.81%	0	50.00 €	- €
Mr. Foxtrot	67,940 €	1720	39.50 €	34.00 €	116.18%	160	39.50 €	6,320 €
Ms. Golf	60,200 €	1720	35.00 €		102.94%	15	35.00 €	525 €
Ms. Hotel	60,200 €	1720	35.00 €		102.94%	19	35.00 €	665 €
Mr. India	59,340 €	1720	34.50 €		101.47%	522	34.50 €	18,009 €
Ms. Juliet	55,900 €	1720	32.50 €		95.59%	11	32.50 €	358 €
Mr. Kilo	54,180 €	1720	31.50 €		92.65%	522	31.50 €	16,443 €
Ms. Lima	51,600 €	1720	30.00 €		88.24%	49	30.00 €	1,470 €
total eligible actual personnel cost							53,069.50 €	

Example

Name of employee	Actual total salary costs from the chosen Financial Year	Number of productive hours	Actual salary costs per hour based on the chosen year	Unit hourly rate #2	Deviation from the average	Actual Hours on the project	Actual hourly rate	Actual eligible salary costs	Total hours on the project per unit category	Unit hourly rate	Personnel costs by unit-based costs
Mr. Alpha	111,800 €	1720	65.00 €	57.60 €	112.85%	0	65.00 €	- €	160	57.60 €	9,216.00 €
Ms. Beta	103,200 €	1720	60.00 €		104.17%	0	60.00 €	- €			
Mr. Charlie	99,760 €	1720	58.00 €		100.69%	160	58.00 €	9,280 €			
Ms. Delta	94,600 €	1720	55.00 €		95.49%	0	55.00 €	- €			
Ms. Echo	86,000 €	1720	50.00 €		86.81%	0	50.00 €	- €			
Mr. Foxtrot	67,940 €	1720	39.50 €	34.00 €	116.18%	160	39.50 €	6,320 €	1298	34.00 €	44,132.00 €
Ms. Golf	60,200 €	1720	35.00 €		102.94%	15	35.00 €	525 €			
Ms. Hotel	60,200 €	1720	35.00 €		102.94%	19	35.00 €	665 €			
Mr. India	59,340 €	1720	34.50 €		101.47%	522	34.50 €	18,009 €			
Ms. Juliet	55,900 €	1720	32.50 €		95.59%	11	32.50 €	358 €			
Mr. Kilo	54,180 €	1720	31.50 €		92.65%	522	31.50 €	16,443 €			
Ms. Lima	51,600 €	1720	30.00 €		88.24%	49	30.00 €	1,470 €			
total eligible actual personnel cost								53,069.50 €	total eligible unit-based personnel cost		53,348.00 €

Example

Name of employee	Actual total salary costs from the chosen Financial Year	Number of productive hours	Actual salary costs per hour based on the chosen year	Unit hourly rate #2	Deviation from the average	Actual Hours on the project	Actual hourly rate	Actual eligible salary costs	Total hours on the project per unit category	Unit hourly rate	Personnel costs by unit-based costs
Mr. Alpha	111,800 €	1720	65.00 €	57.60 €	112.85%	0	65.00 €	- €	160	57.60 €	9,216.00 €
Ms. Beta	103,200 €	1720	60.00 €		104.17%	0	60.00 €	- €			
Mr. Charlie	99,760 €	1720	58.00 €		100.69%	160	58.00 €	9,280 €			
Ms. Delta	94,600 €	1720	55.00 €		95.49%	0	55.00 €	- €			
Ms. Echo	86,000 €	1720	50.00 €		86.81%	0	50.00 €	- €			
Mr. Foxtrot	67,940 €	1720	39.50 €	34.00 €	116.18%	160	39.50 €	6,320 €	1298	34.00 €	44,132.00 €
Ms. Golf	60,200 €	1720	35.00 €		102.94%	15	35.00 €	525 €			
Ms. Hotel	60,200 €	1720	35.00 €		102.94%	19	35.00 €	665 €			
Mr. India	59,340 €	1720	34.50 €		101.47%	522	34.50 €	18,009 €			
Ms. Juliet	55,900 €	1720	32.50 €		95.59%	11	32.50 €	358 €			
Mr. Kilo	54,180 €	1720	31.50 €		92.65%	522	31.50 €	16,443 €			
Ms. Lima	51,600 €	1720	30.00 €		88.24%	49	30.00 €	1,470 €			
total eligible actual personnel cost								53,069.50 €	total eligible unit-based personnel cost		53,348.00 €

PERSONNEL Costs – Employees: Additional Remuneration



It's not for (project) bonuses!!!

- For non-profit entities only
- Up to EUR 8,000 /year/person FTE
- Pro-rata rule applies, i.e.:
 - someone works 100% on his/her time on the project for a year: limit is 8,000 EUR
 - someone works 50% of his/her time on the project for 6 months in a fiscal year: limit is 2000 EUR (8000/12x6x50%)
- Paid for additional work/responsibility:
 - Paid for doing research
 - Paid for being WP/Task leader, team member, etc.
 - Using English – **NOT eligible**
- Must be paid to all, net depending on the source of funding (e.g. arbitrary decision)
- To be calculated separately – i.e. not part of the previously described calculations!


