

Eligibility Rules & Declaration of Expenses

Call 2

Table of contents

| | | |
|-------|---|---|
| 1 | Basic eligibility rules | 2 |
| 2 | Budget lines | 2 |
| 2.1 | Personnel costs (incl. general costs / overheads) | 3 |
| 2.1.1 | Conditions | 3 |
| 2.1.2 | Documentation and reporting | 4 |
| 2.2 | Travel and accommodation costs | 4 |
| 2.2.1 | Conditions | 4 |
| 2.2.2 | Documentation and reporting | 6 |
| 2.3 | Meeting and event costs | 7 |
| 2.3.1 | Conditions | 7 |
| 2.3.2 | Documentation and reporting | 7 |
| 2.4 | External services | 8 |
| 2.4.1 | Conditions | 8 |
| 2.4.2 | Documentation and reporting | 8 |
| 3 | Use of the euro (exchange rate) | 9 |

1 Basic eligibility rules

- **Sound financial management:** Expenses need to respect general principles of sound financial management (i.e. economy, efficiency and effectiveness).
- **Unit costs:** In order to simplify the management of projects to the highest possible degree, unit costs are used for most types of costs (personnel, meetings & events, accommodation, partly travel costs). The potential difference between the real costs and the unit costs is not considered as a receipt and does not have to be declared. The Lead Partner does not need to identify the actual costs incurred. See details of requested documentation in section 2 *Budget lines* below.
- **Real costs:** To qualify as eligible costs, invoices (indicating the amount excluding VAT), proof of payment regarding the invoiced amount and additional relevant documentation (see details in section 2 *Budget lines* below) must be provided. The invoice and the proof of payment must be addressed to and be paid by the relevant Project Partner or the Lead Partner (as applicable).
- **The usual accounting and internal control procedures** of the Lead Partner and each of the Project Partners must allow for direct reconciliation of the amounts declared with the amounts recorded in the accounting statements as well as with the amounts indicated in the supporting documents.
- **VAT is not eligible**, whether it is recoverable or not for the relevant Project Partner or the Lead Partner (as applicable).
- **Financial charges** (e.g. charges for transnational financial transactions, bank charges for opening and administering the bank account(s) of the Project) are not eligible. This also applies to debit interests and exchange rate losses, which have to be borne by the Lead Partner and each of the Project Partners.
- **Profit:** The generation of profit out of any START project activities is excluded.

2 Budget lines

Eligible expenses cover the budget lines detailed hereafter. Any direct or indirect costs which are not included in any of these budget lines (e.g. equipment, investment etc.) are **not eligible**.

| Budget | |
|--------|--------------------------------|
| Line 1 | Personnel costs |
| Line 2 | Travel and accommodation costs |
| Line 3 | Meeting and event costs |
| Line 4 | External services |

Flexibility rule: Expenses declared for each budget line may not exceed the initially projected costs, as specified for each budget line in the budget plan pursuant to Schedule 2 (*Project Budget Plan*), by more than **20%**. No specific request procedure is needed. Declaration of expenses beyond the 20% flexibility rule is excluded.

2.1 Personnel costs (incl. general costs / overheads)

2.1.1 Conditions

Personnel costs may only be declared for personnel that is

- (i) **employed** (permanent or fixed-term employment contract) by the Lead Partner or a Project Partner and
- (ii) **listed** as personnel for *personnel costs* in the budget plan pursuant to Schedule 2 (*Project Budget Plan*) (each such employee being a "Staff Member").

In case of **changes of the Staff Members**, the Lead Partner is obliged to notify the Funder in advance of such changes and personnel costs related to a new Staff Member may only qualify as eligible if incurred after such notification.

For **Unpaid Voluntary Workers**, no personnel costs can be declared. However, travel and accommodation costs might be eligible, if they are necessary for the implementation of the Project. Unpaid voluntary workers must be listed in the Project Budget Plan indicating the planned working hours for the START project.

