

Eligibility and verifications – Staff costs

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Eligible expenditure

**Incurred and
paid**

**In the eligible
area**

**Within the
eligible period**

Reported in Euro

**Reported under
the correct
budget line**

**Justified by
supporting
documents**

Period of eligibility of expenditure

- EU rules concerning programme funds



1 January 2014

31 December 2023

- Programme rules

Different start/end dates for the eligibility of project expenditure between programmes.

Use of Euro

Art 28, ETC Reg.

(...) expenditure incurred in a currency other than the euro shall be converted into euro by the beneficiaries using the monthly accounting exchange rate of the Commission in the month during which that expenditure was either:

- Incurred
- Submitted for verification to MA or the controller
- Reported to the lead partner

Allocated under the correct budget line

Budget lines

1. Staff Costs
2. Office and Administration
3. Travel and Accommodation
4. External Expertise and Services
5. Equipment
6. Infrastructure and Work

Matrix of Cost

- Guides on the allocation of eligible expenditure under different budget lines.
- Supports the harmonization of approaches between programmes.
- The Matrix of Costs is a living document.

Justified by supporting documents

**Evidence of expenditure incurred and paid
must be provided.**

Simplified cost options:

- flat rate – ‘paid’ when costs that form the basis for calculation are paid
- standard scale of unit costs/ lump sums – no ‘paid expenditure’ in the usual sense

Audit trail – Staff costs

Required documents depending on the reimbursement option	Real costs					20 % flat rate	SSU C
	Full time	Part time			Hourly rate set in the contract		
		Fixed %	1720 hours/year	Actual hours			
Employment/work contract	✓	✓	✓	✓	✓	✗	✓
Job description	✓	✓	✓	✓	✓	✗	✓
Payslips	✓	✓	✓	✓	✓	✗	✗
Data from time registration system	✗	✗	✓	✓	✓	✗	✓
Proof of payment	✓	✓	✓	✓	✓	✗	✗

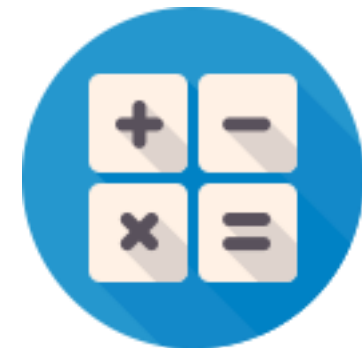
Audit trail – Office and administration real costs (NOT flat rate)



