

## RULES ON ELIGIBILITY OF COSTS

**These rules present various possible categories of eligible costs. The call for proposal may then stipulate that only some of the below categories of eligible direct costs are eligible.**

### 1. GENERAL PRINCIPLES

The eligible costs of the project receiving an EFSA grant must be shown in detail in an estimated budget. It is EFSA to take the final decision on the nature and amount of the costs to be considered as eligible.

#### **The costs eligible for an EFSA grant are those that are:**

- they are incurred during the duration of the project, with the exception of costs relating to final reports and audit certificates;
- they are indicated in the estimated budget of the project;
- they are necessary for the implementation of the project which is the subject of the grant;
- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary;
- they comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency.

As regards point 1 above, what decides is the date when the costs were generated (incurred), and not when the accounting documents were drawn up or the payment made.

The eligible costs presented in the estimated budget must be as realistic as possible, except for eligible indirect costs which are a flat rate.

Once the project is implemented and the costs are actually incurred all these costs, except for eligible indirect costs, must be justified by supporting documents, e.g. invoices, timesheets, evidence of travel or presence at a meeting etc. EFSA reserves the right to ask any supporting document in order to verify that the costs declared as eligible were actually incurred and paid.

### 2. ELIGIBLE COSTS

#### 2.1 ELIGIBLE DIRECT COSTS

"Direct costs" of the project are those specific costs which are directly linked to the implementation of the project and can therefore be attributed directly to it. They may not include any indirect costs. To be eligible, direct costs shall comply with the conditions of eligibility set out above in point 1.

### 2.1.1 COSTS OF PERSONNEL

The costs of personnel working under an employment contract with the beneficiary or an equivalent appointing act and assigned to the project, comprising actual salaries plus social security contributions and other statutory costs included in the remuneration

In line with the EU Financial Regulation the salary costs of public officials will be considered as direct cost of the beneficiary to the extent that they relate to the cost of activities which the relevant public authority as beneficiary would not carry out if the project concerned was not undertaken.

The costs of natural persons working under a contract with the beneficiary other than an employment contract may be assimilated to costs of personnel, provided that the following conditions are fulfilled:

- the natural person works under the instructions of the beneficiary and, unless otherwise agreed with the beneficiary, in the premises of the beneficiary;
- the result of the work belongs to the beneficiary

If the above conditions are not met the corresponding amounts paid under the contract to the natural person shall be presented under the category "subcontracting".

### VERY IMPORTANT:

The staff assigned to the project has to be classified between the Manager-Researcher/Teacher/Trainer-Technical-Administrative categories according to the International Standard Classification of Occupations (ISCO-88 (COM)), in function of their role in the project, see Annex 1.1.

The following **UNIT COSTS** per day for staff **must** be used when establishing the estimated budget and when declaring the incurred costs. **THE NUMBER OF DAYS** spent on the project (considering that one day is composed by 8 working hours according to working day duration at EFSA) is to be indicated when establishing the estimated budget and when declaring the incurred costs. The staff budget of the project shall be obtained by multiplying the number of days proposed with the daily staff rates.

The rate of the country in which the partner organisation is registered should be applied, independent of where the tasks will be executed (i.e. a staff member of an organisation of Country A working fully or partly in Country B will be budgeted on the basis of the rates of Country A).

The beneficiary must be able to justify at EFSA's request the personnel costs at the end of the project through supporting documents, timesheets. At EFSA's request, the beneficiary shall submit the timesheets and any other supporting documents required.

## UNIT COST PER DAY IN EUROS<sup>1</sup>

Country	Manager	Researcher Teacher Trainer	Technical	Administrative
Austria	495	334	270	214
Belgium	471	382	269	240
Bulgaria	70	63	48	33
Croatia	221	199	160	101
Cyprus	316	236	146	99
Czech Republic	149	122	88	65
Denmark	436	353	287	224
Estonia	118	86	69	49
Finland	386	267	205	171
France	463	374	274	206
Germany	452	334	238	218
Greece	207	145	103	93
Hungary	120	96	73	49
Iceland	372	338	291	187
Ireland	314	334	243	181
Italy	475	312	209	182
Latvia	90	74	59	42
Lithuania	85	71	54	39
Luxembourg	537	378	305	238
Malta	129	107	83	62
Netherlands	451	365	231	182
Norway	520	433	367	282
Poland	116	91	70	52
Portugal	274	192	130	82
Romania	134	103	80	51
Slovakia	130	105	93	75
Slovenia	255	194	156	98
Spain	340	225	173	124
Sweden	397	334	276	212
Switzerland	486	359	256	235
<i>United Kingdom</i>	396	372	258	176

For EEA countries EFSA will provide upon request the Unit costs to be applied.

