

CREMLINplus Financial Workshop

14 April 2021

Zoom

Tom Minniberger (DESY)



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 871072.



CREMLIN P⁺LUS

Agenda

- General Information
- Eligible/Ineligible costs
- Direct/ Indirect costs
- Periodic Report - Financial Statement
 - Explanation of the use of Resources (EoUR); Exchange Rates
- Personnel costs
 - Time records; Calculation on personnel costs; Additional remuneration
- Questions



Agenda

■ General Information

■ Eligible/Ineligible costs

■ Direct/ Indirect costs

■ Periodic Report - Financial Statement

■ Explanation of the use of Resources (EoUR); Exchange Rates

■ Personnel costs

■ Time records; Calculation on personnel costs; Additional remuneration

■ Questions



CREMLINplus Data Sheet

■ Grant Agreement Number:	871072
■ Coordinator:	DESY
■ Beneficiaries/Partners:	35
■ Max. Contribution from the EC:	24,946,358.70 Euro
■ Project Duration:	48 months
■ Start date:	1. February 2020
■ End date:	31. January 2024



General Information

■ Horizon 2020 Grant Agreement Manual

→ https://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf

- All regulations (rights and duties) to manage a H2020 Project
- Basis for the funding

■ Funding & Tenders Portal (former Participant Portal)

→ <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/home>

- Management area of the EC (Continuous Reporting, Deliverables, Milestones)
- Project related processes of the EC
- Consortium contacts



Agenda

- General Information

- Eligible/Ineligible costs

- Direct/ Indirect costs

- Periodic Report - Financial Statement

 - Explanation of the use of Resources (EoUR); Exchange Rates

- Personnel costs

 - Time records; Calculation on personnel costs; Additional remuneration

- Questions



Eligible costs

Used for the sole purpose of achieving objectives of the project – NO EXCEPTION!

- **Real costs**
real – not estimated, definitively and genuinely borne by the beneficiary (not by any other entity)
- **Required and necessary for project realisation**
(as described in **Annex 1**)
- **Incurred during project duration**
- **Identifiable and verifiable (proper accounting documentation, Art 18)**
- **Compliant with national accounting rules**
- **Compliant with the national laws (taxes, labour, social security)**
- **Compliant with beneficiary's usual cost accounting practices**
- **Good housekeeping practice (economy and efficiency)**

Examples:

NO increase of salaries of your personnel, upgrade your travel policy just because of the Commission support.

If a particular cost is always charged as an indirect cost, it must be so also for Horizon 2020 actions, and should not be charged as a direct cost



Ineligible costs

- Currency exchange losses
- Bank costs charged by the beneficiary's bank for transfers from the Commission
- Cancellation costs
Example: Cancellations fees for already booked flights, hotel, etc.
- Deductible VAT **Note:** non-deductible/non-identifiable VAT is eligible
Example: VAT charged by supplier cannot be identified, then full purchase price can be recorded in the accounts
- Interests owed (i.e. interest on a loan to borrow capital)
- Provisions for future losses or debts
- Debt and debt service charges
- Costs related to return on capital
Example: dividends paid as remuneration for investing in the action; remuneration paid as a share in the company's equity
- Excessive or reckless expenditure (paying significantly more than usual market rates etc)

Exception possible due to
COVID-19 reasons



Agenda

- General Information

- Eligible/Ineligible costs

- Direct/ Indirect costs

- Periodic Report - Financial Statement

 - Explanation of the use of Resources (EoUR); Exchange Rates

- Personnel costs

 - Time records; Calculation on personnel costs; Additional remuneration

- Questions



Direct/ Indirect costs

Direct Costs

Are directly linked to the project and can therefore be attributed/ booked directly to it

Personnel costs, travel, subcontracting, other costs

recorded and documented

Indirect Costs

Overhead costs; in H2020 Flat Rate: 25% of direct costs (not on subcontracting)

*Examples: space, management, accounting dept, equipment, electricity
....computer equipment & space of person working on the project is indirect costs!*



Direct costs – Internal invoicing

The use of certain resources is shared between different units of the same organisation and the costs are declared through internal invoices

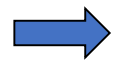


Only eligible if the **internal invoice**:

- specifies the use and utilisation (number of hours!) for the action
- states specific resources (*e.g. per researcher, piece of equipment, etc.*).
- is supported by time-records for the work of personnel
- is supported by the calculation of the hourly rate as described in Article 6.2.A.
- is limited to the depreciation for the relevant reporting period
- no indirect cost elements, profit margin or mark-up to be included

■ **Example (not acceptable internal invoice):** Internal invoice with a global price for the use of a research infrastructure (*e.g. laboratory*) or for a service (*e.g. an analysis*)

■ **Example (acceptable internal invoice):** Internal invoice with 16 hrs of the technician doing the analysis and 10 hrs depreciation of the testing equipment used



Must be declared under the budget category that corresponds to the invoiced resource (*e.g. personnel, equipment, other direct costs, etc.*)



Agenda

- General Information

- Eligible/Ineligible costs

- Direct/ Indirect costs

- Periodic Report - Financial Statement

 - Explanation of the use of Resources (EoUR); Exchange Rates

- Personnel costs

 - Time records; Calculation on personnel costs; Additional remuneration

- Questions



Periodic Report (PR) - Overview

■ Reporting Period 1: **Feb. 2020 – 31. Jul. 2021**

■ Submit to EC: **30. Sep. 2021**

PR consists of two parts

Financial Report

Technical Report



Periodic Report – Financial Statement

- **Individual Financial Statement** (Annex 4 of GA)
 - personnel costs, other direct costs, subcontracting
- **EoUR**-Explanation of the use of resources (e. g. explanation of travel costs)
- Done electronically in Funding & Tender Portal only
- Filled out by each beneficiary (individually)
- Signed (by Financial Statement Authorized Signatory (PFSIGN)) and
- Formally submitted to the coordinator (via the PP)
- **Timeframe: 1st August – 31 August (4 weeks time); submit to EC by 30 September**

