

Q&A catalogue
following the live webinar

"Basic mistakes in H2020 personnel cost calculation and reporting"

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#	ORIGINAL PARTICIPANT QUESTION	ANSWER BY EUROPA MEDIA
1	what is a unit-based personnel cost ?	Direct personnel costs can be calculated on the basis of an amount per unit calculated by the beneficiary in accordance with its usual cost accounting practices ('unit costs'). e.g. Personnel costs for SME owners or beneficiaries that are natural persons not receiving a salary must be declared on the basis of the amount per unit set out in Annex 2a (unit costs);
2	Unit Cost are related to the CoMUC... do you know any organization to which the EC have approved the CoMUC?	Yes, there are several, but we are not allowed sharing these names.
3	If the certificate is approved, can we use the Methodology under FP9 projects?	Most likely no, new certificate will be necessary for a new programme.
4	Might get covered later on but, what are the key differences between seconded and subcontracted employees?	For seconded employees you pay only the costs; in case of subcontracting you pay the profit ratio as well. No overhead applies for subcontracting costs. IP ownership differences may also apply.
5	Under Actual Personnel costs, you have to use for the calculation of the cost per hour the personnel cost of the last closed fiscal year. How do you manage to cover your real costs if you have to use costs of a previous year that many times is lower?	Indeed if you use the fiscal year calculation and for several months you have to use the previous year's data, it may happen that not all your real costs are covered. However, using the fiscal year calculation requires less time and effort from your administration which saves money. In case you think that your losses are significant with the fiscal year calculation, turn to the monthly calculation. This is why we recommend trying out both routes to see which is the more beneficial - considering all advantages and disadvantages.
6	does the in-house consultant need to sign the time-sheets?	Yes
7	I think you have said that you would send us the slides, is that ok?	The slides were sent by EMDESK
8	Does the actual personnel costs include all costs (salary, insurance, social costs, etc.)?	Yes, all these listed in the brackets - all mandatory charges
9	Do employee contracts need to contain a reference to the H2020 project tasks?	Not necessarily - follow your own and national rules for this. The employees need to be assigned to the project - but not necessarily via their contract.
10	Morning, when preparing to submit a project most of the time we are asked for our average personnel costs, so is this incorrect, should leaders ask for actual one by one personnel costs instead of an average cost?	For budget development purposes you give one average rate of the people who will work on the project. This rate is weighted by the involvement rate of the assigned people. Then at the reporting you report the actual costs of those people who work on the project. Check the budget exercise on europa media training site under knowledge base.
11	Regarding UNIT-based personnel costs: (1) i would say standard hours of the company (2) i would say standard hours of the company	???? I do not understand the question

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12	When are unit-based costs used instead of actual personnel costs?	In case the use of average personnel costs are more beneficial and the organisation has a standard calculation for this. E.g. many technicians work on the project or many junior researchers whose salary is similar, and they spend a few hours here, a few hours there. For them calculating the actual costs one by one for the periods means also a lot of administration. So having a system for average personnel cost calculation may be beneficial.
13	We have in-house consultants employed under independent contracts. We are in Belgium and you stated this is not possible?	From AMGA: <i>Direct personnel costs: Natural persons with direct contract - This budget category covers typically the costs of in-house consultants and similar persons (i.e. self-employed natural persons) that worked on the action for the beneficiary under conditions similar to those of an employee. Please note: The contract cannot be with a third party legal entity (e.g. a temporary work agency), even if that third party is a one-person company. Legally you basically cannot have a contract with a legal entity - but it needs to be a natural person.</i>
14	If we have a worker with two different kinds of labor contracts, one eligible and the other no, which annual cost should we use to calculate the fee? only the contract that is eligible?	Yes, calculate only with eligible costs
15	What, if several employees with different salaries work in one project?	This is normally true for all organisations. For all employees you calculate the eligible costs separately that you charge on the project.
16	if a company has more than one H2020 project, starting in different years, is it acceptable that the same in-house consultant has different hourly rate from one project to another?	Yes, if clearly justified and not significantly different.
17	is it also possible to calculate cost for an administrative Person at our institute also a non researcher!! (university)	yes, also admin people can work on the project on specific tasks
18	Persons recruited through temporary work agencies, are these costs eligible?	from AMGA: <i>Staff provided by a temporary work agency — A contract with a temporary work agency qualifies typically as purchase of services (unless the temporary work agency carries out directly some task of the action — in which case it would be considered as subcontracting). Thus, although NOT eligible as personnel costs, the costs can be charged under other budget categories (i.e. D.3 other goods and services or B. subcontracting), if they comply with the eligibility conditions (especially best value for money and no conflict of interest; see Articles 10 and 13).</i>
19	if an employee is assigned to multiple H2020 projects should the declaration you mentioned be filled?	No, because the person is not fully allocated to the project, but works on several projects. Timesheets are needed and an assignment to each project following your own rules.
20	is holiday allowance also allowed to calculate in the personell cost?	Yes, the part which is paid by the employer based on national rules (and not compensated in any way later by the state)

