

DEP4ALL Legal and Financial Infosheet

ELIGIBILITY AND CALCULATION OF PERSONNEL COSTS 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 personnel cost eligibility and correct calculation and reporting of these costs. The document will specifically explain how to calculate correctly the actual personnel costs of employees - personnel costs category A.1.

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 1.0, 1.05.2024, [AGA](#)
- Other documents published on the EU Funding & Tenders Portal, [Reference Documents](#), such as: Calls for proposals in Digital Europe Programme, Decisions on unit costs, EU grants declaration of days worked on a project (*time declaration*), Version 1.2, 15.04.2024

ELIGIBILITY OF PERSONNEL COSTS

The categories of costs considered as eligible for European Commission funding are specified in the calls for proposals. In order to determine exactly the situation regarding your project proposal you need to carefully read the *Call document* written specifically for the call you are interested in. In its point *budget categories and cost eligibility rules* you will find what types of personnel costs are eligible in the particular call.

When your proposal is selected for funding, the Grant Agreement (GA) will list the eligible budget categories in its *Data Sheet*. The GA cannot contain any costs that were not indicated in the proposal.

Possible categories of eligible personnel costs:

- **A.1 Employees or equivalent** - personnel working under an employment contract (or equivalent act, e.g. for civil servants) and assigned to the action,
- **A.2 Natural persons under direct contract** - self-employed persons working under a direct contract other than an employment contract (e.g. in-house consultant),
- **A.3 Seconded persons** – persons seconded (temporary transferred) by a third party against payment (e.g. civil servant working as a professor in a public university),
- **A.4 SME owners and natural person beneficiaries** – owners of beneficiaries, that are SME, not receiving a salary, and natural persons, that are beneficiaries, not receiving a salary.

You can usually report **actual personnel costs** or **average personnel costs** (unit costs according to usual cost accounting practices):

- the reporting method needs to be chosen at the beginning of project implementation,
- when reporting costs in the form of average personnel costs, ensure that your cost accounting practice is applied in a consistent manner, based on objective criteria, regardless of the source of funding.

General eligibility conditions for all costs, including personnel costs

To be eligible all costs need to be:

- included in the project budget stated in the GA
- incurred by the beneficiary in the period of project implementation
- necessary for the project as it is described in the GA
- identifiable and verifiable, recorded in the beneficiary's accounts in accordance with its national accounting standards and its usual practice
- in line with the applicable national law on taxes, labour and social security
- reasonable and justified, resulting from sound financial management

There are **specific eligibility conditions** for personnel costs, according to who works on the project and under what contract (see specific conditions for personnel costs categories A.2 - A.4 in the GA and AGA).

Specific eligibility conditions for personnel costs of employees (or equivalent) – cat. A.1

Costs need to be:

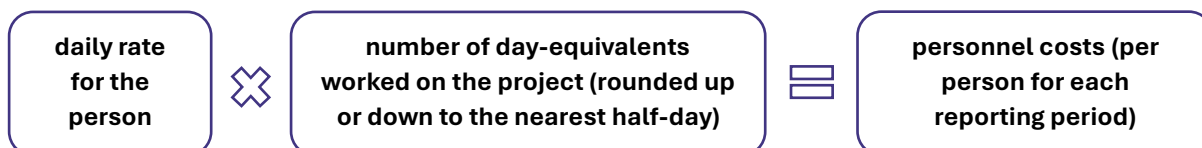
- related to personnel working for the beneficiary (under an employment contract or equivalent appointing act) and assigned to the project
- in line with the employment contract (or equivalent appointing act)
- in line with the beneficiary's usual remuneration practices
- paid in a consistent manner whenever the same kind of work is required
- based on objective criteria (defining who receives how much for what kind of work/ on the base of what criteria)

Eligible personnel costs	Non-eligible personnel costs
<ul style="list-style-type: none"> • salaries • fixed complements for which the person is entitled, such as holiday allowance, transport allowance, telework allowance and others applied consistently by the beneficiary • social security contributions, taxes and other costs linked to the remuneration • variable complements based on objective criteria and paid in consistent manner 	<ul style="list-style-type: none"> • costs of staff provided by a temporary work agency or self-employed persons - in cat. A.1 • remuneration which is not an actual cost for the beneficiary, such as personnel costs during parental leave (due to reimbursements by the social security authority) • payments of dividends (profit distribution in the form of dividends) • variable complements based on commercial or fund raising targets • arbitrary bonuses (not paid based on objective conditions and in consistent manner) • bonuses that depend on budget availability in the project

CALCULATION OF ACTUAL PERSONNEL COSTS OF EMPLOYEES (OR EQUIVALENT) - CAT. A.1

Provisions for reporting average personnel costs and personnel cost categories A.2, A.3 and A.4 are stated in article 6 and Annex 2a of the GA and additionally explained in the AGA.