Costs related to persons working on the basis of **service contracts / invoices** (e.g. freelancers) shall be included under the budget line "**External services**" (see section 2.4 below).

Staff Members are not allowed to operate as external service providers for the Project.

Personnel costs may only be declared on the basis of the **applicable standard hourly rate** as defined in the table below. The applicable rates refer to the **country of employment**:

| Country | Standard hourly rate (EUR) |
|----------------|----------------------------|
| Austria | 47 |
| Bulgaria | 8 |
| Croatia | 25 |
| Czech Republic | 15 |
| Germany | 46 |
| Hungary | 12 |
| Romania | 14 |
| Slovakia | 14 |
| Slovenia | 26 |

| Country | Standard hourly rate (EUR) |
|------------------------|----------------------------|
| Bosnia and Herzegovina | 10 |
| Montenegro | 10 |
| Serbia | 10 |
| Moldova | 9 |
| Ukraine | 17 |

The standard hourly rate is a **lump sum** covering all costs in relation to one working hour spent on the implementation of the Project (incl. salary, taxes, social and health charges, any general costs/overheads - office rent, heating, electricity, phone, copy services, stationary/office supply as well as any other office running cost or management cost).

The hourly rate can only be reported for **productive** working hours that are necessary for the implementation of the Project. **Non-working hours** (weekends, vacation, public holidays, sick leave, maternity leave etc.) **are not eligible**.

2.1.2 Documentation and reporting

Data to be declared in the Online Reporting Tool:

- Name and affiliation of the Staff Member (applies also for unpaid voluntary workers)
 - Total number of hours worked on the Project for the reported period:
 - For the Midterm report: from the Commencement Date until the Midterm Date;
 - For the Final report: from the Commencement Date until the end of the Grant Period (plus, if applicable, any time spent for the preparation of the Final Report).
- The declared hours must correspond with the hours documented in the timesheet.

Documents to be uploaded to the Online Reporting Tool and sent as originals with the Final Report:

- For each Staff Member: **Completed timesheet** for the reported period, including detailed description of the activities. The timesheets must be **signed** by the employee and its employer (legal representative or authorised signatory in relation to the Project).
 - The **timesheet template** provided in the Online Reporting Tool must be used.
 - **Employment contracts** of Staff Members are not required to be submitted unless specifically requested by the Funder.
 - The Lead Partner and each of the Project Partners (as applicable), as employer of each of the Staff Members remain responsible for **compliance with applicable labour laws**.

2.2 Travel and accommodation costs

2.2.1 Conditions

Only costs that are related to **business trips** directly connected to specific and clearly identifiable project activities and that are **outside of the city of employment** are eligible. Only destinations in the Danube Region are eligible.

Costs can be claimed as follows:

| Travelling person | A. Inter-city travel: <u>Real costs</u> (for train, plane, bus, boat) <u>Unit costs</u> (for car) | B. Hotel allowance: <u>Unit costs</u> (real costs are not checked) | C. Subsistence allowance: <u>Unit costs</u> (real costs are not checked) |
|-------------------|--|--|--|
| Staff Members* | Eligible | Eligible | Eligible |
| Third Persons** | Eligible | Eligible | Not eligible |

*Also applies for **Unpaid Voluntary Workers** of the Lead Partner or any Project Partner.

** Third Persons must play an **active role** in the implementation of the Project (e.g. experts, guest speakers in relation to an event/meeting). Travel and accommodation costs for “**inactive**” participants (e.g. festival or conference attendees) do not qualify as eligible.

A. Inter-city travel

Costs for **inter-city travel** (i.e. travel going beyond the city borders) using rail, bus, airline or ferry services can be reported as **real costs**. The most economical way of transport must be used. **Travel in first or business class is not eligible**, unless it is clearly proven that there was no other option or that this was the most economical option (documentation of the justification is required).

Inter-city travel by car is possible only if **public transport is not available** or is **not the most economical option** (e.g. additional overnight stay would be required). In this case the car use can be reported based on a **mileage of € 0,22 /km** (covering all related costs e.g. highway fee, parking, etc.) **per car**.