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21	A person previously employed by a beneficiary has started his own company. This company will be included as a third linked party in the project. So it is possible his personnel costs have changed from actual direct personnel cost to SME owner unit costs? Is there anything I need to keep in mind in this situation?	Is this really a linked third party? What is the legal link between the two organisations? But yes, the rates will be different - if one project is affected by this in a reporting period - a clear justification needs to be included in the report.
22	In Spain a lot of the time the mandatory salary is the Minimum Salary cost and then pluses are added to that, here our accountant has stated that these bonuses are part of the basic salary, although it is a separate part of the basic salary. So what pluses are and aren't included?	Your accountant may be right and your additional parts of the salary may indeed be part of the basic salary. This has to be carefully checked. 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). Also these bonuses should have no connection to the project itself.
23	Is always needed a letter of assignment, even if the person works only a part of his time at the project?	Assignment is needed - no matter how low is the involvement. Follow your own rules how this needs to be done.
24	In personnel costs can we take into account the costs related to courses that have been made by the person whose costs we are calculating?	???? I do not understand the question
25	By taxes included in the remuneration you mean taxes paying by the employee himself/herself?	Both paid by the employee to the state (automatically deducted from the salary) and the taxes paid by the employer.
26	Could you just repeat the part about who can be included - do they have to be officially assigned in some way to the project?	Project personnel working at the Beneficiary (assigned to the project) ACTUAL Personnel costs - Employees or equivalent employment contracts - Seconded employees - In-house consultants UNIT-based Personnel costs - Average personnel costs – set by the Beneficiary - SME owner rate – set by the EC/GA - Natural person rate – set by the EC/GA
27	Hi, about in-kind benefits: what about for instance pension funds, health insurance, etc.?	If allowed by internal and national rules to be part of the salary, then also eligible in the H2020 personnel costs
28	Can HR accounting costs be included in the personnel costs? (when using an external service provider as a small organisation and getting an invoice for it)	No, this will probably not be eligible - include to indirect costs.

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29	And what about the number of productive hours during maternity?	During maternity leave you do not have any productive hours. from the AMGA: <i>The same rules on the treatment of absences and overtime apply as for annual hourly rates, except that time spent on parental leave can NOT be deducted from the annual productive hours.</i> <i>However, beneficiaries may charge to the action the costs incurred for parental leave (as personnel costs) in proportion to the time the person worked for the action during the financial year (time worked on the action over total productive hours for the year). This must be done separately and on top of the personnel costs declared by multiplying the hours worked for the action by the monthly hourly rates.</i>
30	We are collecting all the Personnel Cost either on Emdesk and registering the individual hours spent on the project on excel forms with daily registration. How the review process will take place at the end of the project?	You need to archive all this documentation. The financial audit may come within the project duration - a closed period is needed for one or more projects. The financial audit is done on the organisational level. All your documentation will be checked.
31	sickness leave: how can this be paid as we do not have productive hours for that year we have the 1720 rule in fiscal year can we calculate also these hours for e.g when the person is one week sick?	1720 is the standard number of productive hours, already deducting an average number of hours spent on sick leave. So you add the sick-leave payment to the basic salary when it is paid and use the 1720 where sick-leave is already considered.
32	In Italy we have the IRAP tax, Is it included in eligible salary components?	No, it is not eligible. There is a document called country-specific issues where the AMGA is also downloadable. See it there.

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33	What happens if the employees work a more than the 1720H?	<p>The double ceiling needs to be considered. From AMGA: <i>Beneficiaries must ensure that:</i></p> <ul style="list-style-type: none"> - the total number of hours worked declared in EU and Euratom grants for a person for a year is NOT higher than the number of annual productive hours used for the calculation of the hourly rate (see below) <p><i>Example: Beneficiary using 1 720 as annual productive hours. According to the time-records, during the financial year 2017 employee Z worked 900 hours in a H2020 action and 900 hours in another EU project. The total hours worked for EU projects by employee Z would therefore be 1 800 (900 + 900). However, the beneficiary cannot declare more than 1 720 hours, since this is the number of annual productive hours it used for the calculation of the hourly rate. Therefore, for 2017, the beneficiary can only charge 820 hours to the H2020 action (i.e. 1 720 – 900 hours declared to other EU grant), even if the person worked 900 hours in the action.</i> - the total amount of personnel costs declared (for reimbursement as actual costs) in EU and Euratom grants for a person for a year is NOT higher than the total personnel costs recorded in the beneficiary's accounts (for that person for that year). <p><i>Example: The total personnel costs recorded in the 2017 accounts of the beneficiary for employee Z is EUR 18 000. The beneficiary already declared EUR 9 000 to the other EU grant. The hourly rate for employee Z according to the formula in the H2020 Grant Agreement is 11 EUR/hour and employee Z worked 900 hours for the action in 2017. The eligible personnel costs for the H2020 action would therefore be: 11 EUR/hour x 900 hours = EUR 9 900. However, since the beneficiary already declared EUR 9 000 to the other EU grant, the maximum that it can declare to the H2020 action is: EUR 18 000 (total personnel costs for employee Z) – EUR 9 000 (already declared to other EU grant) = EUR 9 000. The beneficiary can therefore declare only EUR 9 000, even if the result of the formula for personnel costs would be EUR 9 900.</i></p> </p>
34	How to calculate the hourly rate when the 13th salary is paid out in a given month and we report using the monthly hourly rate	You need to proportionate. In each month in the reporting period you calculate the relevant part of the 13th salary earned in that month.
35	Is it possible to change from 1720h to another method within a running project?	From fiscal year to fiscal year you can change - but for running project it needs to be done retroactively (so with an adjustment to the previous period(s)) From AMGA: <i>Recalculations & adjustments of financial statements (exceptional) – To benefit from this new option (i.e. hourly rate per month) beneficiaries may apply it retroactively for all grants on-going (i.e. for which the final report has not been submitted) on 20 July 2016 (i.e. date of adoption of the H2020 MGA version 3.0). The beneficiary may re-calculate costs already declared on the basis the full financial year by using the monthly calculation method. However, in that case it must do the recalculation for ALL personnel costs declared for that/those financial year(s) in ALL on-going H2020 grants. The beneficiary must declare the differences, either positive or negative, as adjustments in the next reporting period.</i>

