

DEP4ALL Legal and Financial Infosheet

BUDGET CATEGORIES IN DIGITAL EUROPE PROGRAMME (DEP)

OBJECTIVE AND CONTENT OF THE INFOSHEET

The *Infosheet* aims to support all entities interested in DEP and especially applicants and beneficiaries with guidance on budget categories. The material explains the eligible budget categories in DEP and why it is important to properly assign project costs to them.

LEGAL BASIS AND OTHER DOCUMENTS TAKEN INTO ACCOUNT

- Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast), [Financial Regulation](#)
- Standard Application Form for the Digital Europe Programme, Version 2.0, 1.06.2022, [AF DEP](#)
- General Model Grant Agreement for the Digital Europe Programme, Version 1.0, 1.11.2024, [MGA DEP](#)
- Annotated Grant Agreement, Version 2.0, 1.04.2025, [AGA](#)
- Other relevant documents published on the EU Funding & Tenders Portal in section [Reference Documents](#), such as: Calls for proposals in Digital Europe Programme

BUDGET CATEGORIES

The project budget is broken down into budget categories. The budget categories indicate what kinds of costs you can include in the project budget and help you plan the budget at the stage of proposal preparation. They present the financial structure of your project that you need to follow during project implementation.

The *Call document* lists the budget categories eligible for the particular call topic. You can find this information under point *Budget categories and cost eligibility rules* of the call document.

When preparing your proposal, you need to put down in the application form all planned project costs under the budget categories allowed for the call topic. When your proposal is selected for funding, the *Grant Agreement* (GA) will list the eligible budget categories in its *Data Sheet* and will fix the amount of each budget category in the project budget (Annex 2 of the GA). During project implementation transfers between budget categories are possible but every change needs a justification. Significant changes that call into question the project selection decision are not allowed.

The GA states the general eligibility conditions for all costs and the specific eligibility conditions for each budget category. All costs must fulfil the cost eligibility conditions - more information on cost eligibility can be found in the [DEP4ALL Legal and Financial Infosheet on Cost Eligibility](#).

The *Call document* and the GA state the forms of funding to be used for each budget category (e.g. actual costs, unit costs, flat-rate financing).

When reporting, the costs incurred need to be reported consistently under the relevant budget categories.

BUDGET CATEGORIES APPLICABLE IN DEP

A. Personnel costs	
Description: Cover the work of people directly involved in the project. There are 4 subcategories accepted in DEP: A.1 Employees, A.2 Natural persons under direct contract, A.3 Seconded persons, A.4 SME owners and natural person beneficiaries. This category is explained in detail in the DEP4ALL Legal and Financial Infosheet on Eligibility and Calculation of Personnel Costs.	
B. Subcontracting costs	
Description	Examples
Refer to tasks that are part of the project but are outsourced to an external provider. Subcontracting must follow these rules: • is used for specific tasks that beneficiaries cannot perform themselves • follows procurement rules (best value for money, transparency) • concerns limited part of the project and cannot cover core project tasks unless justified	✓ hiring an external company to develop a software module ✓ contracting a training provider to deliver specialised courses ✓ external evaluation or audit services
C. Purchase costs	
Description: Cover goods, works and services purchased from outside the organisation when they are necessary for implementing the project. Concern purchase of concrete items to differentiate from subcontracting that is used for the realisation of more complex tasks of wider scope.	
C.1 Travel and subsistence	
Description	Examples
Costs related to travel necessary for project implementation.	✓ transport costs ✓ accommodation costs ✓ subsistence/ daily allowances

C.2 Equipment	
Description	Examples
Full cost purchase, leasing or depreciation of equipment, infrastructure or other assets used in the project. The call document states exactly what form of funding is applicable for the project.	✓ laboratory equipment ✓ hardware for AI or data processing ✓ software
C.3 Other goods, works and services	
Description	Examples
All other purchases that do not fit in categories C.1 and C.2 and are necessary for the project implementation.	✓ consumables and supplies ✓ services for meetings ✓ legal advice ✓ protection of results ✓ translations ✓ communication and dissemination services ✓ publications ✓ financial certificates and guarantees, if required
D. Other cost categories	
D.1 Financial support to third parties (FSTP/ cascade funding)	
Description	Examples
The FSTP is part of the project budget that the beneficiaries distribute to third parties that do not participate in the project consortium. For such cost to be allowed and to be part of the project budget this needs to be explicitly stated in the call document.	✓ funding for students to attend a master's programme ✓ support for internships, scholarships, etc. ✓ prizes in a competition ✓ grants for SMEs to participate in a training ✓ grants for SMEs to develop a cybersecurity application
D.2 Internally invoiced goods and services	
Description	Examples
Costs of goods or services provided internally within the beneficiary organisation.	✓ self-produced consumables (e.g. electronic wafers, chemicals) ✓ use of specific devices or facilities needed for the action (e.g. supercomputer facilities, electronic microscope)

• directly linked to the project implementation • must be valued by the Beneficiary as they are usually valued by him	✓ standardised analyses and testing ✓ not general administration costs
E. Indirect costs	
Description	Examples
Cover the beneficiary's general administrative costs that support the action but cannot be directly attributed to a specific project task. Indirect costs are calculated as a flat rate at the level of 7% of the project eligible direct costs.	✓ electricity ✓ rent of office space ✓ administrative costs ✓ accounting services ✓ use of infrastructure and services

Advice:

The assignment of some costs depends on the project scope – e.g. a software cost, if not a specific and significant project expenditure included in the project budget under budget category C.2, at the stage of project implementation could be assigned under budget category C.3.

If you have doubts to what budget category to assign a particular cost, contact your Project Officer or your DEP National Contact Point.

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