



Financial rules and how to prove costs in Erasmus+ KA3

1. Some basic rules

- Currency: EUR
- Exchange rate: 1 EUR = 7,4455 DKK → resource:
http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/index_en.cfm
- The grant amount does not change.
- Budget categories:
 - HEADING A: staff costs
 - HEADING B: operational costs
 - B1: Travel and subsistence for project staff
 - B2: Equipment → not foreseen in project
 - B3: Subcontracting
 - B4: Other
 - Indirect costs

DEFINITION ELIGIBLE COSTS!

"Eligible costs" of the action are costs actually incurred by the beneficiary which meet the following criteria:

- (a) Incurred within the eligibility period with the exception of costs relating to the request for payment of the balance and the corresponding supporting documents ;
- (b) Indicated in the estimated budget of the action (annex III)
- (c) In connection with the action and necessary for its implementation;
- (d) Identifiable and verifiable;
- (e) Comply with the requirements of applicable tax and social legislation; and
- (f) Reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency.

2. Rules with regard to different budget categories

Heading A - staff costs

Documents needed for each collaborator in the project:

- Individual employment contract with the organization or the seconding entity
- Monthly salary slips or a copy of payroll issued by HR Department
- Timesheets or equivalent system
- Calculation of the hourly or daily rate requested together with the official (+ documents on which this calculation is based)
- Proofs of payment → *to be checked whether necessary in all cases*
- If secondment : secondment letter/agreement;
- In case of specific contract linked to the project, specific indication of tasks, reference to the project, to the duration of the contract and the hourly/daily rate should be indicated.

DEFINITIONS:

Definition of staff:

- Statutory staff, with a permanent or a temporary employment contract with the beneficiary;
- Temporary staff, recruited through a specialised external Agency
- Other types of contracts as far as the national labour law assimilates them to staff
- Under certain conditions secondment and in-house consulting



- Other specific situation: to be discussed with EACEA.

(GA GC art II.19 ; GCPM art.4.1.1)

Minimum requirement for time registration:

- Reference to the project reference number (grant agreement number);
- Name of the employee;
- The time sheet, whatever the format used (daily, weekly, monthly), should allow the Agency to identify precisely the hours worked per day (+ the days worked on the project) and to verify that the actual rate per time unit is applied. Global sheets showing for example "x" hours spent per month are not accepted as supporting documentation;
- The number of time units (days or hours but possibly the time unit used in the budget attached to the grant agreement) worked on the project during the period of the time sheet;
- Number of time units (days or hours) worked on other grants/activities;
- Total number of time units (days or hours) worked;
- Details of the tasks performed for the project;
- Date and signature of the employee;
- Date and signature of the project manager.



How do you calculate the annual productive working days:

365/366 days/year minus

- Weekend days
- Public holidays
- Annual leave
- Holidays based on collective labour agreements

Productive hours = number of days multiplied with working hours per day
(GCPM art.4.1.1 a)

How do you calculate the daily/hourly staff cost?

$$\frac{\text{Annual gross salary + social charges}}{\text{Total actual annual productive working days or hours}}$$

Heading B

In general: reimbursement based on actual costs and based on receipts and invoices.

B1. Travel & subsistence costs

Documents needed:

- Invoice + boarding pass flights
- Invoice hotel cost
- Receipts taxi, metro, meals (e.g. diner not foreseen by host), ...

Note: no per diem because host pays for most of the meals.

B2. Equipment costs

Not foreseen



B3. Subcontracting costs

Documents needed:

- Invoices (and proofs of payments?).
- Proves that rules of procurement have been followed: publication, offers, ...

For contracts lower than €60.000, the internal AND national rules are applicable.
(GA art II.19.2 ; GCPM 4.1.1 e) p22)

Note: Subcontractor = Organisation / person that does not belong to Beneficiary organizations and performs specific tasks for which no competence exists amongst the Beneficiaries.

B4. Other costs

Documents needed:

- Invoices (and proofs of payments?)
- Proves that rules of procurement have been followed (e.g. offers)

Anything purchased has to follow internal and national rules as well as procurement rules

Indirect costs

Up to 7% of direct costs

No proof needed

3. Transfers between budget categories

16. What is the maximum amount that can be transferred between budget headings without a request for amendment, in the example below?

Heading A	Staff costs	300.000 €	Max. 30.000 €
Heading B	Travel & Subsistence	50.000 €	Max. 20.000 €
	Equipment	0 €	
	Subcontracting	60.000 €	
	Other costs	90.000 €	
Indirect costs		35.000 €	NA

4. Non-Profit rule

GA GC art II.25.3:

II.25.3 No-profit rule and taking into account of receipts

II.25.3.1 The grant may not produce a profit for the beneficiaries, unless specified otherwise in the Special Conditions. "Profit" shall mean a surplus of the receipts over the eligible costs of the action.

(An income generated by the action ; Financial contributions, ...)