**Not available in
HORIZON EUROPE!**

Part II / Chapter Four

Personnel cost – Seconded Employees

PERSONNEL Costs – Seconded Employees

- An expert needed by the Beneficiary is employed by a third party
- Therefore his/her salary is paid by the third party!
- To engage him/her to the action, a secondment contract is signed between the Beneficiary and the Third Party in which this person is seconded to the Beneficiary
- The Beneficiary must reimburse the COST OF EMPLOYMENT related to the secondment to the third party
- The invoice is to be charged as Direct Personnel Costs by the Beneficiary
- The calculation of costs by the Third Party (person) must be the same as set in the C

 For seconded persons, if the resulting daily rate is higher than the daily rate actually paid by the third party to the seconded person (applying the calculation rules of the Grant Agreement) the cost could NOT be declared as personnel costs. They may be eligible instead as purchase of services (see Article 6.2.C.3) or subcontracting (see Article 6.2.B). The reason is that the payment made by the beneficiary to the third party would be higher than the actual remuneration of the person, which implies that a commercial margin or other non-personnel costs are charged by the third party to the beneficiary.

 You must also pay attention to the horizontal ceiling and the maximum declarable day-equivalents (see Article 6.2.A.1).



It is based on Article 11 in H2020/

Part II / Chapter Five

Personnel cost – In-house consultants

PERSONNEL Costs – In house consultants

In-house consultant (IH under a direct contract)

3.2.3 The costs of natural persons with direct contract (A.2) and seconded persons (A.3) must comply with the **eligibility conditions** set out in Article 6.2.A.2 and 6.2.A.3, in particular:

- fulfil the general conditions for costs to be eligible (*i.e. incurred/used during the action duration by the beneficiary, necessary, linked to the action, etc; see Article 6.1(a)*)
- the person must be hired under either:

- For self-em
- Direct contr
- Works unde
- Results of tr
- The hourly r
- Beneficiary!

1.2.3 The c

- fulfil dura
- ther ben
- The ever

EU Grants: AGA — Annotated Grant Agreement: V1.0 DRAFT- 01.04.2023

- a direct contract signed between you and the natural person (not through another legal entity; e.g. *a temporary work agency*) or
- a contract signed between you and a legal entity fully owned by that natural person, and which has no other staff than the natural person being hired or
- a secondment agreement with the employer of the natural person



Wh

- Verified time



An expert fee invoiced by a c

Part II / Chapter Six

Personnel cost – SME-Owner rate

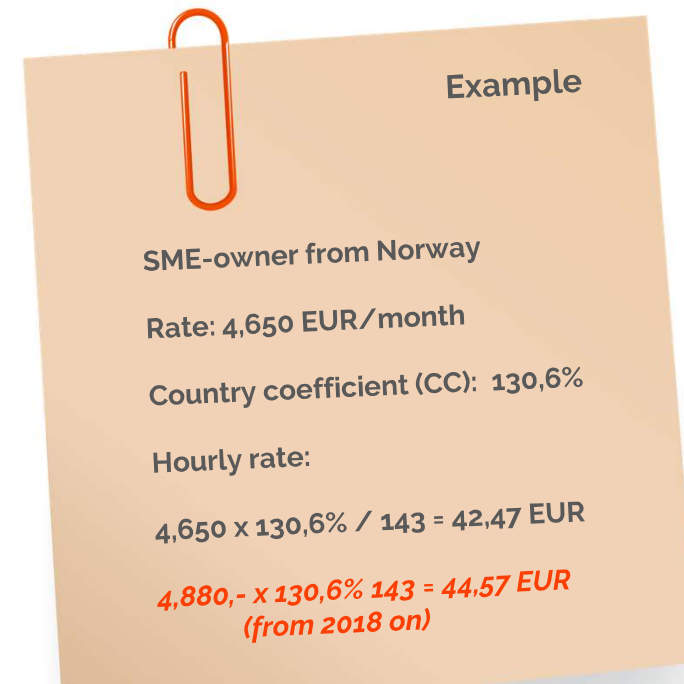
PERSONNEL Costs – SME owners and natural persons

Exclusively for SMEs and for Natural Persons participating as a Beneficiary in the action

- The person concerned must not receive salary for their work!
- The Unit-rate set by the EC must be used:
 - 4,650 EUR/month until 2017; **4,880 EUR/month from 2018 on**
 - Multiplied by the country coefficient
- Divided by 1,720 hours per year (143 per month)
- Actual time spent on the project is must be recorded in time-sheets (1,720 at most!)



This unit-cost is considered a flat-rate unit cost – no need to prove that it is actually paid!