<sup>1</sup> Unit costs for personnel are calculated based on the EFSA historical data, information received from other EC services and taking into account the annual labour costs per country. A bi-annual revision of unit cost is done based on the application of the national inflation rates as published by Eurostat. Last revision entered into force on 28 April 2020.

### **Specific only to some calls for proposals:**

1. If the particular call for proposals so specifies, the **REINSTALLATION COSTS** for a beneficiary staff working on a grant project/task in EFSA premises are eligible costs. These costs are to cover the cost of life in Parma of a beneficiary staff and travels to/from their country/city of origin. These costs are to be indicated in the estimated budget as follows:
  - 1500 EUR per month unless below conditions apply,
  - 900 EUR if the staff will be travelling a distance of less than 300 km to Parma from the place of his/her regular employment at Beneficiary organisation,
  - No allowance is foreseen in case of travel distance of less than 50 km.

2. If the particular call for proposals so specifies, the general **COORDINATION COSTS** are eligible costs. These costs are to cover the cost of general management of the grant agreement by the beneficiary. These costs are to be indicated in the estimated budget at a flat rate of up to 10% of all eligible direct staff costs (both extramuros and intramuros, including the reinstallation costs in case of intramuros assignments).

For example: Staff X, Belgium Researcher (daily cost 382 €), working the whole year in EFSA premises, generates eligible staff costs  $220 \text{ d} * 382 \text{ €} = 84.040 \text{ €}$ , and on top of it EFSA recognises the reinstallation cost of 18.000 € (1500 € \* 12 m). The coordination costs eligible on top of these intramuros staff costs are 10% of 102.040 € = 10.204 €.

3. By derogation to point 2.2, if the particular call for proposals foresees that the beneficiary staff works in EFSA premises, then the **INDIRECT COSTS** related to the costs of staff in intramuros are eligible only up to a flat rate of 5% of those costs (excluding the reinstallation costs).

For example: Staff X, Belgium Researcher (daily cost 382 €), working the whole year in EFSA premises, generates eligible staff costs  $220 \text{ d} * 382 \text{ €} = 84.040 \text{ €}$ , and on top of it EFSA recognises the reinstallation cost of 18.000 € (1500 € \* 12 m). The indirect costs eligible on top of these intramuros staff costs are 5% of 84.040 € = 4.202 € (and not 5% of sum of 84.040 € and 18.000 €).

### **2.1.2 TRAVEL COSTS AND SUBSISTENCE ALLOWANCES**

MISSIONS: travel costs and related subsistence allowances of staff and other persons taking part in the project are eligible.

WORKSHOP/SEMINAR/CONFERENCE: travel costs for participants and speakers are eligible.

The daily subsistence allowances and travel costs of EFSA representatives shall not enter in the estimated budget because these costs are paid by EFSA directly to the staff concerned.

#### **Travel costs**

These unit costs must be applied when establishing the estimated budget and when declaring the incurred costs:

## UNIT COSTS

Type of transport	Distance in road Km	Travel Unit cost
Car, Train	Any distance	0.22 €/Km
Flight	[300 – 600]	400 €
Flight	[600 – 1.200]	450 €
Flight	> 1.200	500 €

The distance is calculated in road km using google maps.

If the travel is by car or train the distance is calculated per return journey multiplying the number of km x 2.

If two or more staff member travel together sharing a car, the cost should be calculated only one time for the entire group of people.

Inter-continental flights are not included. They should be estimated on a case by case basis and declared on real incurred cost of flight ticket. The most economical fares must be sought (i.e. non-flexible economic class).