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36	For countries out of EU, Euro currency is changing during the year. What is the eligible currency calculation?	Beneficiaries [and linked third parties] with accounting established in a currency other than the euro must convert the costs recorded in their accounts into euro, at the average of the daily exchange rates published in the C series of the Official Journal of the European Union, calculated over the corresponding reporting period.
37	How about employees with contracts without monthly hours? I.e. these employees normally do not use timesheets and do not track their time. If such employees book hours on a H2020 project it will be the only entry in the timesheet. Is there any problem that can arise in such construct.	Use the 1720 for the hourly rate calculation or the pro-rata of that.
38	What happend if you use 1720 fixed hours but the annual productive hours are 1600? How do you calculate it with hourly rate per month? so, we have to calculate as follow? total personnel eligible costs/1720 but we have to put just a maximum of 1600 worked hours, right?	In case you use the 1720, but your real hours are lower, you will charge less to the EU than you could have. You need to add up all salary - in your case in one month and then divide by 1720/12 (143 hours). That will give your the hourly rate for the month in question. Then multiply this hourly rate with the hours spent on the project based on the timesheet. You do not make any mistake here, just charge less than possible as you decided to use the 1720 standard productive hours.
39	Would we receive the calculation as example?	I am sorry, the excel will not be shared
40	maybe I missed it....how to include the extra months (13 and 14) in the personal costs? i see in the excel I see the monthly cost is multiplied by 12	If you have 13th and 14th month salaries and it is based on national rules, then just add it to all yearly salary costs. That is if you use fiscal year calculation. In case of monthly calculation, you need to distribute the two extra salaries by months throughout the year. (when the part of these two extra salaries were earned)
41	Regarding personnel cost calculation for hourly rate, a researcher with with a sick leave for almost the whole year (being 2018 last closed year) (total salary paid by the State as a public servant), how must the cost for 2019 (not closed) be calculated? should the remuneration cost of 2017 or 2018 be taken?	2018 has to be taken - BUT as teh hourly rate will be probably really high, probably the capping will be met and double ceiling will be an issue, so you will probably charge what you paid.
42	When ypou report a future period using the actual rate, can you correct the reported hours when you Know the rate of that future period? So you submit and adjustment and that's it?	No adjustments are possible just because you know the real costs of a closed year part of it you have reported already using the previous year's hourly rate. You can submit adjustments to previous periods when mistakes done are realised.
43	But if you have to audit the project at the end of it because you need a CFS, it would be an error for the hourly rate of january/april 2017...	The auditor will check the hourly rate calculation considering if that at the time of the reporting you had all information about closed financial years or not. Mistakes will be identified if you made such mistakes at the time of the reporting. If you did the calculation correctly at the time of the reporting no adjustments will be recomemnded just because at the end of the project you have the information.
44	PD: under beneficiary standars calculation basis	?

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45	Hello. Timesheets must be signed by employees and supervisors every month, right? Should be signed in pen, to be more trustworthy?	Electronic signatures are also accepted if your system allows that.
46	using the 1720 method: what if the person works from november til december 350 hours -> calculating with the 1720 method he would only be allowed 286 h (1720/12*2month) -> do I have to do that monthly breakdown or do I look at the yearly hours?	You can do both - depends which one you decided to use anyway and which is beneficial for you. Also your present accounting system should be taken into consideration. In case of monthly calculation, the hourly rate will be the monthly payment divided by 143 (1720/12). That will be multiplied with the real hours worked (NOT the 286!). In case of fiscal year calculation - all yearly salary is added up, then divided by 1720. This results in a yearly hourly rate, which you will multiply by 350 to have the personnel costs to be reported. You cannot work more than 1720 in any consecutive 12 months, it does not mean that also pro-rata it should be kept. So you can work in 2 months also 400 hours if you do not exceed 1720 in the whole year. NB: if you started to work on 1 November at the organisation, you use the fiscal year calculation and the 1720 then the double ceiling rule will not allow you to charge more than the two monthly salaries.
47	There are some costs like holidays accrued in a year but payed in the year after	If already paid - only then you can include it to the report. Calculating only the part that refers to the reporting period.
48	May we take that in to consideration in the annual salary cost even the accrual is previous to the payment time which is the one we have to take into account?	If this is an actual accrual because the cost is booked in the previous year's accounting even if paid next year, you may take that into account - so particularly foreseen and accounted only the payment is accrued then it is ok.
49	in case of 13th or 14th salary, in order to get the total eligible salary cost per month do we multiply the actual monthly rate by 13 or 14 and then divide by 12?	see previous replies
50	If a person works a whole year (52 weeks) x 40 hours a week = 2080. And has 7,5 weeks of holiday = 300 hours. Total available hours would be 2080 - 300 = 1780 hours. How does this relate to the 1720 hours. What is better to use? holidays, sicknessleave, national holidays, educational/maternity leave - this is taken as an average and subtracted from 2080 - so you get 1720	? Not sure what is your question. The productive hour calculation is described in the AMGA: annual workable hours of the person (according to the employment contract, applicable collective labour agreement or national law) plus overtime worked minus absences (such as sick leave and special leave)).