Example

SME-owner from Norway

Rate: 4,650 EUR/month

Country coefficient (CC): 130,6%

Hourly rate:

$4,650 \times 130,6\% / 143 = 42,47 \text{ EUR}$

$4,880,- \times 130,6\% / 143 = 44,57 \text{ EUR}$
(from 2018 on)

Horizon Europe SME-Owner:
5.080€ / 18 days x CC = Daily-rate
Norway: 5.080 / 18 * 130,6%=
368,58 EUR/daily-rate

Part III / Chapter One

Third Parties in H2020

Third party assistance

More than „just” subcontracting

Third parties can:

- **sell you** goods/services
Other costs or subcontracting
- **provide access** to their resources
Personnel cost or other costs
- **carry out** part of the work
Other cost or subcontracting
- **be linked** to the Beneficiary
Full cost report
- **receive financial support**
Sub-granting/cascade funding



Direct Costs

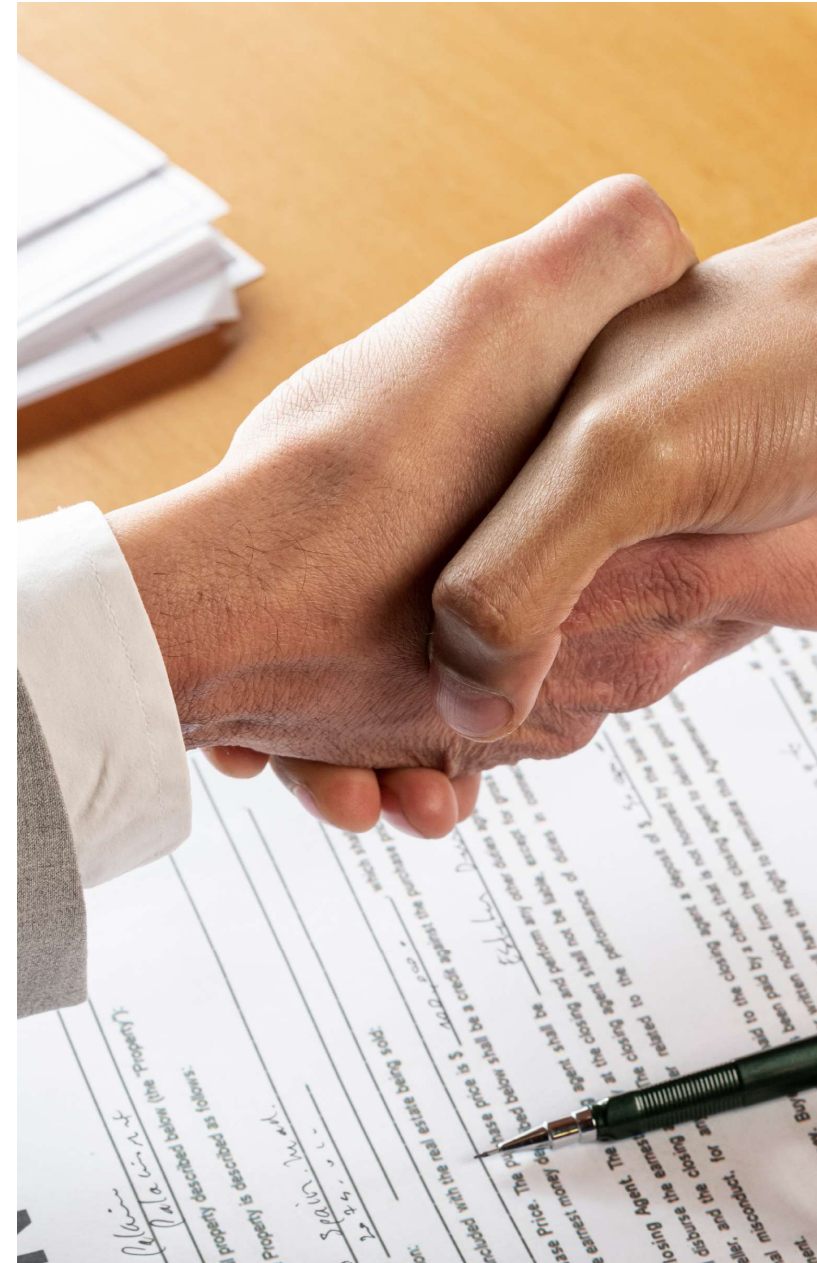
Third Party Assistance in H2020

Why is it called Third Party?

