

CALCULATION METHOD FOR INDIRECT ADMINISTRATIVE COSTS

REMINDER OF THE RULE (Article 51 of Implementing Regulation):

1. Indirect costs may be calculated on a flat rate up to 7% of eligible direct costs, excluding costs incurred in relation to the provision of infrastructure, provided that the rate is calculated on the basis of a fair, equitable and verifiable calculation method.
2. As indirect costs for a project shall be considered those eligible costs which may not be identified as specific costs directly linked to the implementation of the project and may not be booked to it directly (...). They may not include ineligible costs or costs (...) already declared under another cost item or heading of the budget of the project.

DESCRIPTION OF THE METHOD :

The method will be based in the application, mutatis mutandis, of the rate of the administrative costs over the projects equivalent direct costs (excluding infrastructure) at the level of the whole organisation, with a maximum of up to 7%.

The method will use the following steps:

1. Estimation of each type of indirect costs, as follows:
 - 1.1 Calculation of **project office space**: by dividing square meters used for the project office space to the total building surface *100 = % . The total surface space will exclude the related halls, canteens, administrative spaces, etc. The cost of these spaces will be automatically populated into the project by applying the percentages obtained to other types of costs (ex. insurance and security, heating, cleaning, maintenance of the office, etc).
 - 1.2 Project utilities = total value of the invoice (for the total building space) * percentage of the project office space. When estimating the value for these types of costs, you shall take into account the market value and/or the average costs of the invoices for these expenditures issued by the relevant utilities providers in the last previous 6 months (calculated from the month when submitting the application).
2. Calculation of the rate and check that it is not higher than 7%.

ADMINISTRATIVE COSTS

| Type of costs | Value |
|--|-------|
| Postal services, courier and similar | |
| Archives | |
| Office supplies and other consumables | |
| Maintenance of the office | |
| Office renting or depreciation of owned premises | |
| Insurances and security | |
| Telephone | |
| Electricity | |
| Heating | |
| Cleaning | |
| Bank charges | |
| Other (please specify) | |
| TOTAL ADMINISTRATIVE COSTS | - |

DIRECT COSTS

| Type of costs | Value |
|---------------------------|-------|
| 1. Staff costs | |
| 2. Travel costs | |
| 3. Equipment and supplies | |
| 4. Services | |
| TOTAL DIRECT COSTS | - |

| | |
|--------------------------------|------------------|
| Total indirect costs | - |
| Total direct costs | - |
| Rate for indirect costs | #DZIEL/0! |

#DZIEL/0!

EXAMPLES FOR CALCULATION OF ADMINISTRATIVE COSTS

| <i>Type of costs</i> | <i>Example 1</i> | <i>Example 2</i> |
|---|------------------|------------------|
| 1. Staff costs | 230 000,00 | 270 000,00 |
| 2. Travel costs | 2 000,00 | 2 000,00 |
| 3. Equipment and supplies | 650 000,00 | 650 000,00 |
| 4. Services | 100 000,00 | 100 000,00 |
| Total direct costs without infrastructure component | 982 000,00 | 1 022 000,00 |
| Postal services, courier and similar | 3 500,00 | 2 500,00 |
| Archives | 2 500,00 | 2 000,00 |
| Office supplies and other consumables | 5 500,00 | 5 000,00 |
| Maintenance of the office | 2 000,00 | 2 000,00 |
| Office renting or depreciation of owned premises | 35 000,00 | 30 000,00 |
| Insurances | 1 000,00 | 1 000,00 |
| Telephone | 3 500,00 | 3 500,00 |
| Electricity | 3 000,00 | 3 000,00 |
| Heating | 3 500,00 | 3 000,00 |
| Cleaning | 2 500,00 | 2 500,00 |
| Bank charges | 500,00 | 500,00 |
| Other (please specify) | 16 000,00 | 15 000,00 |
| Total estimated administrative costs | 78 500,00 | 70 000,00 |
| The flat rate for the administrative costs (maximum 7% of the total direct costs) | 7,99 | 6,85 |
| Accepted flat rate for the project | 7,00 | 6,85 |
| Revised estimated administrative costs | 68 740,00 | 70 000,00 |
| Total Project budget (initial, before verifying the maximum percentage) | 1 060 500,00 | 1 092 000,00 |
| Total Project eligible* budget | 1 050 740,00 | 1 092 000,00 |

**Eligibility of the costs will be established based on the provisions of Section 6 in the Programme Manual.*