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51	<p>for the yearly calculation: why it is not allowed to make an adjustment to period 1 afterwards, to correct the financial data which were not yet available at the point of reporting for Period 1?</p>	<p>this is the rule. From AMGA: <i>Recalculations & adjustments of financial statements (exceptional) — Adjustments to the hourly rate are normally allowed ONLY for mistakes (e.g. incorrect accounting information; error in the calculation; etc.) and must be done using the hourly rate which would have had to be used at the end of the reporting period concerned.</i></p> <p><i>Examples:</i></p> <ol style="list-style-type: none"> 1. <i>An internal audit on the annual accounts of the beneficiary finds later errors in the accounting information used to calculate the hourly rates.</i> 2. <i>Reporting period 1 runs from 1 January 2016 to 30 June 2017. The beneficiary used the hourly rate 2016 for the entire period (i.e. also for the part from 01/01/2017 – 30/06/2017) because the financial year 2017 was still on-going at the end of the reporting period. In 2018, the beneficiary realises that the 2016 hourly rate was incorrectly calculated and that it has to declare an adjustment for reporting period 1. To calculate the adjustment, the beneficiary must use the correct hourly rate for 2016 for the whole reporting period 1, including the period from January to June 2017. Otherwise, costs that have already been declared can normally NOT be adjusted/changed (even if a recalculation of the hourly rate after the closure of the financial year would give another result).</i>
52	<p>To me is still not clear which bonuses are eligible and which not. Thanks!</p>	<p>Basic rules from AMGA: bonuses are eligible if based on the overall financial performance of the organisation (e.g. profitability or surplus) may be accepted, if they fulfil the conditions set out below, i.e. as part of the usual remuneration practices for national projects and thus eligible as basic remuneration. OR bonus is paid in accordance with national law, the collective labour agreement and the employment contract/equivalent appointing act. ALWAYS 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).</p>

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53	Dear Gabriella, in the monthly calculation do we need to use a capping of the 1720 hours in case the researcher worked on the project for less than a year?	<p>In monthly calculation you use for the hourly calculation the 1/12th of the standard, yes. Also capping needs to be considered because of the double ceiling. Let's suppose that the researcher worked for 6 months. In these months he worked 150 hours on the project each month. You need to check if you are charging more to the project than what was actually paid to the researcher. from AMGA about the double ceiling: <i>Double ceiling — Beneficiaries must ensure that:</i></p> <ul style="list-style-type: none"> - the total number of hours worked declared in EU and Euratom grants for a person for a year is NOT higher than the number of annual productive hours used for the calculation of the hourly rate (see below) <p><i>Example: Beneficiary using 1 720 as annual productive hours. According to the time-records, during the financial year 2017 employee Z worked 900 hours in a H2020 action and 900 hours in another EU project. The total hours worked for EU projects by employee Z would therefore be 1 800 (900 + 900). However, the beneficiary cannot declare more than 1 720 hours, since this is the number of annual productive hours it used for the calculation of the hourly rate. Therefore, for 2017, the beneficiary can only charge 820 hours to the H2020 action (i.e. 1 720 – 900 hours declared to other EU grant), even if the person worked 900 hours in the action.</i></p> <ul style="list-style-type: none"> - the total amount of personnel costs declared (for reimbursement as actual costs) in EU and Euratom grants for a person for a year is NOT higher than the total personnel costs recorded in the beneficiary's accounts (for that person for that year). <p><i>Example: The total personnel costs recorded in the 2017 accounts of the beneficiary for employee Z is EUR 18 000. The beneficiary already declared EUR 9 000 to the other EU grant. The hourly rate for employee Z according to the formula in the H2020 Grant Agreement is 11 EUR/hour and employee Z worked 900 hours for the action in 2017. The eligible personnel costs for the H2020 action would therefore be: 11 EUR/hour x 900 hours = EUR 9 900. However, since the beneficiary already declared EUR 9 000 to the other EU grant, the maximum that it can declare to the H2020 action is: EUR 18 000 (total personnel costs for employee Z) – EUR 9 000 (already declared to other EU grant) = EUR 9 000. The beneficiary can therefore declare only EUR 9 000, even if the result of the formula for personnel costs would be EUR 9 900. So, if your researcher earns 1430 EUR/month and you use 1720. Then the monthly hourly rate is 10 EUR. In case the researcher works for 6 months at the organisation and the project, then the max salary will be 6x1430 = 8580 EUR. While if the researcher works 150 hours on the project each month, you count 9000 EUR: Because of the double ceiling, you can charge only 8580 EUR to the project. If on the other hand the researcher works for the organisation the whole year, and only for this project for 6 months, then the full 9000 could be charged to the project. BUT Nota bene! the double ceiling still applies if the researcher works on other EU projects as well. You still cannot charge more than what was actually paid out in that year.</i></p>
54	i didnt understand the double ceiling. can you kindly explain again? thanks	see previous replies