### **Daily subsistence allowances (DSA)**

The DSA applies only for a mission to a place distanced more than 50 km from the normal place of employment.

For travels related to workshops the DSA is not applicable because costs of hotel accommodations and meals (lunch and dinner) are to be declared under item Miscellaneous costs (see article 2.1.5).

The amounts presented in the below table are calculated to cover the following expenses during a day of mission: accommodation, meals, local transport to reach airport/train station at the place of residence/employment and within the place of mission (car, parking, taxi and/or public transport), and sundry expenses, such as telecommunications costs (fax, internet).

If there is no overnight stay the daily subsistence allowance shall be reduced by 70% for the day concerned.

Daily subsistence allowances are to be calculated according to the length of the mission: from the time of departure of the means of transport used till the arrival to the place of employment or home.

- $\leq 24$  hours: the full daily allowance;
- $> 24$  hours  $\leq 36$  hours: 1.5 x daily allowance;
- $> 36$  hours  $\leq 48$  hours: 2 x daily allowance, etc.

Missions to countries not mentioned in the below table shall be submitted to EFSA for an ex ante agreement.

EU Member States	€
Austria	234
Belgium	250
Bulgaria	192
Croatia	185
Cyprus	228
Czech Republic	194
Denmark	297
Estonia	185
Finland	255
France	282
Germany	225
Greece	194
Hungary	184
Iceland	245
Ireland	267
Italy	246
Latvia	189
Lithuania	186
Luxembourg	246
Malta	226
Netherlands	269
Norway	220
Poland	183
Portugal	184
Romania	198
Slovakia	174
Slovenia	201
Spain	216
Sweden	304
Switzerland	220
United Kingdom	334

### 2.1.3 DEPRECIATION COSTS OF EQUIPMENT OR OTHER ASSETS

These costs are eligible if:

- the acquisition is strictly necessary for the performance of the project;
- those costs are recorded in the accounting statements of the beneficiary;
- the asset has been purchased in accordance with Article II.9 of the Grant agreement and it is written off in accordance with the international accounting standards and the usual accounting practices of the beneficiary.
- **Important:** The depreciation costs of equipment/software bought before the submission of the proposal can be taken into account in the estimated budget and when declaring the incurred costs but only for the portion covered by the period of the implementation of the proposed action. The percentage and the period covered by the depreciation costs should comply with the usual accounting practices of the beneficiary.

EFSA reserves the right to verify the correct application of the usual accounting practices of the beneficiary. In case the depreciation periods are not clearly indicated in those practices the following rules will be applied by EFSA:

- computer equipment (hardware) is written off over a period of 3 years,
- office furniture and equipment (photocopiers, fax, etc.) over 5 years, and
- specific computer software (not common software which is supposed to be covered by indirect costs) is covered in full.

The costs of rental or lease of equipment or other assets are also eligible, provided that these costs do not exceed the depreciation costs of similar equipment or assets and are exclusive of any finance fee.

Only the portion of the equipment's depreciation corresponding to the duration of the project and the rate of the actual use for the purposes of the project can be considered by EFSA as eligible.

#### **2.1.4 CONSUMABLES AND SUPPLIES**

The costs of consumables and supplies are eligible if:

- they are purchased in accordance with Article II.9 of the Grant agreement;
- they are directly assigned to the project.

Unlike the equipment, these are "consumables", i.e. items that are not entered as fixed assets in the accounts (or inventory) of the beneficiary and are not written off. The term "directly assigned to the project" is important in order to avoid double cover by way of indirect costs. The nature of the project and the fact that the costs are specific to the project are key factors justifying direct cover of these costs.

#### **2.1.5 MISCELLANEOUS COSTS-WORKSHOPS, SEMINARS, CONFERENCES**

This category of eligible costs is to be declared under item "Miscellaneous costs" and is intended to cover costs linked to organisation of a workshop, seminar or conference, in particular:

1. hire of premises;
2. hire of equipment;
3. interpretation (interpreters and hiring of booths);
4. translation costs in connection with workshop/seminar/conference;
5. catering (lunch and dinner) and accommodation costs for participants and speakers
6. external speaker fee (intended for an expert coming from outside of beneficiary/consortium), max 500 € per speaker per day;
7. other costs (e.g. reproduction costs for documentation to be distributed to participants, various supplies, reception staff).

