

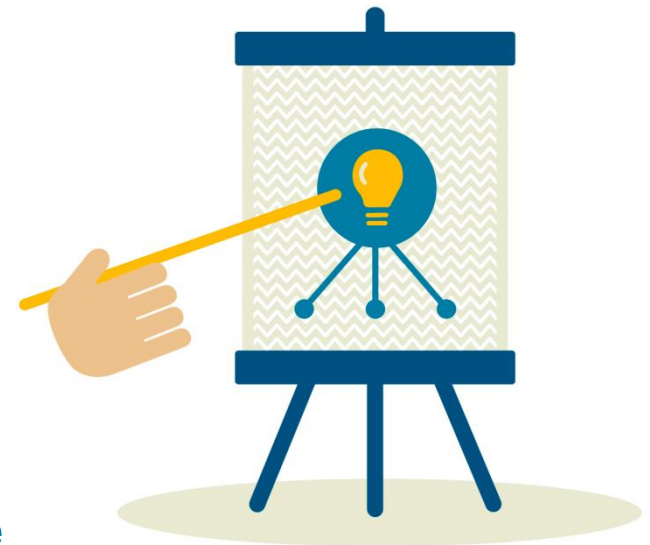
# Staff costs – the theory

---

Staff costs in Interreg – Theory and practice

30 August 2018, Frankfurt, Germany

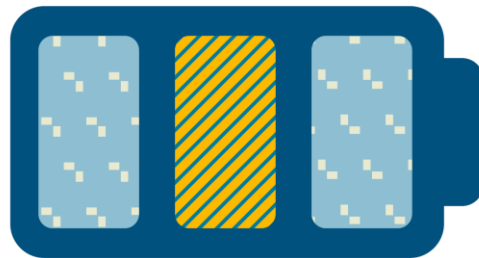
**Mattias Assmundson, Interact Programme**



# Staff costs

---

eligibility of expenditure



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

**Specific rules**  
defined in Del.  
Reg. 481/2014

# Definition of staff costs

## Article 18, ETC

- COM empowered to lay down rules on eligibility of expenditure with regard to **staff costs**, office and administrative expenditure travel and accommodation costs, external expertise and services costs, equipment expenditure

## Article 3, Delegate Regulation 481/2014

- Gross employment costs of staff employed
- Salary payments, fixed in an employment contract/document for activities to implement project
- Any other costs linked to salary payments
- Natural persons not having an employment contract can be included under staff costs

# A look back...

- What was there before?
- Many different calculation methods
- Now a more rigid frame

# 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

SCs = total gross employment cost

*No time registration required*

## Part-time on the project

Fixed % of time per month

SCs = fixed % \* gross employment cost

*No time registration required*

*Document setting out the % of time on the project*

Time varies every month

SCs = No of hours worked \* gross employment cost

*Time registration of 100% working time*

## Part-time flexible number of hours per month

Step 1: Hourly rate

1. Monthly gross employment cost and working time fixed in employment document/ No of working hours per month
2. Latest documented annual gross employment cost/ standard 1720 hours

Step 2: Hourly rate \* number of hours actually worked on the project

*Time registration of 100% working time*  
*Working time does not include holidays, illness*

## 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 – 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 – 1720h in Omnibus

### **Art. 68a, Omnibus Reg.**

An hourly rate may be calculated by dividing the latest documented annual gross employment cost by 1720 hours for persons working full time, or by a corresponding pro-rata of 1720 hours, for persons working part time.

Where annual gross employment costs are not available, they may be derived from the available documented gross employment costs or from the contract for employment, duly adjusted for a 12-month period.

# Staff costs – Flat rate in Omnibus

## **Art. 68b, Omnibus Reg.**

A flat rate of up to 40% of eligible direct staff costs may be used in order to cover the remaining eligible costs of an operation.

- cannot be applied to staff costs calculated on the basis of a flat rate.

# 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](http://www.interact-eu.net)**