It's neither the EC, nor any of the Beneficiaries but a third party to the Grant Agreement

There are 4+2 types of third-party assistance:

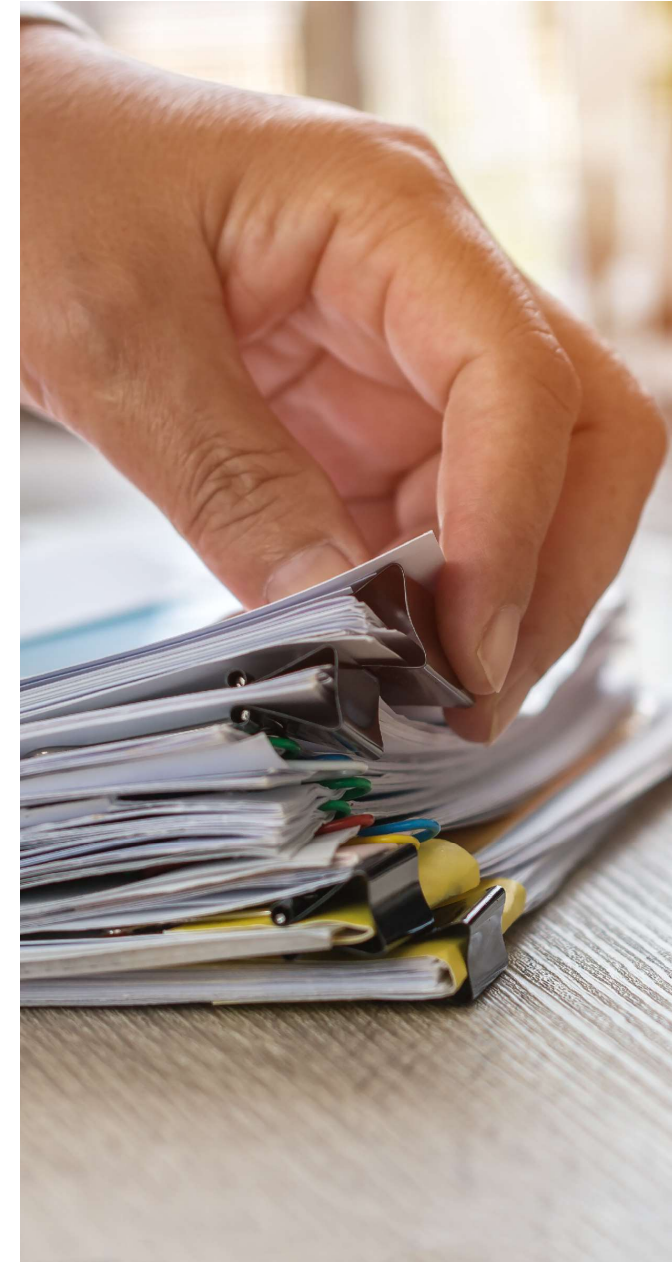
- **Purchase of goods, works or services (Article 10)**
- In-kind contribution provided by third parties against payment (Article 11)
- In-kind contribution provided by third parties free of charge (Article 12)
 - Third party **makes its resources** available to the Beneficiary
- Implementation of actions/tasks by subcontractors (Article 13)
- Implementation of actions/tasks by linked third parties (Article 14)
 - Third party **provides a service** to the Beneficiary
- **Financial support to third parties (Article 15)**



Third party involvement

What are the preconditions?

- Any third-party assistance **must be foreseen in the proposal**. Your last resort is during Grant Agreement Preparation (GAP) so it can be inserted in the Description of Action (DoA)
- It must be declared as **actual costs**. **No unit cost** is accepted here.
- The tasks that are subcontracted should be described in DoA. The subcontractor itself does not have to be identified, except when using resources of linked third parties



How to select any Third Party?

Award criteria

Third parties are awarded according to the following principles:

- best value for money
- transparency
- equal treatment
- and/or public procurement procedure:
 - (public) procurement in case the Beneficiary is obliged to do so based on their usual protocol, or
 - at least 3 offers for 3 independent suppliers



Third Parties: Article 13

Outsourced activities/tasks implemented by subcontractors

Only for limited parts of the project!

- The contract is based on business conditions, subcontractors are not directly supervised by the beneficiary, no access to IPR
- Subcontracting has to be mentioned, estimated and justified already in **DoA** (Annex 1: use of resources). If not, the cost can be rejected.
- Only from a third party: Invoicing between Beneficiaries **is not eligible!**
- **The costs** - the price of the service/s provided - **is paid and reported by the Beneficiary**
- Subcontractors must be bound by certain requirements of the EC (e.g. subcontractor may also be audited!)
- Not included for indirect cost calculation



Third Parties: Article 14 (1)