In the case a contract is to be awarded within the context of a workshop, e.g. translation or preparation of documents, these services or supplies must be purchased in accordance with Article II.9 of the Grant agreement.

#### **2.1.6 SUBCONTRACTING**

Costs entailed by subcontracts within the meaning of Article II.10 of the Grant agreement are eligible, provided that the conditions laid down in that Article and in the Call for proposal are met.

The costs of natural persons working under a contract with the beneficiary other than an employment contract and which cannot be assimilated to costs of personnel, as indicated in part 2.1, are to be declared under the subcontracting category of estimated budget.

Core tasks may not be subcontracted. Only ancillary and assistance tasks may be subcontracted.

**Specifically in relation to "entrusting tasks grants", no subcontracting is permitted.**

### **2.1.7 ELIGIBLE VAT**

Duties, taxes and charges paid by the beneficiary, notably value added tax (VAT), are eligible, provided that they are included in eligible direct costs.

VAT is accepted as eligible cost if it is not recoverable. VAT is considered as not recoverable, if according to national law it is attributable to any of the following activities:

- exempt activities without the right of deduction;
- activities which fall outside the scope of VAT.

The eligible VAT cost should be declared in the same heading of the estimated budget in which the related cost is declared.

### **2.1.8 MISCELLANEOUS COSTS**

These might be the costs arising directly from requirements imposed by the Grant agreement, e.g. dissemination of information, specific evaluation of the project, audits, translations, reproduction, including the costs of requested financial guarantees, provided that the corresponding services are purchased in accordance with Article II.9.

However, pay attention to correct categorisation of the costs inside the estimated budget. E.g. production costs of reports: the costs incurred in producing these reports shall be declared in this category of the estimated budget only when those activities are performed by the beneficiary. If this is not the case, these costs should be presented under subcontracting category of the estimated budget, provided the conditions on subcontracting are met.

### **2.2 ELIGIBLE INDIRECT COSTS**

"Indirect costs" of the project are those costs which are not specific costs directly linked to the implementation of the project and can therefore not be attributed directly to it. They may not include any costs identifiable or declared as eligible direct costs.

To be eligible, indirect costs shall represent a fair apportionment of the overall overheads of the beneficiary and shall comply with the conditions of eligibility set out in point 1.

Unless otherwise specified in the call for proposal, eligible indirect costs shall be declared on the basis of a flat rate of 10% of the total eligible direct costs. Eligible indirect costs may not include any eligible direct costs.



The indirect costs are frequently of an administrative, technical and logistical nature, are cross-cutting for the operation of the beneficiary's various activities and cannot therefore be booked in full to the project for which the grant is awarded because this grant is only one part of those activities. Indirect costs comprise costs connected with infrastructures and the general operation of the organisation such as renting or depreciation of buildings and plant, water/gas/electricity, maintenance, cleaning, insurance, supplies, small office equipment such as toner, paper, stationary, communication and connection costs (phone, internet, fax, etc.), postage, and costs connected with horizontal services such as administrative and financial management, human resources, training, legal advice, documentation, IT, etc.

### **3. INELIGIBLE COSTS**

In addition to any other costs which do not fulfill the conditions set out for eligible costs, the following costs shall not be considered eligible:

- return on capital;
- debt and debt service charges;
- provisions for losses or debts;
- interest owed;
- doubtful debts;
- exchange losses;
- costs of transfers from the Authority charged by the bank of the partner;
- costs declared by the beneficiary in the framework of another action receiving a grant financed from the Union budget (including grants awarded by a Member State and financed from the Union budget and grants awarded by other bodies than the Authority for the purpose of implementing the Union budget); in particular, indirect costs shall not be eligible when the beneficiary already receives an operating grant financed from the Union budget during the period in question;
- contributions in kind from third parties;
- excessive or reckless expenditure;
- deductible VAT.