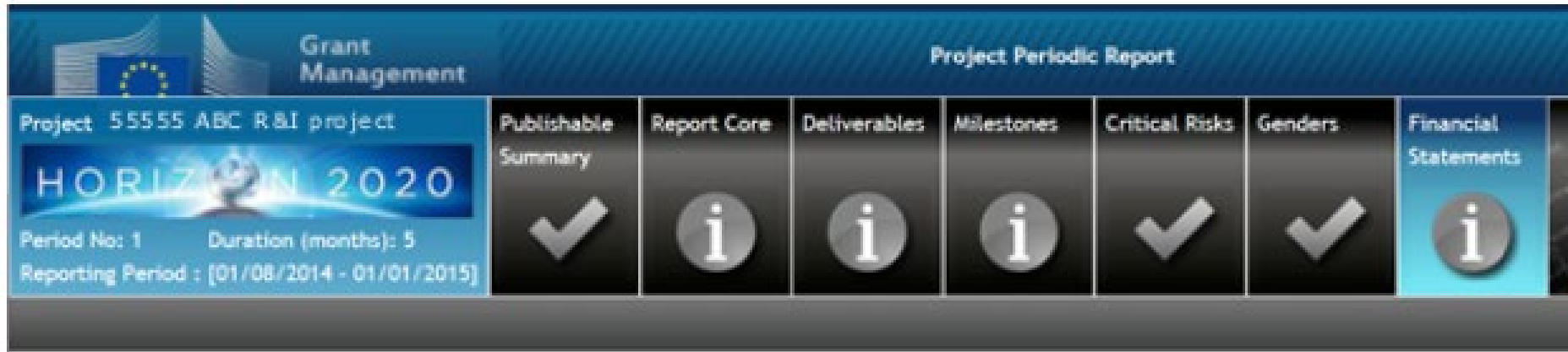


= Project Financial Signatory
Person who has the right to
sign financial statements;
appointed by LEAR



Periodic Report – Financial Statement

In PP go to the grant management system and *Financial Statement*



- Available only by the end of the 1st period (by 1st August)
- A detailed step-by-step guideline how to create the FS will be send by the coordinator on 30 July



SyGMA - System for Grant Management - Windows Internet Explorer

(EXTERNAL) ?

Grant Management

Project Periodic Report

Project 555555 ABC R&I test project

HORIZON 2020

Period No: 1 Duration (months): 6
Reporting Period : [01/07/2014 - 31/12/2014]

Beneficiary 1: Test account
Legal Name: Test account legal entity
PIC: 999777555 Status: VALIDATED
Legal Address: ABC street, 56B city, AAA country

Financial Statements

Financial Statement

Financial information from contact

No contribution requested? ☐ Yes ☒ No

Financial Statements

Period	Adjustment	Requested Contribution
01/07/2014 - 31/12/2014 (Period No "1")	No	100,000.00 €

Financial Statement for period "1" (01/07/2014 - 31/12/2014)

Eligible costs: 1

Cost Category	Total	Actions
a) Direct personnel costs declared as actual costs	30,000.00 €	
b) Direct personnel costs declared as unit costs (average costs)	0.00 €	
d) Direct costs of subcontracting	65,000.00 €	
e) Direct costs of providing financial support to third parties	0.00 €	
f) Other direct costs	21,000.00 €	
h) Indirect costs (= 0.25 * (a + b + f + e))	8,000.00 €	
j) Total costs (= a + b + d + e + f + h)	106,000.00 €	
k) Receipts	0.00 €	
m) Maximum EU contribution (100%)	106,000.00 €	
n) Requested EU contribution	100,000.00 €	
z) Requested EU contribution eligible for CFS	106,000.00 €	

Additional Information for indirect costs:

Use of 'costs of in-kind contributions not used on premises?' (a) ☐ Yes ☒ No

Explanation of the use of Resources (EoUR)

Personnel costs

Subcontracting

Other direct costs (travel, equipment, etc.)



Periodic Report – Financial Statement

Final version of the Financial Statement (automatically generated after signature in the PP)

MODEL FINANCIAL STATEMENT for H2020 GENERAL MGA

FINANCIAL STATEMENT FOR BENEFICIARY DESY FOR THE REPORTING PERIOD 1

	Eligible costs (per budget category)									Receipts	EU contribution			Additional information		
	A. Direct personnel costs				B. Direct costs of subcontracting	C. Direct costs of fin. support		D. Other direct costs		E. Indirect costs	Total costs	Receipts	Reimbursement rate %	Maximum EU contribution ³	Requested EU contribution	Information for indirect costs
	A.1 Employees (or equivalent) A.2 Natural persons under direct contract A.3 Seconded persons [A.6 Personnel for providing access to research infrastructure]		A.4 SME owners without salary A.5 Beneficiaries that are natural persons without salary				D.1 Travel D.2 Equipment D.3 Other goods and services	D.5 Cost of internally invoiced goods and services			Receipts of the action, to be reported in the last reporting period, according to Article 5.3.3				Costs of in-kind contributions not used on premises	
	Form of costs ⁴	Actual	Unit	Unit	Actual	Actual	Actual	Unit	Flat-rate ⁵ 25%							
	a	Total b	No hours	Total c	d	e	f	Total h	i = 0.25* (a+b+c+f+[g] +h -p)	k = a+b+c+d +[e]+f+[g] +h+i	l	m	n	o	p	
DESY	30.000,00	0.00			65.000	0.00	2.000,00	0.00	8.000,00	105.000,00		100	105.000,00	105.000,00	0.00	



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 871072.