Outsourced activities/tasks implemented by linked third parties

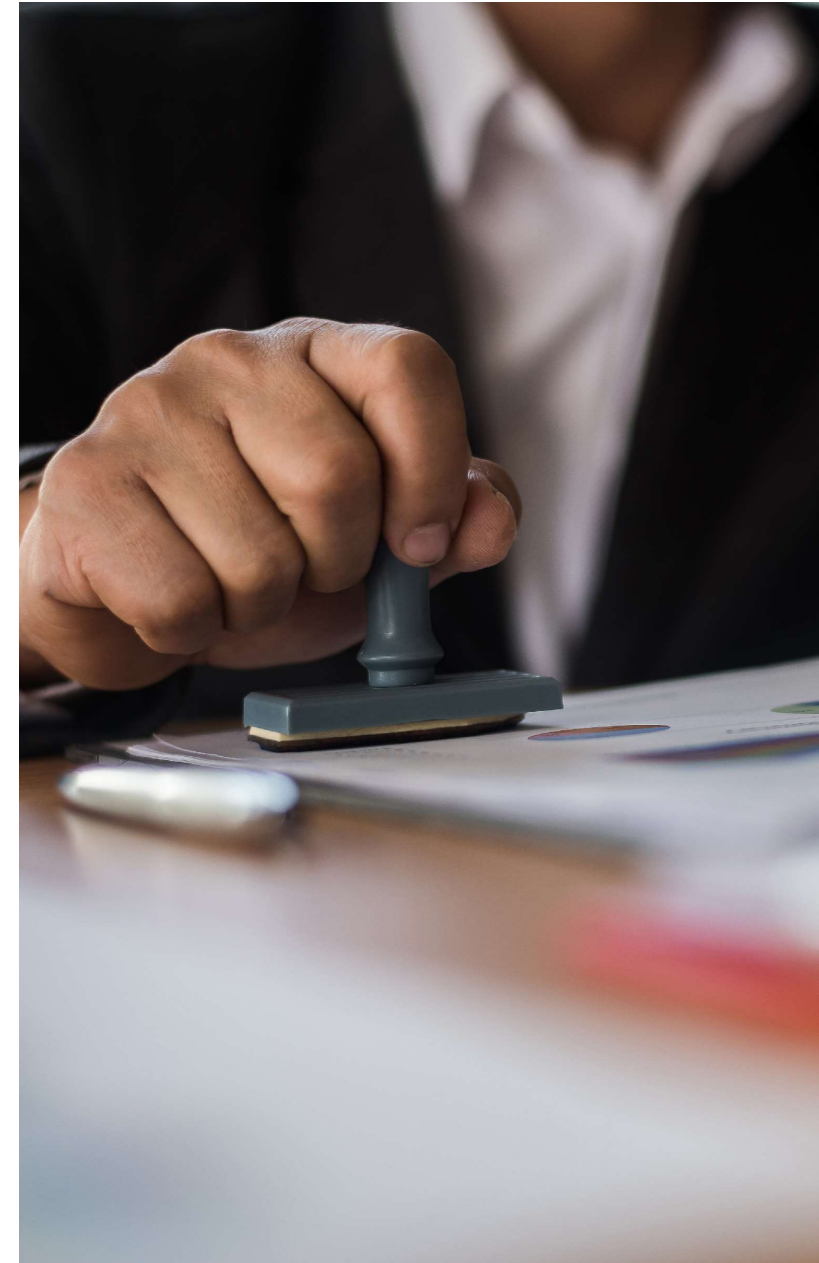
WHO IS CONSIDERED LINKED?

Entities with legal link to the Beneficiary

- Under direct or indirect control of the Beneficiary
- Under the same direct or indirect control as the Beneficiary
- Directly or indirectly controls the Beneficiary
- Associations, foundations with members
- EEIG/JRUs



So what's the difference between Article 13 and 14?



Third Parties: Article 14 (2)