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55	Actual hours can often vary quite significantly from standard hours for f/t staff - how should this be resolved on the timesheet when researchers are 100% on the project?	You always report the actual hours on the timesheet. But again, be careful with the double ceiling as explained above and check if the total number of yearly productive hours correspond to the standard. (the yearly total number should be watched)
56	If we use 1720/12, amounts don't correspond with accounting. auditors suggested: total eligible personnel costs/ 1720hours. and then weig monthly hours month by month. In this case, we have a diferent hourly rate each month	It is not necessary to have your internal accounting numbers fully matching with the reported numbers. As you are using actual hours internally and the standard for the EU, the numbers will not be the same. For internal reasons you may do what the auditor suggested, still, the EU rules need to be followed. The accounted numbers should be higher or equal than what you report as cost to the EU.
57	Time recording: Is it sufficient to record the time just on a monthly and not daily basis?	The timesheet summarises the hours on the project on a monthly basis. We recommend having a daily distribution with hourly accuracy on this monthly timesheet.
58	When is a time recording system considered "certified"?	It is certified if you apply certain principles. There is no full description on this I think, but the basic issues are: authorisation; accuracy; reliability; approval process etc. You do not have to chose a certified software for time tracking. The system needs to fulfil these principles and you can do that with printed timesheets using excel.
59	In which situation using 1720H methode is recommended?	In case your annual productive hours (of those people normally working on projects) are lower or close to 1720 you can save administration time by using 1720. If the real annual productive hours are higher than using 1720 is beneficial, just watch the double ceiling. If the real annual productive hours are significantly lower than 1720, we do not recommend using the 1720 standard.

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60	You mentioned that if a person works on the project exclusively a certified declaration is sufficient, but if this person has some leavings due to illness, and these days are higher than the effective working days of the month the EC would not pay that month. So better use a TS record always isn't it?	<p>In case we talk about a leave that has to be paid by your organisation, than indeed this is an issue as in the monthly calculation you would end up with zero costs. BUT the AMGA states: <i>Absences & overtime</i> —</p> <p><i>The same rules on the treatment of absences and overtime apply as for annual hourly rates, except that time spent on parental leave can NOT be deducted from the annual productive hours. However, beneficiaries may charge to the action the costs incurred for parental leave (as personnel costs) in proportion to the time the person worked for the action during the financial year (time worked on the action over total productive hours for the year). This must be done separately and on top of the personnel costs declared by multiplying the hours worked for the action by the monthly hourly rates.</i></p> <p><i>Example:</i> <i>In 2015 Ms T has been five months in parental leave. During that time the social security reimbursed to the beneficiary 50 % of her salary. Her monthly salary was EUR 3 000 (reimbursement EUR 1 500). The beneficiary used option 1 (1720 fixed hours) for the annual productive hours and Ms T worked in 2015 320 hours on the H2020 action.</i></p> <p><i>Personnel costs incurred during parental leave= {EUR 3 000 x 5} - {EUR 1 500 x 5} = 15 000 – 7 500 = EUR 7 500</i> <i>(Note: amounts reimbursed to the beneficiary by the social security are not actual costs for it and, therefore, must be deducted)</i></p> <p><i>Proportion of time worked for the action in 2015 = Time worked for the action / Total productive hours excluding the parental leave = 320 / {1720 - {1 720 x 5/12}} = 320 / {1 720 – 716,7} = 320 / 1 003,3 = 31,89 %</i></p> <p><i>Cost of parental leave for the H2020 action = EUR 7 500 x 31,89 % = EUR 2 391,75</i></p>
61	Is the 1720 prorata (monthly calculation) related to the months worked in the institution or the months worked on the project?	1720 limitation is for the hours worked on the project in a year. The prorata of the 1720 applies if you work less in the organisation than a full year or your contract is not a full time position. Otherwise in monthly calculation you use always 1720/12.
62	I thought the time sheets are monthly and not daily now in H2020	The timesheet summarises the hours on the project on a monthly basis. We recommend having a daily distribution with hourly accuracy on this monthly timesheet.
63	Is a "reliable and certified system" necessarily be different from an excel system of reporting? In other words what is the meaning of a "certified system"?	see previous replies
64	Can I calculate the hourly rate based on real worked hours per month?	NO, in monthly calculation you have to use the 1/12th of a standard
65	Could you please explain how to apply the double ceiling in the monthly calculation?	The double ceiling is applicable for any consecutive 12 months. In montly you cannot apply that as you work different hours in different months.