Periodic Report – Explanation of the use of Resources (EoUR)

Report on EoUR is generated automatically with the information inserted by the beneficiary at the time the financial statements are completed in the IT tool.

For each cost declared in the financial statement, a **box will pop up** asking the beneficiary to

- **give an explanation of the cost,**
- **link it to the relevant work package(s) and**
- **justify the expense if necessary**

Details for explanations see next slides



Periodic Report – Explanation of the use of Resources (EoUR)

Direct personnel costs

1. Direct personnel costs declared as actual costs (When direct personnel costs are reported in the financial statement, a pop-up window will appear in the IT tool requesting to give information of the amount on person months per WP).

Person months	Associated WP
[insert number pm]	WP1
[insert number pm]	WP2
[insert number pm]	WP3
[insert number pm]	(etc.)

To be in line
with
Time Records

- Enter **person-months per work-package** (not per deliverable)
- You **don't have to provide details like names, level of experience etc.**



Periodic Report – Explanation of the use of Resources (EoUR)

Direct costs of subcontracting

(When subcontracting costs are reported in the financial statement, a pop-up window will appear in the IT tool requesting to give information on the costs, description of the subcontract and if the subcontract was foreseen in Annex 1 or not. Further explanations are mandatory if subcontract not foreseen in Annex 1).

Description	Foreseen in Annex 1	Explanations (if not foreseen in Annex 1)	Costs
[insert comment]	[YES] [NO]	[insert comment]	[insert amount in EUR]
One row per subcontract			
TOTAL			[insert amount in EUR]

- Enter description of the subcontract
- Enter if the subcontract was foreseen in Annex 1 or not



Periodic Report – Explanation of the use of Resources (EoUR)

Other direct costs: explanation of major cost items if the amount exceeds 15% of personnel costs					
Short description	Category	Associated WP	Foreseen in Annex 1	Explanation (if not included in Annex 1)	Costs
[insert comment]	[Travel] [Equipment] [Other goods & services]	[insert WP number]	[YES] [NO]	[insert comment]	[insert amount in EUR]
One row per item					
TOTAL					[insert amount in EUR]

All "other direct costs" \leq 15% of claimed personnel costs per reporting period



No need to give any detail

All "other direct costs" $>$ 15% of claimed personnel costs per reporting period



Major direct costs items need to be recorded; starting from the cost items of highest value; unexplained costs $<$ 15% of personnel costs

EXAMPLE:

Personnel costs: 25,000.00 €, total other direct costs 5,000.00 €

→ 1,250.00 € to be explained, automatically calculated by the system



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 871072.

Periodic Report – Explanation of the use of Resources (EoUR)

Explanations on Travel:

■ WHEN	Duration
■ WHERE	Destination: City, Country
■ COSTS	Euro
■ REASON	Kick-Off Meeting, Meeting XY (in line with Annex 1)
■ (WHO	Names only for your documentations and when asked for it)

As much as necessary, as little as possible



Periodic Report – Financial Statement

Financial Statement and EoUR are to be filled for

Reporting Period 1 (01.02.2020 – 31.07.2021)

Reporting Period 2 (01.08.2021 – 31.01.2023)

incl. Adjustment to Period 1 (if applicable)

Reporting Period 3 (01.02.2023 – 31.01.2024)

incl. Adjustment to Period 2 (if applicable)

Keep in mind: - **no adjustments for personnel costs** possible,
only if mistake in the calculation of hourly rate (no changes in personnel)
- **no adjustments after final (3rd) period**



Periodic Report – Exchange Rates Provisions Art 20.6 GA

All reports are to be submitted in EURO!

> Beneficiary's accounts in €

For purchases in other currencies ⇒ conversion into Euros according to its usual accounting practice

> Beneficiary's accounts in other currency

exchange rate defined by average of the daily exchange rates published in the Official Journal of the EU calculated over the reporting period.

Calculation shortcut: European Central Bank

<http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>



Periodic Report – Exchange Rates Provisions Art 20.6 GA

Calculation of the average of daily exchange rates (AGA Art 20):

Use the editable charts on the ECB website

<http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>

Procedure for calculating the rate on the ECB website:

Step 1 — Go to the ECB website.

Step 2 — Click on the chart icon for the currency.

Step 3 — Insert the starting date of the reporting period (*01.02.2020*) in the field 'from' and the end date of the reporting period (*31.07.2021*) in the field 'to'. The average for the period will appear above the chart.



Periodic Report – Exchange Rates Provisions Art 20.6 GA

Example:

Example Period: 01.02.2020 – 31.03.2021

Average exchange rate (of example period): 0.01180 (Rubel to Euro)

Personnel costs: 534,619.57 Rubel = **6,308.51 Euro** (to be insert in the
Financial Statement)

other direct costs: 321,498.23 Rubel = **3,793.67 Euro** (to be insert in the
Financial Statement)



Questions?



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 871072.