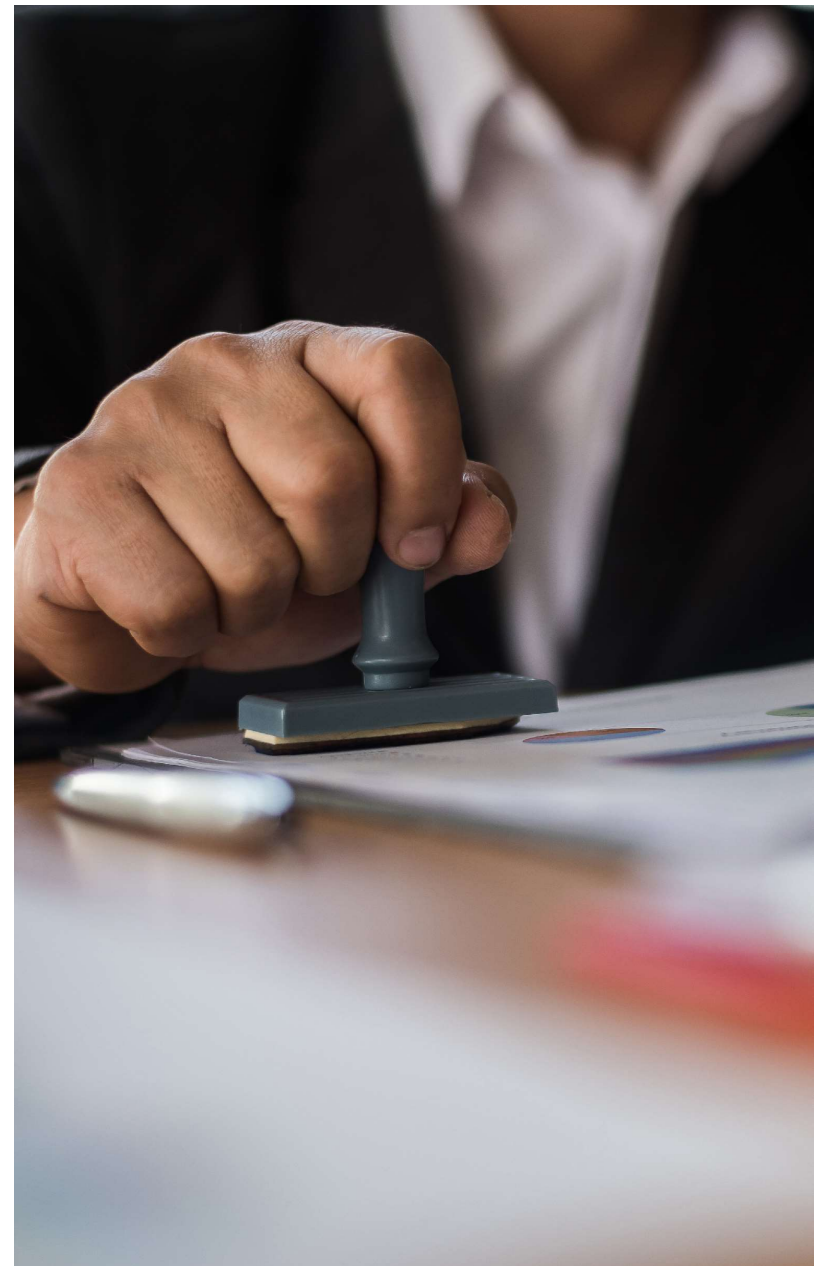
Outsourced activities/tasks implemented by linked third parties

HOW TO USE IT?

- The Linked Third Party **must be named and specified** in the GA
- Certain actions/tasks are implemented by the Linked third party
- The Linked third party does not invoice the Beneficiary!
- The Linked third party declares the costs of its work on its own Form C – same rules applies as for the Beneficiary
- The Beneficiary submits the Form C of its Linked Third Party
- The EC reimburses the Linked Third Party via the Beneficiary
- The Linked Third Party may also be audited!



So what's the difference between Article 13 and 14?



Changes in TPs in Horizon Europe

1. Third party makes its resources available to the Beneficiary against payment (H2020 Art. 11)

No special article - simply charge as your own personnel costs or other costs (equipment, other goods and services)

2. Third party makes its resources available to the Beneficiary free of charge (H2020 Art. 12)

Article 9.2 in HE – no particular changes, COST-only!

3. Subcontracting (H2020 Art. 13)

Article 9.3 in HE – no change

4. Linked third parties (H2020 Art. 14)

Affiliated entity in HE (Art. 8) – no change

Part III / Chapter Two

Other costs in H2020 / Purchase costs in HE

Other direct costs H2020

Everything other than personnel or subcontracting comes here:

- Travel costs
- Equipment and assets
- Other goods and services
- Internally invoiced other goods and services

Special other cost categories for certain projects, like:

- Large infrastructure
- Energy efficiency measures
- Clinical trial cost
- Access to research infrastructure

Purchase costs Horizon Europe

Everything other than personnel or subcontracting comes here:

- Travel costs
- Equipment and assets
 - depreciation only, as default
 - *full costs, if opted in by the GA*
 - *mixed, if opted in by the GA*
- Other goods and services

Specific costs - Other Costs

Financial support to Third Parties (FSTP) (D1)

Internally invoiced goods and services (D2)

Transnational access cost to Research Infrastructure (D3)

Virtual access cost to Research Infrastructure (D4)

PCP/PPI (D5)

Euratom Cofund staff mobility costs (D6)

ERC Additional funding (D7)

ERC Additional funding – SC, FSTP, IIGS (D8)

Travel costs

- Actual travels costs, in accordance with the Beneficiary's account principles and travel policy - **you must have a travel policy!**
 - Business or Economy?
 - Per-diem or actual cost?
- The travel must be linked to the action, reported in the periodic report – **have a mission report form** with a written abstract what and why happened!
- No distinction between travelling in or outside of Europe!
- Travel costs are primarily eligible for the personnel working on the project
 - External experts? Invited lecturers?
- Proportionate travel costs in case of multiple purposes (*e.g. between projects, or between professional and private reasons*)
- Make sure **your travels are in line with your timesheets!**



Equipment and other assets



What is eligible?

- **Depreciation cost** for equipment, infrastructure or other assets (new or second hand) recorded in the Beneficiary's P&L can be reported.
- **Cost of installation**, site preparations, delivery etc.
- **Cost of renting or leasing** equipment, infrastructure or other assets (including related duties, taxes and non-deductible VAT) can be reported, if they do not exceed the depreciation costs of a similar asset and do not include any financing fees.
- The only portion of the cost related to an action can be reported i.e. costs which corresponds to the duration of the activity and rate of actual use for the purpose of the activity (**usage-rate records!**).