List of (in)direct costs



Paid invoices

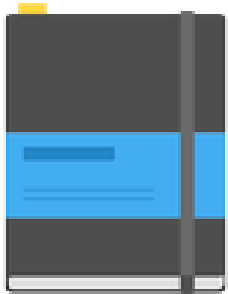


Calculation method



Proof of payment

Audit trail – Travel and accommodation real costs



Agenda



Proof of participation



Paid invoices


















Daily allowance



Proof of payment

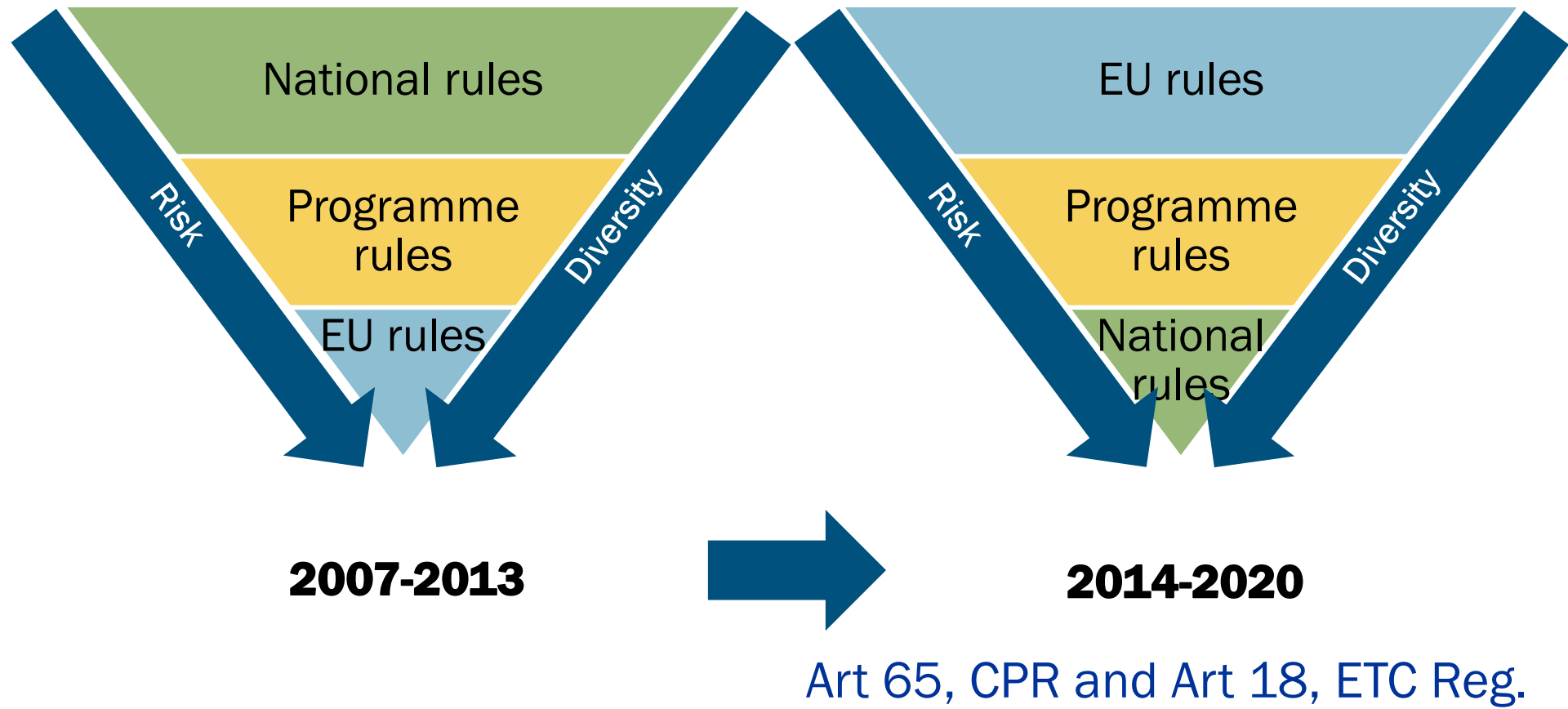
Audit trail – 3 budget lines

real costs

	External expertise and services	Equipment	Infrastructure and works
Selected offer / contract			
Invoices			
Proof of payment			
Evidence of work/ existence			
<i>Calculation method, if necessary</i>			

Hierarchy of rules

Rules on eligibility of expenditure!



Hierarchy of rules

Rules on eligibility of expenditure!

1. Common Provisions Regulation (CPR) 1303/2013
2. ERDF Regulation 1301/2013
3. ETC Regulation 1299/2013
4. EC Delegated Regulation 481/2014

EU rules



- Established jointly by the Member States in the programme monitoring committee
- Apply to the programme as a whole
- Cannot contradict EU rules

Programme rules



- Matters not covered by EU rules and programme rules
- Cannot abolish or restrict EU rules and programme rules

National rules

Ineligible expenditure: non-exhaustive list

Art. 69, CPR 1303/2013

- Interest on debt
- Purchase of land not built on and land built on in the amount exceeding 10 % of the total eligible expenditure
- Recoverable VAT

Delegated Regulation 481/2014

- Fines, financial penalties, expenditure on legal disputes and litigation
- Costs of gifts (except gifts not exceeding EUR 50, related to promotion, communication, publicity or information)
- Costs of fluctuation of foreign exchange currency