Agenda

- General Information
- Eligible/Ineligible costs
- Direct/ Indirect costs
- Periodic Report - Financial Statement
 - Explanation of the use of Resources (EoUR); Exchange Rates
- Personnel costs
 - Time records; Calculation on personnel costs; Additional remuneration
- Questions



Question

Who have seen the video of the EC on “Avoiding errors in declaring personnel costs in Horizon 2020 grants”?

<https://ec.europa.eu/research/participants/docs/h2020-funding-guide/other/event201214.htm>



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 871072.

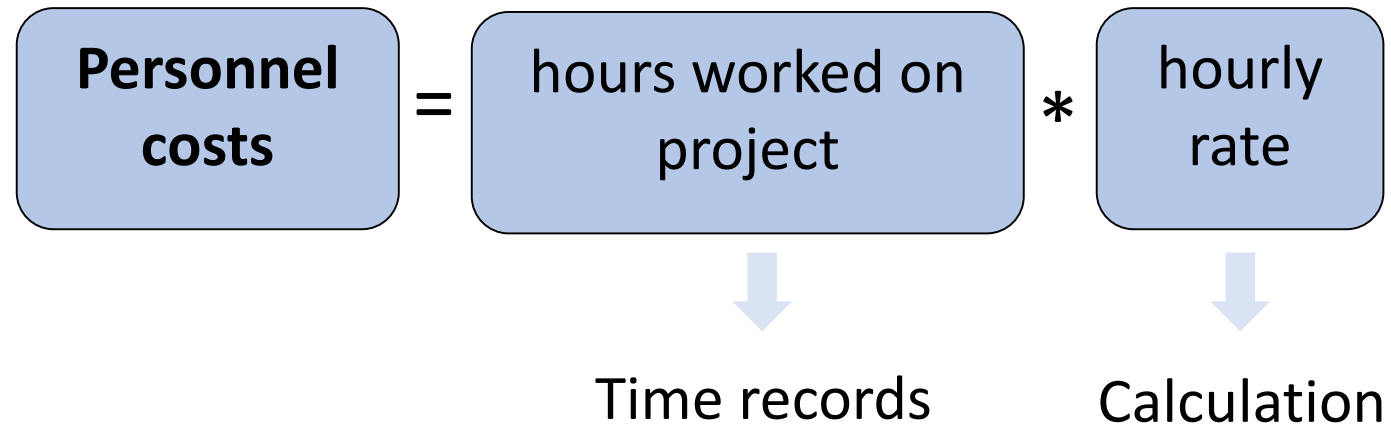
Personnel costs – General rules

- Personnel costs = costs for the time that employees working **for the project**
- Employees must have a working contract with the beneficiary
- Only hours actually worked on the project can be charged
- Note: External experts have to be reported under subcontracting

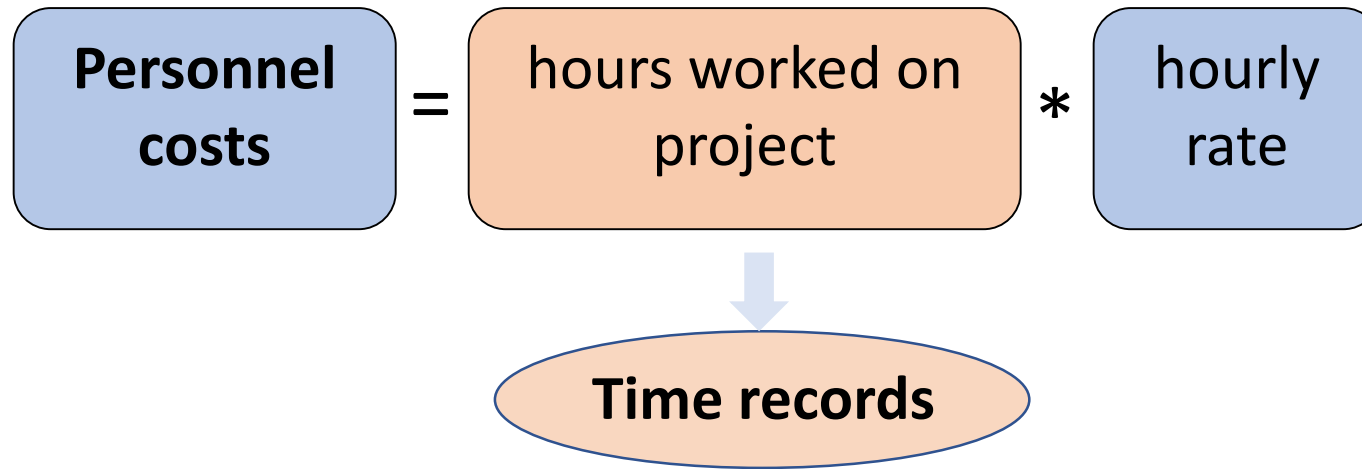
As a general rule, all staff involved in the project must be employees of the beneficiaries in order for their costs to be eligible as personnel costs



Personnel costs – Calculation



Personnel costs – Calculation



Personnel costs – Time records

General information on time records:

- **Hourly** time records are **mandatory** to report personnel costs of the project
- Fundament to calculate the personnel costs
- No submission to the EC BUT is checked during an audit



Personnel costs – Time records

Art 39.2 GA – Processing of Personal Data

- “The beneficiaries must inform the personnel whose personal data are collected and processed by the Commission. For this purpose, they must provide them with the **service specific privacy statements (SSPS)** [...], before transmitting their data to the Commission.”

