The Beneficiary - a public University - incurred the following costs for the reporting period: 1 January 2024 – 31.05.2025:

1. Personnel Costs for the 3 people as bellow:
	1. Anabel:
		1. Recruited 04 March 2024 and not terminated
		2. Work Schedule 100%
		3. The person shares her time with other projects, 40% of her time on this project and 60% on other projects.
		4. Total personnel costs incurred for the person for the period is 100000 euro for the main contract.
		5. Additional project-related payment 42923 euro
	2. Boris:
		1. Was employed at the Start Date of the reporting period
		2. Work Schedule 50%
		3. Exclusively working on the project
		4. Total costs incurred under the main contract is 75000 euro
		5. Additional project-related payment 14500 euro
	3. Candice:
		1. Was employed at the Start Date of the reporting period
		2. Terminated his contract on 6 April 2025
		3. Work Schedule 70%
		4. Worked 20% of his time on this project in 2024 and 50% of his time on this project in the first months of 2025.
		5. Changed the Work Schedule to 100% as of 1 January 2025.
		6. Total cost incurred under the main contract is 49000 euro
		7. Additional project-related payment 10000 euro
	4. Daniel:
		1. Was employed at the Start Date of the reporting period
		2. Has a project-specific contract, in addition to his principal employment contract, where he is contracted for 2 additional hours per day, as time to work on the project, after normal working hours
		3. Total costs incurred under the main contract is 100000
		4. The project specific remuneration costs incurred on his project time for the reporting period is 45000 euro
2. Because of participation in the research project, the University received a governmental subsidy for the year 2024 of 78000 euro.
3. Purchases:
	1. Kick-Off Meeting for 2 days in Bucharest, travel from Greece to Romania from 17th to 20th January 2024, the meeting took place on 18th and 19th, the following costs were incurred:
		1. Train tickets from a nearby town to Athens for the 17th January, 15,60 euro
		2. Air-tickets 17-20 January 2024 for 459 euro
		3. Air BNB booking for the nights between 17 and 20: total 312,12 euro
		4. Meals and local transport tickets 118 euro
	2. Other travels:
		1. Athens – Budapest, March, Attending a Collaborative meeting with project partners leading WP3, 2 persons (Person AA and Person AB):
			1. Air-tickets 459,59 euro, VAT exc, per person
			2. Accommodation at Holiday Inn, for 4 nights, 312 euro per person
			3. Meals and Local transportation: 227,12 per person
		2. International Forum meeting on a topic close to the project’s objectives, Istanbul November 2024, Person AA:
			1. Air-tickets 569,89 Vat excl.; Taxi from the Istanbul Airport to the hotel.
			2. Accommodation at a hotel, 3 nights, 376,13 euro VAT excl
			3. Meals and local transportation: 306,52 euro
	3. Participation in Conference for Anabel and Daniel
		1. Registration Fee for the two 300 euro, not including VAT
	4. Contracting a video producer for Delivery 6.1 in WP 6 Dissemination for 15000 euro, VAT Excluding
	5. Purchase of a subscription in the Institute for Professional Standards, purchase made on the 19.12.2023, but the subscription is for 12 months 3100 euro, VAT excluding
	6. Invoices for Translation services (from English) for translating and presenting two Progress Reports on the Q3 Progress to local languages Greek, Romanian and Hungarian. The three invoices, not including VAT, are from three different translators:
		1. 710 euro
		2. 677 euro
		3. 550 euro
	7. Purchase of Printing Service for 300 flyers in colour, for 4000 euro, VAT excl
	8. Purchase of two Workstations with special capacity to process big data, heavy editing applications, for identifying plants, insects and birds, editing picture files and storing them, two at the price of 6590 euro, VAT excluding. Depreciable period 24 months, exclusively used on the project, for the 10 months as of 1st August 2024 until 31 May 2025.
	9. Contract with a consultancy company for advices and trainings in financial management of EU funding, for 20,000 euro for the period 1 April 2024 – 30 April 2025, from a foreign provider, established in the EU.
	10. License for 365 Office for 1 January 2024 for a yearly subscription 120 euro, VAT excl.
	11. Purchase of Zoom license for 5 users, for a yearly subscription, starting from 1 February 2024: 368 euro, VAT excl (NOT Eligible as this is technical capacity = indirect costs)
	12. Printing of Two Banners with the project logo and branding content 430 euro, VAT excl.
	13. Contract with the assurance provider for the Certificate of the Financial Statement, signed in December 2024: 9468 euro, VAT excl.

Question 1

**Which is the cost type - Direct or Indirect?**

As a usual accounting practice, the organisation applies a multi-office support cost structure:

* + HQ provide financial and managerial support
	+ Regional offices provide technical support
	+ Country offices implement the (EU and other) projects
	+ Operating costs are office rent, utilities, communication, shared professional services
	+ The HQ and Regional offices allocate a fair share of “in-country” indirect costs as direct costs, based on a dedicated level of effort, to support their Country offices.

**ANSWER** : Indirect costs

Question 2

**Eligible personnel costs**

1. Can we report the personnel costs for a person acting as a liaison officer with the EC auditors, for a project that has been closed one year ago?
2. And during the project duration, can the time on the preparation of the audit documents (filling tables in, printing, copying, finding the relevant accounting records, etc.) be used for calculating project costs?

**ANSWER:** Only if the person’s time is assigned to work on the project, his time is invested in certain Work Package and Task number in the WP, i.e. for project-defined tasks, and within the project duration or up to the two months for the drafting of the Final Report after the project duration.

Administrative tasks are generally not direct costs (as cannot be directly measured).

Question 3

**Deviation from budget:**

The University originally planned to engage external experts to support management of a project task, with an allocated budget of €9,000 for this task.

Can the University cover this activity by assigning new staff from the University to work on the task and thus use the budget for the C3. Other Goods, Works and Services category to the A. Staff Costs category without an amendment? This would involve reallocating €9,600, equivalent to 3 PM.

**ANSWER**: Yes, under the rules for budget flexibility.

Question 4

**Deviation from Description of the Action:**

As part of the project tasks, it was foreseen to develop a phone application to educate with games and interactions teenagers how they can help reviving their river basin environment. The app is to support the objectives of the project that targets developing municipalities operational capacity and their mission in preserving the green areas and habitat of a major river in their region.

However, it turned out that the mobile Internet connection in those municipalities is not effective and very few, irregular or no users would be using the app. That is why the Beneficiary decided to produce colourful playbooks and toolset with interactive educational materials, that would be distributed to schools, libraries, and administrative establishments working with teenagers.

What should be considered for this deviation from the Description of the Action, to ensure that costs incurred for the project work would still be eligible?

**ANSWER**: If the project impact objectives continue to be pursued and achieved, this is perfectly possible.

Question 5

**External experts**

A person is established as a legal entity, with one employee assistant to support him. He is involved in EU projects as a driving force, coordinating a lot of project players, building and maintain professional network, writing the proposal, and representing the Consortium to international professional arena.

His personnel costs, travel costs and other direct are to be reported under the projects, but his entity is not a direct beneficiary.

He is also a Board Member of the Board of Directors at one of the beneficiaries, and the two entities are cooperating regularly for many EU and other projects. The other beneficiary reimburses the person’s personal effort, travel and other costs and presents them as their own costs on the project.

What are the options?

* Subcontracting
* Affiliated Entity
* A4. SME Owner
* A2. In-house consultant
* C3. Other direct costs (Service provider)

**ANSWER:** Risk of possible conflict of interests (for the decision of financial commitment to the person). If mechanism is in place to control and manage that risk, the person can be participating as a subcontractor, even if affiliated to the beneficiary.