Budget lines

1. Staff costs
2. Office and administration
3. Travel and accommodation
4. External expertise and services
5. Equipment

Categories of costs
listed in Art 18, ETC
Reg. 1299/2013

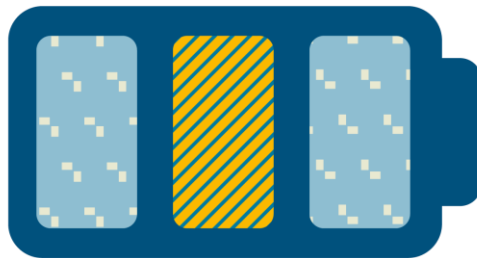
Specific rules
defined in Del.
Reg. 481/2014

6. Infrastructure and works

General rules
defined in CPR
1303/2013

Staff costs

eligibility of expenditure



Staff costs

Eligible cost

- Full and part-time work on the project
- Salary payments and other linked costs
 - all costs fixed in *employment document/ law*
 - salaries related to responsibilities specified in *job description*

Forms of reimbursement

- Real costs (*payslips and proof of payment*)
- Simplified cost options
 - Flat rate
 - Standard scale of unit costs

Staff costs – Real costs

Full-time on the project

total gross
employment cost

Part-time on the project

Fixed % of time per
month

% * gross employment
cost

Time varies every
month

hourly rate * hours
worked on the project

Contracted on an hourly basis

Hourly rate defined
in the contract

hourly rate * hours
worked on the project

Staff costs – Real costs (hourly rate)

Part-time: flexible number of hours per month

- Hourly rate calculation based on:

Monthly gross employment cost / number of working hours per month

Latest documented annual gross employment cost / standard number of 1720 hours/year

- Hourly rate is multiplied by the number of hours actually worked on the project.

Time registration system: 100% of the working time.

Working time does not include time reserved for holidays, illness, etc.

Staff costs – Real costs

Standard number of 1720 hours / year

Example: annual gross employment cost 34.400 EUR

Option	<u>Working time</u> fixed in contract		Standard 1720 hours/year
<u>MONTHLY working hours</u>	160	140	143,33
Working hour a YEAR	1920	1680	1720
Hourly rate	$34.400/1920 = \mathbf{17,9}$	$34.400/1680 = \mathbf{20,5}$	$34.400/1720 = \mathbf{20}$
Hours on the project	10 hours	10 hours	10 hours
STAFF COST	$17,9 \times 10 = \mathbf{179 \text{ €}}$	$20,5 \times 10 = \mathbf{205 \text{ €}}$	$20 \times 10 = \mathbf{200 \text{ €}}$

Working time does not include time reserved to holidays, illness.

Time registration system: 100% of the working time.

Staff costs – Minimum requirements for time registration

- Identification: project title, organisation name, employee name
- Signatures: employee, line manager
- Working time recorded per month

Date	Project work description	No. of hours worked on the project	Other activities (No. of hours)	Total
12.06.2015	Work package 1	5	3	8
13.06.2015	Work package 2	8	0	8
TOTAL		13	3	100% working time



For staff working partly on the project on a fixed percentage, is data from the time registration required?

Staff costs – Flat rate

Art. 19, ETC Reg.

Staff costs of an operation may be calculated at a flat rate of up to 20 % of the direct costs other than the staff costs of the operation

- can apply on individual partner level
- partners do not need to provide audit trail for staff costs (but for direct costs)

Each partner can decide on the reimbursement option, unless applicable options are set at programme level.

Staff costs – Standard scale of unit costs

Art. 67, CPR

- Ex-ante calculation based on a fair, equitable and verifiable calculation method

Example		
Category	Annual gross employment cost	Hourly rate (annual gross employment cost / 1720)
1	Below EUR 19.999	11,63
2	EUR 20.000 – 49.999	20,35
3	EUR 50.000 – 74.999	36,34
4	EUR 75.000 – 99.999	50,87
5	Above EUR 100.000	65,41

Data: NWE area, all MS, 5 projects from 2007-2013, 18,5 m ERDF, 51 beneficiary organisations, 297 employees

Cooperation works

All materials will be available on:

www.interact-eu.net