➡ **Hand out SSPS to employee working on the project**
https://ec.europa.eu/info/specific-privacy-statement_en



Personnel costs – Time records

- > Only hours (*no percentage!*) actually worked on the project can be charged
- > Consistent with HR records
- > Information must match records of annual and sick leave, and work-related travel
- > Timesheets for all persons who work for the project
- > **Timesheet: template available in the AGA Art 18**
- > **Properly dated and signed**

TIME RECORDING FOR A HORIZON 2020 ACTION		Month:	Year:																													
Title of the action (acronym):		Grant Agreement No:																														
Beneficiary's / linked third party's name:																																
Name of the person working on the action:		Type of personnel <small>(see Art. 6.2.A Grant Agreement)</small>																														
DAY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Total
Reference <small>e.g. work package</small>																																
Total Hours																																
Short description of the activities carried out in the month:																																
Signed (name of the person working for the action):																Signed (name of the supervisor):																
Date:																Date:																
Signature:																Signature:																



Personnel costs – Time records

Example:

- One week Business trip to workshop with no connection to EU project
=
NO hours should be declared during this time on this timesheet!



Personnel costs – Time records

What is to be included on the Timesheet (see AGA Art 18):

- > the title and number of the action (CREMLINplus/ 871072)
- > the beneficiary's full name
- > the full name, date and signature of the person working for the action
- > the number of hours per day worked for the action
- > the supervisor's full name and signature
- > a reference to the action tasks or work package described in Annex 1, to easily verify that the work carried out matches the work assigned and the person-months reported to the action



Personnel costs – Time records

Common errors

- > Inconsistency with HR records
- > Time sheets not properly dated or signed
- > More than full time employment charged among different projects ➡ double funding!
- > Poor or limited information captured
- > Inconsistency of Timesheets and Financial reporting (person-months per work-package to be reported)

<u>TIMESHEET</u>		
Monday	4 hours	
Tuesday	4 hours	
Thursday.....		
Friday.....	2 hours	
No!		
Monday	8 hours	
Tuesday	8 hours	
Friday.....	4 hours	
Monday	4 hours	
Tuesday	3 hours	
Wednesday.....	8 hours	
Thursday.....	8 hours	
Friday.....	2 hours	
Total month		57 hours



Personnel costs – Time records

Depending on person works exclusively on a project or not

*working exclusively = uninterrupted period of **at least one full calendar month** during which all the hours worked by the employee were dedicated to the H2020 project*

Working exclusively	Records	Conditions
YES	Declaration on exclusive work for the action	<ul style="list-style-type: none">• confirms person worked exclusively during the whole reporting period on project• covers one uninterrupted time-period of exclusive dedication of at least one full calendar month within the reporting period
NO	Time records (i.e. timesheets)	<ul style="list-style-type: none">• dated and signed at least monthly by the person and his/her supervisor• a set of minimum conditions and information must be met (detailed in AGA)• information must match records of annual and sick leave taken, and work-related travel



Personnel costs – Time records

You can only declare hours really worked on the project

You cannot declare:

- Budgeted time (e.g. what you indicated for the budget)
- Estimated time (e.g. a person's 'guessing')
- Time allocation (e.g. x % of the time of the person)

REMEMBER!

You must record in time-sheets the time the person worked in the project!

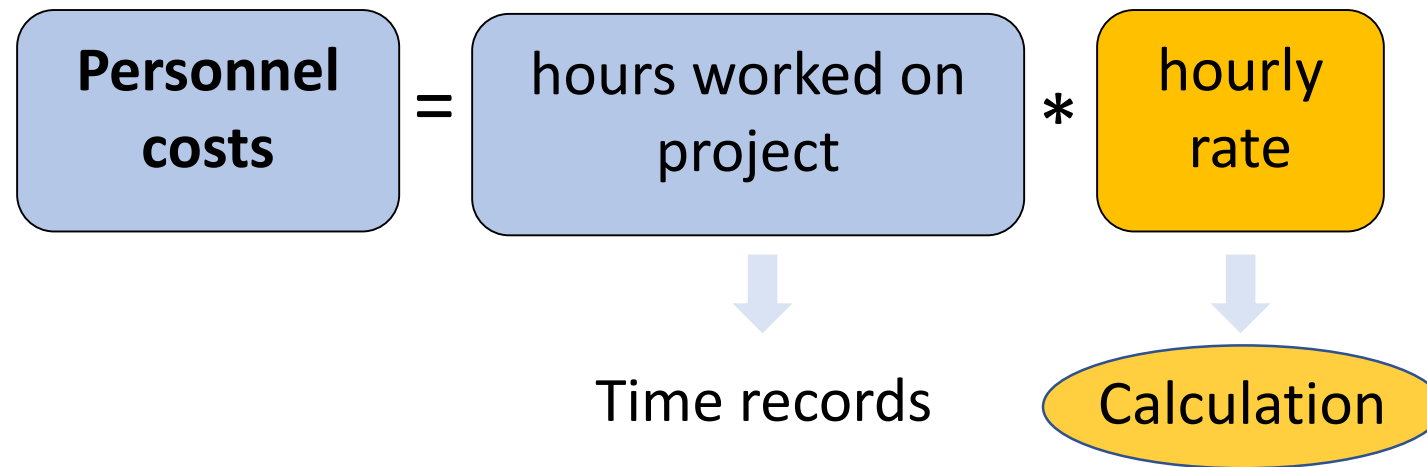


Questions?



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 871072.

