



# Budgeting personnel costs for Horizon Europe

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# Agenda

- Personnel costs in the HE corporate MGA budget table
- Which changes from H2020 to Horizon Europe (HE) are important for budgeting personnel costs?
- Calculating personnel costs in proposals as a beneficiary
- Budgeting personnel costs in proposals as a Coordinator
- Strategies for development of your budgeting tools
- What seems unclear at the moment?
- Where to look for clues and guidance?

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# Personnel costs in the HE corporate MGA budget table

## ○ Available sub-categories of direct personnel costs

	Actual costs	Unit costs
A.1 Employees (or equivalent)	✓	✓
A.2 Natural persons under direct contract	✓	✓
A.3 Seconded persons	✓	✓
A.4 SME owners and natural person beneficiaries	X	✓

○ Seconded persons = Contributions by 3<sup>rd</sup> party against payment

○ SMEs may have personnel costs as unit costs for SME owners in combination with any of the other categories

# Which changes from H2020 to Horizon Europe (HE) are important for budgeting personnel costs?

## ○ Corporate daily rate

- In most cases, not significant for the budget
- Normally, **person months** is the unit of measurement when planning effort for proposals
- Estimates of costs per person month are not significantly affected by the switch from hourly to daily rates for reporting

## ○ Project-based remuneration

- Pay attention to HEU rules and ceiling
  - Usual remuneration practices of a legal entity under which personnel receives supplementary payments for work in projects
  - Actual remuneration costs paid for the time worked by the personnel for the project ('action daily rate') up to the remuneration that the person would be paid for work in R&I projects funded by national schemes ('national projects daily rate')

# Calculating personnel costs in proposals as a beneficiary

- Assess whether your organisation qualifies for and will use:
  - Actual costs?
  - Unit costs?
- Determine whether your organisation will use any of the following personnel categories in the project
  - Natural persons under direct contract
  - Seconded persons
- If your organisation is an SME
  - Project work done by SME owners not receiving a salary may be reimbursed based on unit costs for SME owners
  - If other personnel is involved, choose personnel cost category according to the rules
- Use a consistent methodology to include a realistic estimate of salary increases
- If your organisation is based in a non-EUR country:
  - Use a realistic exchange rate estimate for the project implementation period

# Budgeting personnel costs in proposals as a Coordinator

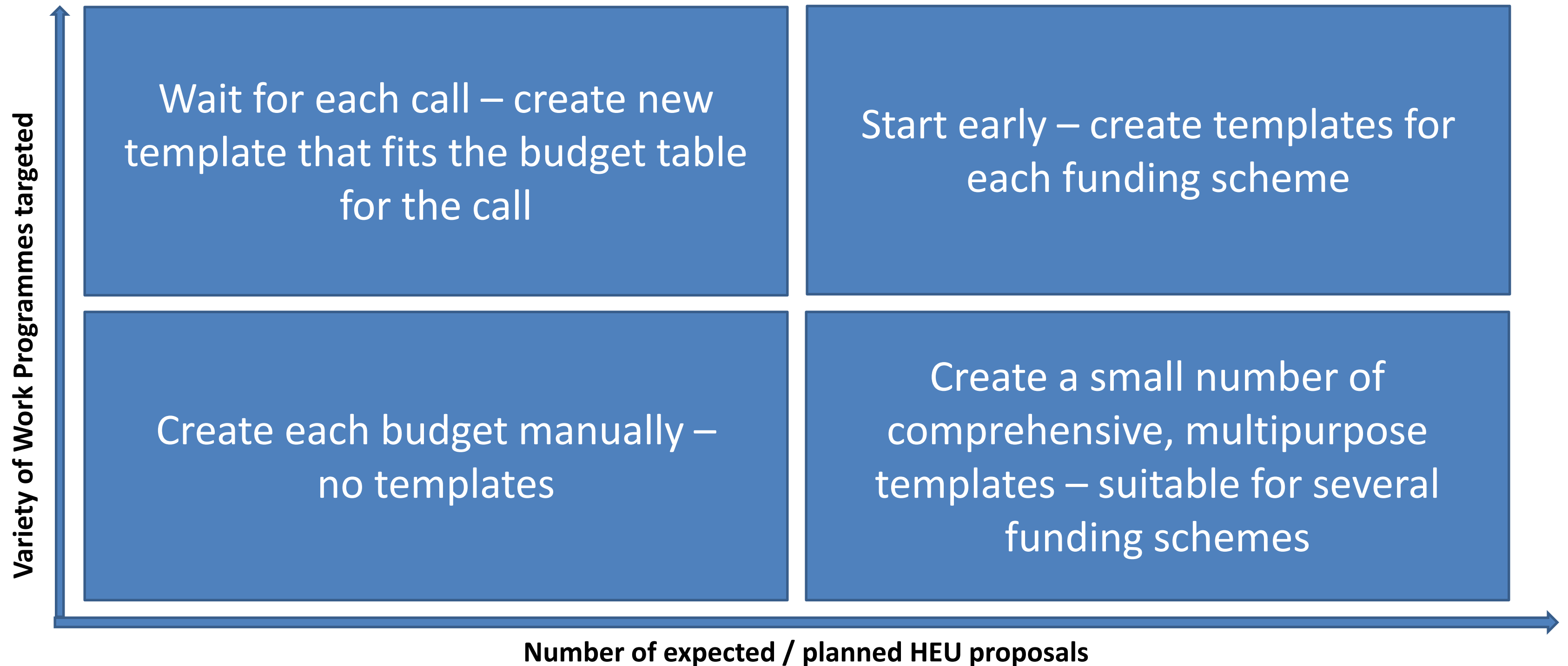
- Collect estimates of direct personnel costs per person month from beneficiaries
- Collect data regarding sub-categories within personnel costs during the proposal stage
  - This will be required for the grant preparation stage\*
- Verify respective national unit costs for SME owners

\* *Source:* E-mail from EU portal to applicants for the EIC Pathfinder Open 2021 call:

*“In the budget table, under “Personnel Costs” you should provide the consolidated amount for all different categories of personnel costs (i.e. Employees, Natural persons under direct contract, Seconded persons, SME owners and natural person beneficiaries).*

*In the case the project is selected for funding you will have to provide the data for the different personnel categories.”*

# Strategies for development of your budgeting tools



# What seems unclear at the moment?

## ○ Seconded persons

- Only direct costs for the 3<sup>rd</sup> party to be included
- Indirect costs calculated on top via the 25% HEU flat rate
- Will there be a requirement that they work on the premises of the beneficiary?



# Where to look for clues and guidance?

- Annotated Model Grant Agreement
  - Not published yet
- Proposal template
- Budget table/window/web form in the EU “Funding & tender opportunities” portal
  - <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/home>
  - Look for budget tips in the online form
  - e.g., buttons/icons which may be clicked to reveal additional information
- Call specific updates from the EU in the EU portal or by e-mail
- Corporate (General) Model Grant Agreement (MGA)
- Work Programme specific Model Grant Agreement (MGA)

# Questions?



Thank you for your attention!