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66	Our fiscal year is from 01/10/-31/09; we need to report to fiscal authorities the salaries from 01/01-31/12 every year - which personell cost do I have to use for a project that startet on 01/05 and the first report is due after 18 months?	Use your fiscal year. If the start year e.g. is 2017 then 01/05/2017 - 31/10/2018 is your reporting period. So for 01/05/2017-31/09/2017 your use the hourly rate from the 2016-2017 fiscal year. Then for 01/10/2017-31/09/2018 you use this fiscal year's hourly rate and for the last september 2018 month you use the previous fiscal year's hourly rate.
67	Is there also an exception if one works on the one project exclusively, but only part-time, like 50%?	Yes, if all hours at the organisation are exclusively spent on one project, it is ok.
68	in the case of a in house consultant working on the project exclusively, is it sufficient with a certified declaration?	They need timesheets all time as basically their contract is exclusive on the project in each case - but that is not an employment contract. Timesheets are a must.
69	can use one time sheet for project or only one with all projects ?	You can have both versions for timesheets. We are recommending having all monthly productive hours on one timesheet, but this is not a must.
70	If you have a researcher who works only 2 days per week but exclusively for the project. Do you need time sheets for him	If his full employment contract is for the project, no timesheet is needed. The declaration is enough.
71	some of our researchers do not take their full annual leave entitlement so work more than the beneficiary's annual productive hours. How do we deal with this?	You do not change anything in the calculation because of this. If you use 1720, it cannot be adjusted. If we suppose that this holiday not taken is paid out, then the yearly salary will be higher that usual and that is ok. This is not a problem.
72	Is there any template for the certified declaration for people that work full time in the same project? Does it need to be uploaded on the participant portal or just sent by email to the PO?"	It is downloadable from the Funding and Tenders Portal - under How to Participat - Refrence documents. You need to keep it, no need to upload anywhere. The financial officer may ask for it.
73	Good morning. The timesheet time basis is daily ? Could it be monthly ?	The timesheet summarises the hours on the project on a monthly basis. We recommend having a daily distribution with hourly accuracy on this monthly timesheet.
74	Unrelated to personnel costs: I would really appreciate a webinar regarding DoA changes (in EMDESK), is this something you might consider?	Sure, we will consider
75	temporary working agency cannot be consider an other cost "services"? it's only subcontracting ?	from AMGA: <i>Staff provided by another entity against a price, including staff provided by a temporary work agency (because in this case there is no direct contract between the person and the beneficiary; the contract is not with the beneficiary but with the entity hiring the person).</i> <i>Staff provided by a temporary work agency — A contract with a temporary work agency qualifies typically as purchase of services (unless the temporary work agency carries out directly some task of the action — in which case it would be considered as subcontracting). Thus, although NOT eligible as personnel costs, the costs can be charged under other budget categories (i.e. D.3 other goods and services or B. subcontracting), if they comply with the eligibility conditions (especially best value for money and no conflict of interest; see Articles 10 and 13).</i>

#	ORIGINAL PARTICIPANT QUESTION	ANSWER BY EUROPA MEDIA
76	Wich bonuses are elegibles?	see previous replies
77	In RP1 (interim reporting over the first 18 months of the project) we have exceeded the PM rate over what was initially projected. How can we adjust this? Our salaries are paid based on our national legislation and practice for research projects	If the calculation of your salaries is correct than the only thing to do is to explain and justify the raise in PM rates. There is no room for adjustment.
78	For a person contracted at some point in a current year, how to calculate the Hourly rate?? is this right: we contract a person 1 june, then, for a EC medium dedication, i.e. 1720h, for this case would be 860h???	Supposing this person is hired from the 1st July and you use fiscal year calculation with 1720, then indeed the half of 1720 should be used for the hourly rate calculation.
79	What, if the actual personell costs differ a lot from what was assumed in the proposal? (i.e. due to personnel change..)	You need to give explanation on that to the officer. Still, the report has to be based on real costs of the people allocated to the project.
80	When does this internal e-mail to assign a person to the grant be sent? whenever during the project? Do we need to send a copy to the PO as proof?	No need to send a copy to anyone. The assignment should be following your own rules.
81	For monthly calculation - holiday allowance and sick leave - does it have to be proportionaly calculated for each month	if paid at once and not monthly, yes
82	Can a company bonus or additional remuneration given just to an employee be charged to the project and be eligible - it is not linked to the project	A company bonus paid to one employee - not sure this is possible. Regarding additional remuneration, you have to fulfil all rules, only then this cost is eligible for the project.
84	tickets restaurant are eligible? as personnel cost?	If also in your accounting system this is part of the salary, then yes, it could be eligible also for the project.
85	do we need any proof to apply to the 1720 methodology ?	No
86	In an EU project of ours, we get a PM of 6.150 Euros and in the DoA, it says that we are putting 32 months into the project. We have found out that our hourly rate is higher than the one calculated on the basis of he 6.150 and it is therefore not possible for us to work 32 months. Do we just work less than - for example 25 months? Or do we HAVE to work the months that we can on the basis of our own, real hourly rates?	I replied to this on the webinar, please watch this part
87	We have a single time sheet with different columns dedicaed to the different projects: is this ok?	Yes, we recommend however giving also reference to the WP/task you worked on. Normally columns are days and rows are project tasks in a timesheet.