Personnel costs – Calculation



Personnel costs – Hourly rate

hourly
rate



$$\text{Hourly rate} = \frac{\text{actual annual personnel costs}}{\text{annual productive hours}}$$



Personnel costs – Hourly rate

$$\text{Hourly rate} = \frac{\text{actual annual personnel costs}}{\text{annual productive hours}}$$

What are the actual annual personnel costs?

- Basic remuneration: **basic salary** and **complements**
- Include: All mandatory salary-related expenditures

Basic salary:

- **Salary** (*stated on the beneficiary's payroll*)
- **Social security contributions** (*mandatory parts to be paid by the employee and employer*)
- **Taxes or other costs included in the salary** (*e.g. a fee paid by the beneficiary for a complementary health insurance scheme for the employee*)



Personnel costs – Hourly rate

$$\text{Hourly rate} = \frac{\text{actual annual personnel costs}}{\text{annual productive hours}}$$

Complements:

resulting from national law, collective labour agreement or the employment contract

Examples:

mandatory complements

a 13th month payment; complement for hazardous work or night shifts; transportation allowance, etc.

variable complements

- 1. The collective labour agreement establishes that all researchers may receive a complement between EUR 100 and EUR 200 per month based on their seniority.*
- 2. The national law authorises public universities to pay a complement based on merit of the employees.*



Personnel costs – Hourly rate

$$\text{Hourly rate} = \frac{\text{actual annual personnel costs}}{\text{annual productive hours}}$$

What are the annual productive hours?

Choose the option, but keep in mind:

Must be applied to all personnel in all H2020 grants.

**1720
hours**

1720 hours (recommended, no questions asked)

And you must use this option if the employment contract does not specify the working time conditions or if the "annual workable hours" cannot be determined

Individual

Individual annual productive hours

Formula: **annual workable hours + overtime – absences**

Standard

Standard annual productive hours

According to the beneficiary's usual accounting practices; Minimum threshold:

Standard annual productive hrs ≥ 90 % of the standard annual workable hrs

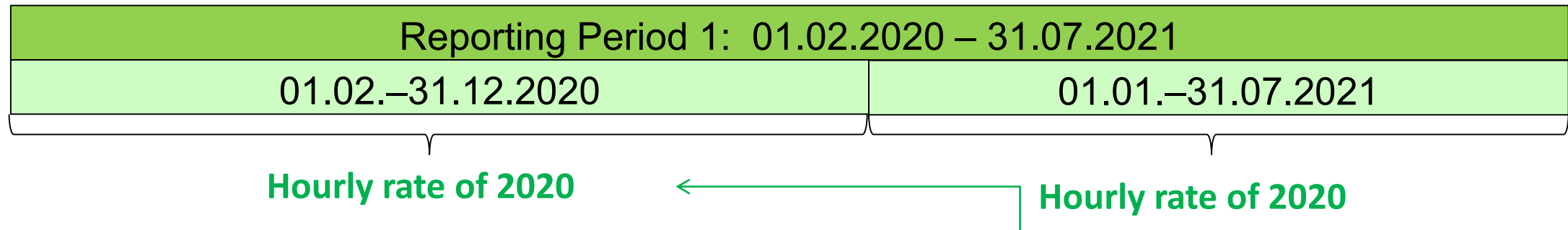


Personnel costs – Hourly rate

$$\text{Hourly rate} = \frac{\text{actual annual personnel costs}}{\text{annual productive hours}}$$

Hourly rate to be calculated per financial year

Hourly rate to be calculated on basis of last closed financial year



- Yearly salary calculated once a year
 - No adjustments due to a recalculation of the hourly rate
- ➔ even if re-calculation after closure of the current financial year at the end of the period would give another result
- ➔ correction only possible (and must be made) if mistake in the calculation of the applied hourly rate (e.g. incorrect accounting information)



Personnel costs – Calculation

$$\text{Hourly rate} = \frac{\text{actual annual personnel costs}}{\text{annual productive hours}}$$

Example 1 (permanent; part time for project)

Last closed financial year

Year	Month	Salary per month	Salary per year
2020	January 20	2,053.71 €	26,427.64 €
	February 20	2,053.71 €	
	March 20	2,053.71 €	
	April 20	2,053.71 €	
	May 20	2,053.71 €	
	June 20	2,219.52 €	
	July 20	2,219.52 €	
	August 20	2,219.52 €	
	September 20	2,219.52 €	
	October 20	2,219.52 €	
	November 20	2,219.52 €	
	December 20	2,841.97 €	
2021	January 21	2,219.52 €	15,536.64 €
	February 21	2,219.52 €	
	March 21	2,219.52 €	
	April 21	2,219.52 €	
	May 21	2,219.52 €	
	June 21	2,219.52 €	
	July 21	2,219.52 €	

Calculation of hourly rate for 2020: $\frac{26,427.64 \text{ €}}{1,720 \text{ hours}} = 15.36 \text{ €}$

Numbers of hours worked for the project (time records):
 2020 (February to December): 880 hours
 2021 (January to July): 560 hours

Calculation:

Personnel costs

=

hours worked on project

*

hourly rate

2020 (Feb. to Dec.): 880 hours * 15.36 € = 13,516.80 €
 2021 (January to July): 560 hours * 15.36 € = 8,601.60 €



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 871072.

