

# LEAD PARTNERS SEMINARS

## ELIGIBILITY OF EXPENDITURES

10 JUNE 2024 – SUBOTICA

11 JUNE 2024 – SZEGED



*Good neighbours  
creating  
**common future***

# ELIGIBILITY

## Relevant documents

**Lead Partner principle, where Lead Partner**

- **Eligibility of expenditures**
- **Project Implementation Manual**
- **Visual Identity Manual & Information and Publicity Guidelines**
- **Partner level manuals and PPTs of partner seminars**

**All information are available on our website: [www.hungary-serbia.eu](http://www.hungary-serbia.eu)**



## Lead Partner principle, where Lead Partner

- **signs the Subsidy Contract** for EU Contribution on behalf of the partnership;
- shall **conclude a Partnership Agreement** with partners
- bears the responsibility to **ensure the full implementation** of the project
- shall **ensure that the expenditures are paid** and incurred for the purpose of the project;
- is accountable for **project reporting and administrative actions** on project level;
- has to **transfer the EU contribution** to the partners according to the approved Application for Reimbursement **in full**, no amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied.

# ELIGIBILITY

## General eligibility

### General eligibility requirements

- Directly relates to implementation as approved by the MC

### Eligibility period

- 1 January 2021- 31 December 2029

### Eligibility - highlights

- VAT is eligible if the total budget is below EUR 5 000 000
- Purchase of land up to 10% of the total eligible expenditure for the project
- Second hand equipment in special and duly justified cases and it must be clear from PF

## ELIGIBILITY

### Revenue

Based on Article 192 of 2018/1046 EC Regulation no-profit principle **shall not apply**:

- when generating income is to **ensure continuity** and sustainability
- to project parts **implemented by non-profit organisations**
- to low value grants (union contribution part of the **project part budget is under 60 000 EUR**)

## ELIGIBILITY

### Budget type A

#### **FLAT RATES - OBLIGATORY**

- Staff costs
  - 20 % of direct costs (excl. lump sum) up to EUR 1 000 000 (maximum EUR 100 000)
  - 10 % of direct costs (excl. lump sum) above EUR 1 000 000 (maximum EUR 150 000)
- Office and administration – 15 % of staff cost
- Travel and accommodation – 15% of staff cost

#### **REAL COSTS - OBLIGATORY**

- External expertise and services (except for communication lump sum)
- Equipment
- Infrastructure and works



### 1. Staff costs – FLAT RATE

- 20% of direct costs (excl. lump sum) up to EUR 1 000 000 (maximum EUR 100 000)
- 10% of direct costs (excl. lump sum) above EUR 1 000 000 (maximum EUR 150 000)

### Audit trail

Partners shall be required to attach a declaration to all Partner Report:

- stating that at least one employee is working on the project (in case the Partner organization has employees) OR
- about who is performing the managerial tasks based on other contracts eligible according to national legislation (in case the duties are not performed by direct employees of the applicant)



### 2. Office and administration – FLAT RATE

Office and administration expenditure covers operating and administrative expenses of the partner organisation necessary for the implementation of the project.

- 15% of staff cost
  - utilities, office supplies (costs of stationery, other small value supplies), accounting, cost of opening and administering the separate project bank account, charges of transnational financial transactions

#### Audit trail

Partners do not need to document that the expenditure has been incurred and paid.

### 3. Travel and accommodation – FLAT RATE

Expenditure on travel and accommodation costs for missions necessary for the project implementation.

- 15% of staff cost
  - Travel costs
  - Cost of meals
  - Accommodation costs
  - Visa costs and other documents required for the international travel
  - Daily allowances

#### Audit trail

Partners do not need to document that the expenditure has been incurred and paid. However, at least one travel related activity must be reported.

### 4. External expertise and services – REAL COST

External expertise and services are provided by a public or private body or a natural person outside of the partner organisation.

- Studies or surveys (e.g. evaluations, strategies, concept notes, design plans, handbooks);
- Training;
- Translation;
- IT systems and website development, maintenance, modifications and updates;
- Promotion, communication, publicity or information – including lump sum;

## ELIGIBILITY

### Expenditures – budget headings

- Participation, organisation and implementation of events or meetings;
- Consultancy services (financial expertise cannot overlap financial tasks covered by staff costs);
- Intellectual property rights;
- Travel and accommodation for external experts, speakers, chairpersons, etc.;
- Technical plans and permits (except building permits);
- Other specific expertise and services needed for the project.

**External project management cannot appear as service, it can only be covered by staff flat rate.**



### 5. Equipment – REAL COST

Equipment expenditure refers to equipment purchased or rented by a partner other than those covered by the cost category 'office and administration expenditure' and necessary for the implementation of the project.

- **Office equipment**
- IT hardware and software (clear project relevance is necessary);
- Furniture and fittings;
- Laboratory equipment; Machines and instruments,
- Tools or devices; Vehicles; Other specific equipment needed for the project;
- **No more rules of origin;**
- **Second-hand equipment may be purchase is special cases**
- Rent of equipment is eligible

### 6. Infrastructure and works – REAL COST

Costs incurred by the Partner for the execution of an infrastructure. Works expenditure may refer either to an object (e.g. building) that will be set up *ex-novo* or to the adaptation of an already existing infrastructure.

- purchase of land up to 10% of the total eligible expenditures for the project;
- building permits;
- building material;
- labour;
- specialised interventions (such as soil remediation, mine-clearing)

### Audit trail for real costs in general:

- Invoice;
  - Deliverables produced;
  - Proof of fulfilment;
  - Proof of payment;
  - Infrastructure related documentation
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- Evidence of the selection procedure (including contracts or written agreement where applicable with clear reference to the project and programme) – Procurement rules / National regulations



**REAL COSTS** for Staff costs,

**FLAT RATE** for costs other than staff costs, calculated as 40% of Staff costs.

- Full-time in the project (who works 100 % of the working time on a project);
- Part-time in the project (who works additionally in other projects or fulfils non-project related duties in the company):
  - Part-time with a fixed percentage of time per month dedicated to the project
  - Part-time with a flexible number of hours worked per month on the project
- Contracted for project purposes on an hourly basis

### **Audit trail:**

- Staff costs
- Obligatory visibility elements





No.	Budget lines	Category	Application activity	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)	Description
1	Staff costs	Real Cost					0,00	
1.1	Salary of staff - direct project management (Budget type B)	Real Cost					0,00	
1.2	Salary of staff - professional team members (Budget type B)	Real Cost					0,00	
1.3	Staff - Flat rate (Budget type A)	Flat Rate					0,00	Flat rate (%): 0,00
2	Office and administrative expenditure	Real Cost					0,00	
3	Travel and accommodation costs	Real Cost					0,00	
4	External expertise and services costs	Real Cost					0,00	
5	Equipment expenditure	Real Cost					0,00	
6	Infrastructure and works	Real Cost					0,00	
7	Other costs (Budget type B - 40% flat rate)	Flat Rate					0,00	Flat rate (%): 40,00
							0,00	

**THANK YOU FOR YOUR ATTENTION.**

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