#	ORIGINAL PARTICIPANT QUESTION	ANSWER BY EUROPA MEDIA
88	How the final review of the project cost will be performed by H2020 inspectors? We have prepared all the individual hour registration form and also submitted all the personnel costs on the EMdesk platform. What are the official documents considered by inspectors?	There is a full list of documents you need to prepare for a financial audit. You may download it from the Funding and Tenders portal (under Reference Documents - Templates section). In case of technical reviews only the official reports will be reviewed by the reviewers to conduct a financial check.
89	A person has been sick for 4 months and the company has paid him/her as usual; using productive hours shall we consider all the hours of 8 months or 12 as usual dividing for the yearly salary?	see previous replies
90	Since when is it allowed to use the simplified time sheets? Until that date it was compulsory to register all hours and activities, right?	You still need to register all hours and activities on the project. However, the timesheet template the Commission published does not record all your hours in a month, just the project hours. The explanation what was done in that month on the project should be also available whenever the officer asks for it.
91	Are personnel costs regarding internships eligible to be included? Can those intern employees who have an agreement (but not a contract) be included in these eligible personnel costs?	Internship is eligible, you need to follow your own national rules regarding payment and contractual arrangements.
92	in § 1.3 direct personal cost it is stated: Staff provided by a temporary work agency — A contract with a temporary work agency qualifies typically as a purchase of services (unless the temporary work agency carries out directly some task of the action — in which case it can be considered as subcontracting). Thus, although NOT eligible as personnel costs, the costs can be charged under other budget categories (i.e. D.3 other goods and services+B64	see previous replies
93	Where do we find the national project reference rate?	There is no common database or any link I know of. Each country if it has this rate set - they publish it on national channels.
94	How can be differentiated the eligible costs? Are eligible costs those costs that the company has in normal practice with all employees? I mean a revision of productivity	see previous replies
95	is a bonus for "good workers" given at the end of the year an eligible cost? or additional remuneration?	see previous replies
96	What about if the person is working for the project in holidays to attend the project meetings or reporting the days that are not holiday in other countries?	I replied to this on the webinar, please watch this part

#	ORIGINAL PARTICIPANT QUESTION	ANSWER BY EUROPA MEDIA
97	Can you define what is considered overheads?	from AMGA: <i>'Indirect costs' are costs that cannot be identified as specific costs directly linked to the performance of the action. In practice, they are costs whose link to the action can NOT be (or has not been) measured directly, but only by means of cost drivers or a proxy (i.e. parameters that apportion the total indirect costs (overheads) among the different activities of the beneficiary).</i>
98	What about a person who work at 80%, should we use the 1720h*0.80 ??	yes
99	Is there (will there be) a FAQ webpage with the answers to the most of the above questions ? Maybe such a page is (could be) available from the EC ? This can benefit many organisations and project across the board, rather than some project develop their own FAQ pages	We do not know about a common, EC published FAQ on these issues. But on the Funding and Tenders portal you have the Support section.
100	If we use a monthly rate and not a fiscal annual rate using 1/12 1720, then in a periodid reporting period ending in June 2019, can we use the real monthly costs from January-JUne 2019 or would we have tp also use 2018 costs? You have talked about this but I still have a bit of queries concerning this.	In case of monthly calculation you use indeed the real monthly rates, so if the period is between May 2018 and April 2019 then you can charge January-April 2019 monthly costs.
101	is correct to use standard hours less 10% as non productive hours? i would say standard hours of the company	???? I do not understand the question
102	What would be the link of the personnel costs declared in the Financial Statement (based on the hourly rate per person) with the accounting system or payroll system. In your excelfile you showed the monthly salary, but what is actually paid per month will differ? (vacation, sick leave, etc)	In many organisations the monthly salaries are different from each other. Because you use a standard number of hours for calculating the hourly rate, the numbers in the accounting system and the personnel costs reported in the financial statement will not 100% match.
103	when you used the actual on yearly financial bases and you a have a new employee that start to work for example in 2019 and when I have to made the financial statment my fiscal year it's not close , how we calculate the cost for the new employee ? 2019 salary even if is not yet closed ?	This is an exception, you need to use the actual - so 2019 salary is used.
104	holidays and parental leaves related to the previous year paed by the company are included in the salry of the year ? or we need to deduct ?	You include it. In fiscal year calculation you cannot include it next year, so you include the holiday payment in the hourly rate calculation even if it refers the previous year. As each year you get the payment - but always later.
105	Is it possible to insert the hours worked during a trip, for example an airplane, in the timesheets?	If your travel policy allows that, then yes.