Personnel costs – Calculation

$$\text{Hourly rate} = \frac{\text{actual annual personnel costs}}{\text{annual productive hours}}$$

Example 2 (start 1st calendar year; part time for project)

Last closed financial year

Year	Month	Salary per month	Salary per year
2020	January 20	0	13,939.57 €
	February 20	0	
	March 20	0	
	April 20	0	
	May 20	0	
	June 20	0	
	July 20	2,219.52 €	
	August 20	2,219.52 €	
	September 20	2,219.52 €	
	October 20	2,219.52 €	
2021	November 20	2,219.52 €	15,536.64 €
	December 20	2,841.97 €	
	January 21	2,219.52 €	
	February 21	2,219.52 €	
	March 21	2,219.52 €	
	April 21	2,219.52 €	
	May 21	2,219.52 €	
2022	June 21	2,219.52 €	
	July 21	2,219.52 €	

Calculation of hourly rate for 2020: $\frac{13,939.57 \text{ €}}{(1720/12 * 6 \text{ month}) \text{ 860 hours}} = 16.20 \text{ €}$

Numbers of hours worked for the project (time records):
 2020 (July to December): 480 hours
 2021 (January to July): 560 hours

Calculation:

Personnel costs

=

hours worked on project

*

hourly rate

Ceiling!

2020 (July. to Dec.): 480 hours * 16.20 € = 7,760.00 €
 2021 (January to July): 560 hours * 16.20 € = 9,072.00 €



Personnel costs – Calculation

$$\text{Hourly rate} = \frac{\text{actual annual personnel costs}}{\text{annual productive hours}}$$

Example 3 (start 2nd calendar year; part time for project)

Year	Month	Salary per month	Salary per year
2020	January 20	0	0.00 €
	February 20	0	
	March 20	0	
	April 20	0	
	May 20	0	
	June 20	0	
	July 20	0	
	August 20	0	
	September 20	0	
	October 20	0	
	November 20	0	
	December 20	0	
2021	January 21	2,219.52 €	15,536.64 €
	February 21	2,219.52 €	
	March 21	2,219.52 €	
	April 21	2,219.52 €	
	May 21	2,219.52 €	
	June 21	2,219.52 €	
	July 21	2,219.52 €	

Actual financial year

Calculation of hourly rate for 2021: 15,536.64 €
 (1720/12*7 month) 1,003.33 hours = **15.48 €**

Numbers of hours worked for the project (time records):
 2020 (February to December): 0 hours
 2021 (January to July): 560 hours

Calculation:

Personnel costs

=

hours worked on project

*

hourly rate

2020 (Feb. to Dec.): 0 hours * 15.48 € = 0.00 €
 2021 (January to July): 560 hours * 15.48 € = 8,668.80 €



Personnel costs – Calculation

$$\text{Hourly rate} = \frac{\text{actual annual personnel costs}}{\text{annual productive hours}}$$

Example 4 (100% for project)

Last closed financial year

Year	Month	Salary per month	Salary per year
2020	January 20	0	24,373.93 €
	February 20	2,053.71 €	
	March 20	2,053.71 €	
	April 20	2,053.71 €	
	May 20	2,053.71 €	
	June 20	2,219.52 €	
	July 20	2,219.52 €	
	August 20	2,219.52 €	
	September 20	2,219.52 €	
	October 20	2,219.52 €	
	November 20	2,219.52 €	
	December 20	2,841.97 €	
2021	January 21	2,219.52 €	15,536.64 €
	February 21	2,219.52 €	
	March 21	2,219.52 €	
	April 21	2,219.52 €	
	May 21	2,219.52 €	
	June 21	2,219.52 €	
	July 21	2,219.52 €	

Calculation of hourly rate for 2020: 24,373.93 €
 (1720/12*11 month) 1,576.66 hours = **15.46 €**

Numbers of hours worked for the project:
 2020 (February to December): **max.** 1,576.66 hours
 2021 (January to July): **max.** 1,003.33 hours

Calculation:

Personnel costs

=

hours worked on project

*

hourly rate

2020 (Feb. to Dec.): 1,576.66 hours * 15.46 € = 24,373.93 €
 2021 (January to July): 1,003.33 hours * 15.46 € = **15,510.70 €**



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 871072.

Personnel costs – Double ceiling

You must ensure that:

- the **total number of hours declared** in EU 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



$\sum \text{hours declared} \leq \text{total annual productive hours}$

- the **total** amount of **personnel costs declared** (for reimbursement as actual costs) in EU 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).



$\sum \text{cost declared} \leq \text{total personnel costs for the person}$



Personnel costs – Double ceiling

You must ensure that:

- the **total number of hours declared** in EU 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



$\sum \text{hours declared} \leq \text{total annual productive hours}$



Personnel costs – Ceiling

Ensure that
total number of hours declared in EU project
NOT higher than
annual productive hours

Example Ceiling (hours declared in EU project not higher than annual productive hours)

Year	Month	Salary per month	Salary per year
2020	January 20	0	13,939.57 €
	February 20	0	
	March 20	0	
	April 20	0	
	May 20	0	
	June 20	0	
	July 20	2,219.52 €	
	August 20	2,219.52 €	
	September 20	2,219.52 €	
	October 20	2,219.52 €	
	November 20	2,219.52 €	
	December 20	2,841.97 €	
2021	January 21	2,219.52 €	15,536.64 €
	February 21	2,219.52 €	
	March 21	2,219.52 €	
	April 21	2,219.52 €	
	May 21	2,219.52 €	
	June 21	2,219.52 €	
	July 21	2,219.52 €	

Last closed financial year

Calculation of hourly rate for 2020: $\frac{13,939.57 \text{ €}}{(1720/12 \times 6 \text{ month}) \text{ 860 hours}} = 16.20 \text{ €}$

Numbers of hours worked for the project (time records):
2020 (July to December): 480 hours
2021 (January to July): 560 hours

Calculation:

Personnel costs

=

hours worked on project

*

hourly rate

Ceiling!