### **4. CONVERSION OF COSTS**

The estimated budget presented with the proposal and financial statements completed with the actually incurred costs during the project implementation must be drafted in euro.

Beneficiaries with accounting established in euro must convert costs incurred in another currency into euro according to their usual accounting practices.

Beneficiaries with accounting established in a currency other than the euro must convert costs incurred in another currency 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. If no daily euro exchange rate is published in the Official Journal of the European Union for the currency in question, it must be converted at the average of the monthly accounting rates published on the Commission's website, calculated over the corresponding reporting period.

### **5. FLEXIBILITY WITH APPROVED ESTIMATED BUDGET**

After the estimated budget of the project has been approved by EFSA it becomes the approved estimated budget and it will be attached to the Grant agreement. The approved estimated budget is based on estimates, and therefore it is normal that during

the project implementation there might be a need to adjust it to reality or any unforeseen events.

The approved estimated budget may be adjusted by making transfers provided that such adjustments do not affect the basic purpose and the completion of the project is not jeopardised. No amendment is necessary for these transfers.

If the beneficiary wishes to replace a staff member by another employee, e.g. because of dismissal, maternity leave, long term sick leave of original staff member, a prior approval of EFSA should be sought. No amendment is necessary for these changes.

## **ANNEX 1.1. - Staff categories according to the International Standard Classification of Occupations (ISCO-88 (COM))**

The four categories of staff are defined as follows:

### **Manager -STAFF CATEGORY 1 includes legislators, senior officials and managers**

- 100 Legislators, senior officials and managers
- 110 Legislators and senior officials
- 111 Legislators and senior government officials
- 114 Senior officials of special-interest organisations
- 120 Corporate managers
- 121 Directors and chief executives
- 122 Production and operation managers
- 123 Other specialist managers
- 130 Managers of small enterprises
- 131 Managers of small enterprises

**Researcher, Teacher, Trainer - STAFF CATEGORY 2  
includes science, health, teaching and other professionals**

200 Professionals

210 Physical, mathematical and engineering science professionals

211 Physicists, chemists and related professionals

212 Mathematicians, statisticians and related professionals

213 Computing professionals

214 Architects, engineers and related professionals

220 Life science and health professionals

221 Life science professionals

222 Health professionals (except nursing)

223 Nursing and midwifery professionals

230 Teaching professionals

231 College, university and higher education teaching professionals

232 Secondary education teaching professionals

233 Primary and pre-primary education teaching professionals

234 Special education teaching professionals

235 Other teaching professionals

240 Other professionals

241 Business professionals

242 Legal professionals

243 Archivists, librarians and related information professionals

244 Social science and related professionals

245 Writers and creative or performing artists

246 Religious professionals

247 Public service administrative professionals

**Technical staff - STAFF CATEGORY 3 includes technicians and associate professionals**

- 300 Technicians and associate professionals
- 310 Physical and engineering science associate professionals
- 311 Physical and engineering science technicians
- 312 Computer associate professionals
- 313 Optical and electronic equipment operators
- 314 Ship and aircraft controllers and technicians
- 315 Safety and quality inspectors
- 320 Life science and health associate professionals
- 321 Life science technicians and related associate professionals
- 322 Health associate professionals (except nursing)
- 323 Nursing and midwifery associate professionals
- 330 Teaching associate professionals
- 331 Primary education teaching associate professionals
- 332 Pre-primary education teaching associate professionals
- 333 Special education teaching associate professionals
- 334 Other teaching associate professionals
- 340 Other associate professionals
- 341 Finance and sales associate professionals
- 342 Business services agents and trade brokers
- 343 Administrative associate professionals
- 344 Customs, tax and related government associate professionals
- 345 Police inspectors and detectives
- 346 Social work associate professionals
- 347 Artistic, entertainment and sports associate professionals

**Administrative staff- STAFF CATEGORY 4 includes office and customer service clerks**

400 Clerks

410 Office clerks

411 Secretaries and keyboard-operating clerks

412 Numerical clerks

413 Material-recording and transport clerks

414 Library, mail and related clerks

419 Other office clerks

420 Customer services clerks

421 Cashiers, tellers and related clerks

422 Client information clerks