Inner-city travel costs (metro, bus, tram, taxi, etc.) **cannot be reported** as real costs and are deemed to be covered by the subsistence allowance.

B. Hotel allowances

Hotel allowances may only be declared based on the standard rates per night as set out below. Applicable rates refer to the **country of destination**:

| Country of destination | Hotel allowance per night (EUR) |
|------------------------|---------------------------------|
| Austria | 130 |
| Bulgaria | 169 |
| Croatia | 120 |
| Czech Republic | 155 |
| Germany | 115 |
| Hungary | 150 |
| Romania | 170 |
| Slovakia | 125 |
| Slovenia | 110 |

| Country of destination | Hotel allowance per night (EUR) |
|------------------------|---------------------------------|
| Bosnia and Herzegovina | 135 |
| Montenegro | 140 |
| Serbia | 140 |
| Moldova | 170 |
| Ukraine | 190 |

The **allowance** is deemed to cover **all overnight expenses (incl. breakfast and any taxes)**.

C. Subsistence allowances

Subsistence allowances may only be declared based on the standard rates as set out in the table below. Applicable rates refer to the **country of destination**:

| Country of destination | Subsistence allowance per day (EUR) |
|------------------------|-------------------------------------|
| Austria | 95 |
| Bulgaria | 58 |
| Croatia | 60 |
| Czech Republic | 75 |
| Germany | 93 |
| Hungary | 72 |
| Romania | 52 |
| Slovakia | 80 |
| Slovenia | 70 |

| Country of destination | Subsistence allowance per day (EUR) |
|------------------------|-------------------------------------|
| Bosnia and Herzegovina | 65 |
| Montenegro | 80 |
| Serbia | 80 |
| Moldova | 80 |
| Ukraine | 80 |

The allowance is deemed to cover **all daily subsistence costs** such as meals, inner-city transport costs (metro, bus, taxi, etc.), any other expenses such as telephone calls, internet, etc.

Daily subsistence allowances are calculated according to the **duration of the travel**:

- Less than 12 hours: **50%** of the daily allowance.
- Between 12 and 24 hours: **100%** of the daily allowance.
- Each successive 12-hour period: **50%** of the daily allowance.

The **travel duration** is calculated from the **time of departure** of the transport used to the **time of its arrival** on return to the place of employment.

Solely for the purpose of settling expenses:

- **30 minutes** can be added to the departure and arrival times **for travel by train, bus or boat**;
- **2 hours** can be added before take-off and after landing **for travel by plane**.

Travel must be organised so that the time needed is **as short as possible** given the means of transport, and that it is **as cost-effective as possible**.

2.2.2 Documentation and reporting

Data to be declared in the Online Reporting Tool:

- Name of travelling person and affiliation (Staff Member, Unpaid Voluntary Worker or Third Person), country of organisation.
- Travel data (departure and return dates, destination, etc.).
- Aim of the travel and justification.
- Means of transportation used, declared travel costs (excl. VAT), payment date, if applicable: national currency, € exchange rate (see details in section 3 *Use of the euro* below).

Documents to be uploaded to the Online Reporting Tool and sent as originals with the final report:

- **Evidence of the participation of the person** (e.g. agenda with list of attendees, signed list of participants).
- **Travel documents:**
For train, boat, bus:
 - Invoice or equivalent (e.g. train ticket with price information)
 - Proof of paymentFor plane:
 - Invoice
 - Boarding passes (either as received at the check-in counter or as file downloaded at self-check-in)
 - Proof of paymentFor car mileage:
 - Printout of a route planner (e.g. from ©google maps) for the declared distances

2.3 Meeting and event costs

2.3.1 Conditions

For meetings and events with **more than five participants**, meeting and event costs **for external participants** can be reported, **only** using the following unit costs:

| Location of the meeting/event | Unit cost per ½ day (1 to 4 hours) |
|---|---|
| At the premises of the Lead Partner or a Project Partner | € 7,50 per external participant* |
| External location (e.g. hotel, conference centre) | € 25,00 per external participant* |

*Unit costs cannot be declared for Staff Members. In case only Staff Members participate in a meeting/event, **no costs can be declared**.