2020 (July. to Dec.): 480 hours * 16.20 € = 7,760.00 €
2021 (January to July): 560 hours * 16.20 € = 9,072.00 €



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 871072.

Personnel costs – Double ceiling

You must ensure that:

- the **total** amount of **personnel costs declared** (for reimbursement as actual costs) in EU 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).



$\Sigma \text{ cost declared} \leq \text{total personnel costs for the person}$



Personnel costs – Calculation

$$\text{Hourly rate} = \frac{\text{actual annual personnel costs}}{\text{annual productive hours}}$$

Example 2 (start 1st calendar year; part time for project)

Last closed financial year

Year	Month	Salary per month	Salary per year
2020	January 20	0	13,939.57 €
	February 20	0	
	March 20	0	
	April 20	0	
	May 20	0	
	June 20	0	
	July 20	2,219.52 €	
	August 20	2,219.52 €	
	September 20	2,219.52 €	
	October 20	2,219.52 €	
2021	November 20	2,219.52 €	15,536.64 €
	December 20	2,841.97 €	
	January 21	2,219.52 €	
	February 21	2,219.52 €	
	March 21	2,219.52 €	
	April 21	2,219.52 €	
	May 21	2,219.52 €	
2022	June 21	2,219.52 €	
	July 21	2,219.52 €	

Calculation of hourly rate for 2020: $\frac{13,939.57 \text{ €}}{(1720/12 * 6 \text{ month}) \text{ 860 hours}} = 16.20 \text{ €}$

Numbers of hours worked for the project (time records):
 2020 (July to December): 480 hours
 2021 (January to July): 560 hours

Calculation:

Personnel costs	=	hours worked on project	*	hourly rate	Ceiling!
2020 (July. to Dec.):		480 hours	*	16.20 €	= 7,760.00 €
2021 (January to July):		560 hours	*	16.20 €	= 9,072.00 €



Personnel costs – Ceiling

Calculation:

	hours worked for the project		hourly rate	
2020 (July. to Dec.):	480 hours	*	16.20 €	= 7,760.00 €
2021 (January to July):	560 hours	*	16.20 €	= 9,072.00 €

Example Ceiling (personnel costs declared not higher than on beneficiary's accounts)

Year	Month	Salary per month	Salary per year
2020	January 20	0	13,939.57 €
	February 20	0	
	March 20	0	
	April 20	0	
	May 20	0	
	June 20	0	
	July 20	2,219.52 €	
	August 20	2,219.52 €	
	September 20	2,219.52 €	
	October 20	2,219.52 €	
	November 20	2,219.52 €	
	December 20	2,841.97 €	
2021	January 21	2,219.52 €	15,536.64 €
	February 21	2,219.52 €	
	March 21	2,219.52 €	
	April 21	2,219.52 €	
	May 21	2,219.52 €	
	June 21	2,219.52 €	
	July 21	2,219.52 €	

Last closed financial year

Calculation percentage worked for EU project

hours worked for the EU project / total worked hours

Person XY worked: (time records)

Year	for institut	for EU project	total	for EU project in %
2020	380 hours	480 hours	860 hours	55,81%
2021	440 hours	560 hours	1,000 hours	56,00%

Calculation Ceiling:

pro rata yearly salary * percentage worked for the EU project

Year

2020: 13,939.57 € * 55,81% = 7,780.23 €

2021: 15,536.64 € * 56,00% = 8,700.52 € → ceiling



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 871072.

Personnel costs – Additional remuneration

$$\text{Personnel costs} = \text{hours worked on project} * \text{hourly rate} + \text{additional remuneration}$$



Personnel costs – Additional remuneration

Additional remuneration

- For non-profit legal entities only
- capped at EUR 8 000 per year for each FTE
- directly linked to the participation in the EU action
- usual practice of the institution
- appropriate extra payments are **paid to all** positions where comparable work is done or where comparable qualifications are required
- amount of the bonus has been determined by an objective calculation method that is **used for all sources of funding (and not only for EU-projects)**
- made *on top* of the basic remuneration
- not only the extra salary, but also the according social security contributions, taxes and other costs

Please
contact DESY



Personnel costs – Summary on calculation of personnel costs

How do we calculate the personnel costs to be charged to the EU project?

■ **Step 1 Identify the hours worked for the action**



$$\frac{\text{actual annual personnel costs}}{\text{annual productive hours}}$$

■ **Step 2 Calculate the hourly rate**

■ **Step 3 Multiply the hours worked for the action by the hourly rate**

■ **Step 4 Check double ceiling**



Questions?

Thank you!



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 871072.

Periodic Report – Calculation Person Month (PM)

$$\text{Person Month (PM)} = \frac{\text{hours worked on project}}{(1720/12)}$$

Example:

$$\frac{860 \text{ hours worked on the project}}{(1720/12)} = 6 \text{ PM}$$



Slides of the annual meeting 2021

(see following slides)



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 871072.

Financial Report (all beneficiaries)

- Individual financial statement (Annex 4 of GA)
 - personnel costs, other direct costs, subcontracting
- EoUR-Explanation of the use of resources (e. g. explanation of travel costs)
- Done electronically in Funding & Tender Portal only
- Filled out by each beneficiary (individually)
- Signed (by Financial Statement Authorized Signatory (FSIGN)) and
- Formally submitted to the coordinator (via the PP)
- **Timeframe: 1st August – 30 September**



Technical Report