#	ORIGINAL PARTICIPANT QUESTION	ANSWER BY EUROPA MEDIA
106	Can timesheets be those extracted from SAP account or should be in a specific format?	Yes, you can use that.
107	Can a cost related to a project incurred after the project has ended, can be considered as eligible cost? If yes, then how can this cost be claimed?	Only the personnel costs related to reporting after the end of the project or if you have a review meetings within the 60 days after the last reporting period. These are eligible for all partners. You claim these costs in the final report that you submit within 60 days after the end of the project.
108	Can a PM rate be an average rate for all workers or should if we are using actual costs do we have to use each persons PM rate?	Average PM rates are used only for budgetary calculation purposes. In the report you use real costs that are based on hourly rates.
109	If in a H2020 project, our average is 6000 and there is a variation because of a internal re-organization or, for instance, if a researcher leaves, how should we proceed?	You need to justify the change and report the real costs.
110	Can you reestimate one period's costs reported before knowing the real cost for that period?	see previous replies
111	An auditor told us that the excel timesheets were not enough because there were modifiable.	This is why excel timesheets need to be printed and signed. The printed versions cannot be modified.
112	A contract for a person on a specific project (so full time working on that project) saying on that contract that he is working on that project, is a valid document or still we need an official declaration specifying that this person is working full time on that project?	The official declaration is needed.
113	Is it possible to make any adjustment in a reporting period if we realize that we made a mistake in calculating hourly rate in previous periods?	Yes, if mistakes are realised, you can submit adjustments to previous periods when the next reporting period is open.
114	Zdenek Broz Can you recommend suitable publications on this subject?	Not sure which subject. If personnel cost calculation then read fully the AMGA.
115	Related to the document associated to exclusively dedication, as it is mentioned in the AMGA if the declaration covers months in which the person was absent for more than half of the working days those months can NOT be taken account to calculate the hours worked in the action. Maternal leave is inside this exception so, the best way to avoid that situations is to do TS although the person is 100% to the project?	This is quite an exceptional case, but if this absence was because the person took the annual leave, then you can consider also that month. You cannot take that month e.g. if the person is working only from July till October and you still want the EC paying for full August when the person was on holiday and working full-time on the project. Full-time here for the EC is only four months from the whole year, so the annual leave should not be paid from the project. For parental leave you calculate the costs on the top of the personnel costs (see previous replies).

#	ORIGINAL PARTICIPANT QUESTION	ANSWER BY EUROPA MEDIA
116	I work full time on a H2020 project. The total productive hours I have to work in my institute (at Uni) per month is more than the productive hours expected in the H 2020 financial sheet prepared by the Uni. What to do with the extra hours?	You cannot charge these extra hours on the project. You can do other things in these hours.
117	If I use the fiscal year calculation and I realise some components were wrongly incorporated in the basic salary can I make an adjustment?	see previous replies
118	If we declare in the first Reporting period from January to April 2017, the hourly rate of 2016, should we adjust the annual cost of the 2017 presented in the M18 for the one calculated in the second reporting for 2017? Or should we keep the cost calculated in each period even if it is different?	see previous replies
119	I have a question regarding salary increase based on inflation for public university when using project based financing and additional remuneration. If I understand the principles of calculating eligible costs correctly, the methodology doesn't allow to increase your salary over time as it's always linked to the previous financial year. So any extra costs, in this case the increase based on inflation, will be taken as additional salary. Is that correct? This is also linked with the national reference rate calculation. If I've been working exclusively on H2020 projects for last 3 years, the national reference rate will be taken from 4 years back. Is that correct? If so, how does the methodology enable increase of salary based on inflation so it's not considered as additional salary, but it's part of the basic salary.	Your are mixing up additional remuneration scheme with salary raise. Salary increase in your basic salary will be basic salary. It does not matter if your salary increases because of the inflation or other reasons. Each year you take the previous closed financial year's data and each year this hourly rate will be different as your salary increases. Indeed with fiscal year calculation you may loose some money if your salary increased and the reporting period includes also months when there is a raise you cannot take into account. The national project reference rate if exists in your country may be from last year or 5 years before you start working on the project. Depends. In most countries there is no such declared reference rate.
120	in the excel sheet that Gabriella presented to calculate the hourly rate, the year cost is divided by 12 months; how do you incorporate the extra payment-months (month 13 and 14)???. I guess you can use the total year cost of the employee (12+2 months) and then divide by 12 to calculate the hourly rate; so, it would not be possible to use the total monthly salary cost, right?.	You can include it. In fiscal year you just simply add up all salary. In monthly calculation you need to calculate how much this extra payment was earned in each month. So simply add up the 13+14th month salaries, divide this by 12 and this extra payment should be added on top of each monthly salary.

#	ORIGINAL PARTICIPANT QUESTION	ANSWER BY EUROPA MEDIA
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121	<p>When reporting as actual personnel costs, If we are 5 people working on a project, can we calculate an average PM rate to use for all of them, say 5000 a month, if this is a real average calculated from adding all salaries together and dividing them between the workers and getting a result of 5000 or more so that in the end the costs are actual, or below actual costs spent but not reported, or if we are reporting actual costs, must we use each persons real actual costs and then add this together?</p>	<p>For actual cost reporting you cannot use any average. For each person you have to do the calculation of eligible personnel costs that you want to report. None of these averages you listed can be used. This is only for the budget development.</p>
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Meaning can we use this average in the following cases as actual costs:

CASE 1 AVERAGE PM USED IN PROJECT AS ACTUAL COSTS: 5000 € PM

Worker 1: 6000€
 Worker 2: 3000€
 Worker 3: 6000€
 Worker 4: 4000€
 Worker 5: 6000€
 Average PM= 25000€/5people = 5000€
 Average PM

CASE2 AVERAGE PM USED IN PROJECT AS ACTUAL COSTS: 5000€ PM

Worker 1: 6000€
 Worker 2: 4000€
 Worker 3: 6000€
 Worker 4: 5000€
 Worker 5: 6000€
 Average PM= 27000€/5people = 5400€
 Average PM, but we use 5000€PM

This question arises because in many EU projects, when preparing them the project leaders ask for you to give them an average PM rate for the budget calculations, but now we are not sure if in the reporting we would have to use this average PM rate provided or each persons real monthly costs dedicated to the projects.

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