When it is eligible?

- Foreseen and needed to carry out the activity
- In accordance with:
 - the Beneficiary's accounting practice,
 - national/ local tax and accounting rules
 - **International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)**



What are the special cases?

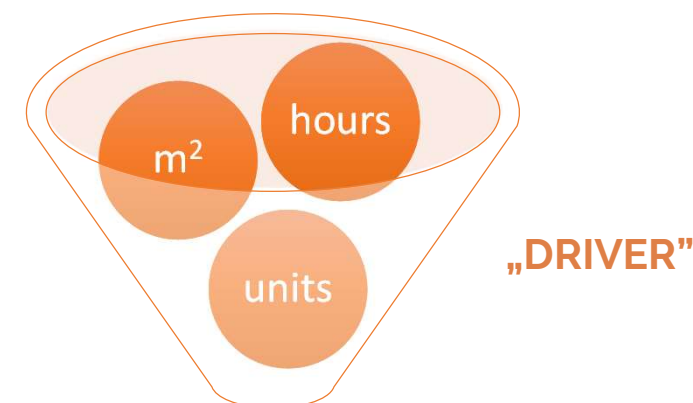
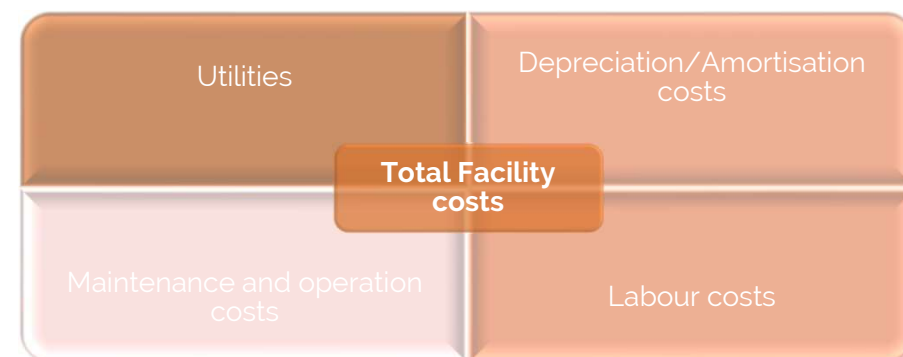
- Financing costs related to leasing contracts
- Buy-out costs related to leasing contracts
- Prototypes/Pilot plans?
- Full cost option in HE
- Full capitalised cost?
- Equipment bought before the project?

Internally invoiced goods or services

Based on unit-cost calculation (H2020)

- **What is this for?**
 - Self produced consumables or goods
 - Use of internal facilities or specialized premises
- **What's not?**
 - Cleaning, general accounting, HR/PR, admin, etc.
 - Costs that are already charged as direct costs (e.g., personnel?)
- Based on actual costs (!) only, excluding any internal overheads, profit or rates – it's a case-by-case calculation!
- Beneficiary has to ensure that the justification and/or calculation is available to prove that **"no-profit"** is kept
- The calculation itself is recorded in the accounts
- Goods/services internally invoiced are directly linked to the project concerned

„POOL”



Unit cost x number of units utilized on the project = eligible costs

**Horizon Europe - internal rates (???)
with overhead included (!)**

Other goods and services: Article 10

Subcontracting or Other service?

It's neither the EC, nor any of the Beneficiaries = a third party to the GA

- Any costs needed for the implementation of the action
- Consumables, material costs, dissemination costs, IPR protection fees, Certificate on Financial Statement, translations, proofreading, legal advice, publications costs, printing costs, meeting costs like catering and hotel costs, website design and development costs, etc.
- No need to foresee them one-by-one in the GA!

Article 10 Contracts to purchase goods, works or services	Article 13 Subcontracts
These contracts do not cover the implementation of action tasks, but they are necessary to implement action tasks by beneficiaries.	Subcontracts concern the implementation of action tasks; they imply the implementation of specific tasks which are part of the action and are described in Annex 1.
Do not have to be indicated in Annex 1.	Must be indicated in Annex 1.
The price for these contracts will be declared as 'other direct costs' — column D in Annex 2 — in the financial statement; they will be taken into account for the application of the flat-rate for indirect costs.	The price for the subcontracts will be declared as 'direct costs of subcontracting' — column B in Annex 2 — in the financial statement; they will not be taken into account for the application of the flat-rate for indirect costs.



Key word: Providing assistance to a non-complete task(s) of the action!

Part III / Chapter Three

Indirect Costs in H2020

Indirect Costs

FLAT-RATE overhead costs calculation applies

For all Beneficiaries: 25% on the top of the total direct eligible costs, excluding:

- Subcontracting
- Costs of in-kind contribution provided by third parties, that are not used on the beneficiary's premises
- Costs of providing financial support to third parties
- Lump-sums or unit costs includes indirect costs
- **Specific cost categories (including internally invoiced goods and services) in HE**

It's automatically added to the reported direct costs.