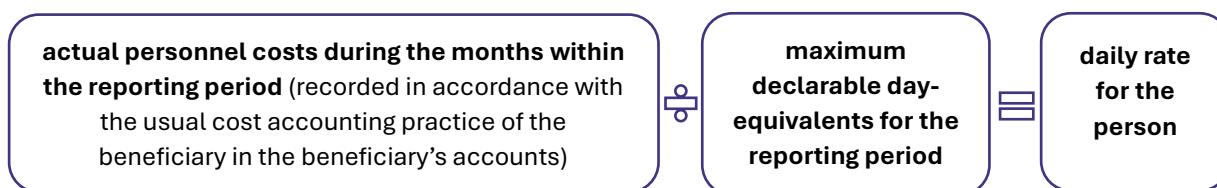
The calculation of the personnel costs is done once for a reporting period, after its ending, according to the following formula:



Reporting period is often not equal to a calendar year. Making one calculation for the whole reporting period is the easiest calculating way. However, it is also possible to make separate calculation for each calendar year (or part of it, depending on the project implementation period) and then to add the personnel costs of these calculations. Apply the chosen method consistently through the whole project implementation period!

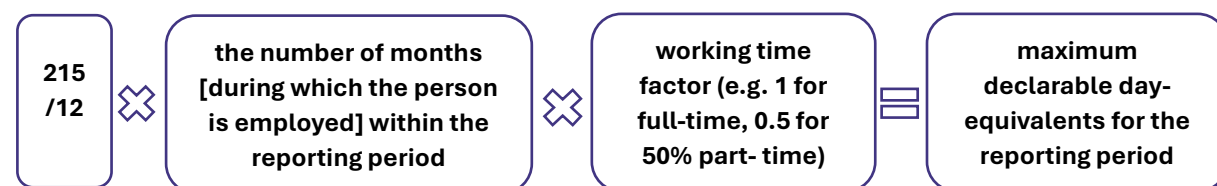
Daily rate

The daily rate needs to be calculated for the whole reporting period. The calculation is the following:



Maximum declarable day-equivalents

The maximum declarable day-equivalents for a year are 215. The maximum declarable day-equivalents for a reporting period are calculated as follows:



Important notes for correct calculation of the maximum declarable day-equivalents:

- Round up or down to the nearest half day-equivalent.
- When person starts/ stops working for a project during the reporting period - take into account only the time when the person was hired to work on the project.
- The month is considered to have 30 days for the calculation - important when a person starts/ stops working on another date than the first/ last day of the month.
- When the working time factor changes for the person during the reporting period (e.g. a change from part-time to full-time) - calculate the maximum declarable day-equivalents separately for the months before and after the change and add them up afterwards to obtain the maximum declarable day-equivalents for the reporting period.

Example: In the reporting period from 01/01/2025 to 30/04/2026 a person starts working on the project half-time on 1/06/2025. The number of months for the calculation of the max declarable day-equivalents is accordingly 11 (not 16). The actual personnel costs of the person in the period are 18 000 euro.

$((215/12) \times 11) \times 0.5 = 98,5$ (max declarable day-equivalents rounded to the nearest half-day equivalent)

*18 000 euro : 98,5 max day-equivalents = 182,74 euro (**the daily rate**)*

If the person starts working not on 1/06/2025 but on 10/06/2025, the number of months for the calculation is: 21/30 for June + 10 whole months = 10,7 months.

Number of day-equivalents worked on the project

This is the sum of the day-equivalents: **actually worked for the project** and **recorded in the monthly time declarations** (template available [here](#)) or in a reliable time-recording system.

Important notes for correct estimation of the day-equivalents worked on the project:

- The total number of day-equivalents, for a person for a year, cannot be higher than 215.
- The time worked on the project must be supported by evidence, such as signed *monthly time declarations*, time sheets.
- Make the choice between time-recording in days or in hours at the beginning of the project and apply it consistently throughout the whole project duration and regarding all persons working on the project!

Time-recording system in days vs. hours:

Days	Hours
<ul style="list-style-type: none"> • You can use the <i>monthly time declaration</i> • 1 day = number of hours that a full-time employee has to work in a standard day (e.g. 8 hours) • In the <i>monthly time declaration</i> you cannot round the time to the nearest half-day. The rounding rule applies only for the costs' calculation <p><i>Example: A person has an 8-hours working day. In September 2024 the person worked on the project 5 full days and another 3 days per 2 hours. This results into 5,75 days in Sep 2024.</i></p>	<ul style="list-style-type: none"> • The total hours worked on the project need to be converted into day-equivalents – once, after the end of the reporting period • To convert, you need to determine the number of hours of a day-equivalent for the person; the value depends on your national labour legislation and the person's employment contract (more specific information and examples of determining the number of hours of a day-equivalent can be found in article 20 of the AGA) • The result of converting working hours into day-equivalents must be rounded up or down to the nearest half-day (e.g. 17,79 = 18 day-equivalents; 17,64 = 17,5 day-equivalents) <p><i>Example: A person worked on the project 680 hours in the reporting period. A day-equivalent of this person is equal to 7,5 hours according to the person's employment contract. 680h : 7,5h = 90,5 day equivalents (90,67 rounded to the nearest half-day).</i></p>

Finally, remember to:

- ✓ report your costs in euro (article 21 of the GA),
- ✓ apply the co-funding rate stated in the GA to the calculated amount,
- ✓ keep your records/ supporting documents for 5 years after final payment and until the end of any audit/ control activities started in this period.