Example: a meeting is taking place from Thursday to Friday in a hotel; 12 persons participate, out of which 8 are external participants. On Thursday the meeting lasts 6 hours, on Friday 4 hours (in total: 3 half-days). Following costs can be claimed: $8 \times 3 \times € 25 = € 600,00$.

Real costs incurred for the organisation of a meeting/event are meant to be covered by the unit costs and cannot be claimed separately as external services (e.g. catering, room renting, renting of video-projector, printing of event documents). Only special services necessary for the event (e.g. renting of a stage or a special lighting system) can be purchased as external services, and must be **confirmed by the Funder in advance to qualify as eligible expenses**.

2.3.2 Documentation and reporting

Data to be declared in the Online Reporting Tool:

- Venue of the meeting/event (country, city, exact venue).

- Date(s) of the meeting/event, duration (hours).
- Total number of participants in the meeting/event, number of external participants.
- Brief description and justification for the meeting/event.
- Main outcomes/results of the meeting/event.

Documents to be uploaded to the Online Reporting Tool and sent as originals with the Final Report:

- Agenda of the meeting/event indicating the dates and venue.
- Signed list of all participants incl. name of organisation.
- Output-related documentation justifying the project relevance of the meeting/event (minutes, report, presentations, etc.).

Real costs of the meetings and events are not checked.

2.4 External services

2.4.1 Conditions

External services necessary for the Project implementation can be reported based on **real costs**.

The management and general administration of the Project cannot be sub-contracted. Furthermore, the Lead Partner and the Project Partners as well as their individual employees **cannot** be contracted as **external service providers**.

The Lead Partner and Project Partners must select the **most economically advantageous offer** (not necessarily the cheapest), in compliance with the principles of transparency and equal treatment for potential contractors. Any conflict of interest must be avoided.

The following specific rules with regard to procurement apply:

- Services with a value **below € 500,00** (excl. VAT) can be paid on presentation of an **invoice**.
- Services with a value **between € 500,00 and € 5.000,00** (excl. VAT) are subject to a procurement procedure involving at least **three offers or price comparisons**.
- Services with a value **above € 5.000,00** (excl. VAT) are subject to a procurement procedure involving at least **three offers**.

The Lead Partner and each of the Project Partners remain responsible to comply with any additional applicable national public procurement rules.

2.4.2 Documentation and reporting

Data to be declared in the Online Reporting Tool:

- Short description of services purchased (specification/justification/reference to project activity/ies).
- Contractor (external service provider).
- Recipient of the invoice (Lead Partner, Project Partner, etc.).
- Date of service delivery, date of invoice issue, date of payment of the invoice.

- Declared costs (net amount excl. VAT); if applicable: national currency, € exchange rate (see details in section 3 *Use of the euro* below).

Documents to be uploaded to the Online Reporting Tool and sent as originals with the final report:

- Invoice
- Proof of payment (bank account statement).
- Evidence of the output(s) produced (study/report/presentation etc., any other evidence material in digital form).
- **Documentation of the selection procedure for services above € 500,00 excl. VAT:** invitation to submission of offers if applicable, offers/price lists, selection report, contract/order.

→ The Selection report template provided in the Online Reporting Tool must be used!

3 Use of the euro (exchange rate)

Unit costs defined above are automatically set in EUR/€ for all countries.

Real costs incurred in any national currency other than the Euro must be converted to the Euro to be able to qualify as eligible costs. Converted amounts must be declared in an accuracy of 4 digits after the decimal point and must be converted by using the monthly accounting exchange rate of the European Union, which is available at: <http://ec.europa.eu/budget/inforeuro>.

The following exchange rate must be used:

- For travel costs: the exchange rate of the month in which the **travel took place**.
- For external services: the exchange rate of the month of **payment of the invoice**.