Part III / Chapter Four

Funding rates in H2020

Funding rates

One project – One Rate principle

- No distinction between the activities (e.g. research, management, other)
- 100% reimbursement for all in Research and Innovation Actions (RIA) and in Coordination and Support Actions (CSA)
- 70% reimbursement for profit making entities in Innovation Actions (IA) with the exception of:
 - 100% funding for non-profit entities in IA
- Special funding rates for some grants, like:
 - ERA-NET
 - MSCA – COFUND
- The funding rate is always applied on the reported and accepted eligible costs, taking into account the funding ceiling



Part III / Chapter Five

Receipts in H2020

Receipts (1)

What are they?

A receipt is:

- A **dedicated** financial or in-kind contribution directly given to the project (**other than the EU contribution**), or
- An **Income** generated by the project, such as:
 - Participation fee on a project event
 - Equipment bought by and reported to the action sold before the end of the project



Exploiting the project results (foreground) is NOT a receipt
Receipt(s) can only be reported at the end of the project



Receipts - HE

Corporate approach with HE derogation

Financial Regulation

Article 192(2) FR

[...] **receipts are limited to the Union grant and the revenue generated** by that action or work programme.

Article 192(3)(c) FR

→ **non-profit** organisations are **NOT** concerned by receipts.

HE derogation

- Income generated by the exploitation of the results shall **NOT** be considered as receipts of the action (Art 36(2) HE RfP → continuity with H2020)

Part III / Chapter Six

Certificates in H2020

Certificate/s of Costs

What is a CFS?

- It must be provided by the concerned Beneficiaries individually, whenever requested
- It is to validate the Beneficiary's financial statement(s)
- All costs must be cross-checked, in exceptional cases "sampling" can be accepted
- CFS must be provided using the official template provided in the GA

When is it due?

- H2020: The requested "accumulated" funding on actual costs and unit costs (i.e. excluding the 25% indirect costs) reaches **€325,000**
- HE: The requested "accumulated" funding on total reported costs reaches **€430,000**; or *€725,000 for those having a **System and Process Audit***
- To be submitted STRICTLY at the end of the project

Who can provide?

- Qualified, independent auditors under the 8th Directive
- Public bodies, secondary / higher education establishments and research organisations may opt for a competent public officer

Part III / Chapter Seven

Payments and Exchange rates in H2020

The Guarantee Fund

What is it?

- Guarantee Fund is to cover risks and recover lost grants
- All beneficiaries must contribute with 5% of their total calculated EU contribution
- Financial interest generated will cover risks (e.g. in case of bankruptcy)
- Will be reimbursed at the end of the project (1% may be deducted – from private entities)



Mutual Insurance Mechanism

Replacing the Guarantee Fund in Horizon Europe

5% Contribution to the Mechanism:
but it can be more, or less.

- Actions require a **5% contribution** by the Beneficiaries.
- **Periodic evaluation** may change it and bring it up to 8% or reduce it under 5%.
- The Mechanism may be extended to **beneficiaries** of any other directly managed **Union programme**.
- It can be offset from the **initial pre-financing** and be paid to the Mechanism on behalf of the beneficiaries.



Payments from the EU

Explaining the different types

- **Pre-financing**, amount set by the EU in the GA, in 30 days after signing the GA
 - General advance-payment calculation: Total requested funding / number of reporting periods
 - **Minus 5% of the maximum grant amount to be transferred to the GF**
- **Interim payment(s)**, in 90 days from the date the EU received the Periodic reports
- **Payment of the Balance** (Final payment), in 90 days from the date the EU received the Final Periodic Reports + release of the GF contribution
- Suspension of payment may apply whenever needed

Total Budgeted Cost	1 000 €
Total Foreseen EC Contribution	1 000 €
Advance payment	550 €
<i>To Guarantee Fund</i>	50 €
Advance payment received	500 €
Reported and accepted cost after RP1	350 €
EC Contribution received	350 €
Reported and accepted costs after RP2	350 €
EC Contribution received	- €
Reported and accepted costs after RP3	300 €
EC Contribution received	150 €

Exchange rates (1)

Beneficiary with accounts in **EUR**, must report all costs accounted directly from their accounts

Beneficiary with accounts **other than in EUR**, must use the average of the daily exchange rate of the concerned currency over Euro, published by the European Central Bank.



Exchange rates (2)

Norwegian krone (NOK)

2 February 2022

EUR 1 = NOK 9.9228 -0.0410(-0.4%)

Change from 1 April 2020 to 29 October 2021

Min (26 October 2021)	Max (22 April 2020)	Average
9.6828	11.6775	10.4824



Select: EUR vs. NOK

Period: 01/04/2020

31/10/2021

Zoom:

1m

6m

1y

10y

all



THANK YOU!

for your attention

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