

## Support for staff cost

### How to use this document?

This document is for the (potential) project partners and can be used as a support in budgeting but especially for reporting staff costs. Programme Manual defines different methods how staff costs can be reported. This document provides supporting questions and an example of how to calculate the staff cost for each of the methods.

The questions reflect the rules defined in the Programme Manual. Supporting questions have been defined to verify that the partner can use the specific method for reporting staff costs correctly. Each question or statement should be answered with “yes” for the chosen method to be applicable for the partner and implement it correctly. If the answer for one question would be “no”, the method cannot be used. Please note, that some of the questions are only relevant for the implementation phase.

### A few definitions

**Gross employment cost** = brutto salary (the salary specified in the work contract) + employers contribution to social security (that is not reimbursed by any other sources for the employer) + holiday pay and allowance (if applicable) + taxable benefits in line with national & organisational practises - compensation from social security funds (if applicable, i.e. in case of sick leaves)

**Employment document** refers to employment contract or appointment decision setting up the conditions for the work. The appointment decision is needed if the work contract does not specifically state the responsibilities in the project and the work time dedicated to the project. Also collaborative labour agreements form a part of employment document if such agreement is in place on national level.

**Time registration system** refers to an internal system, where the employee records his/her work time divided into specific tasks (e.g. different projects). A system that is used for recording hours in general is not enough.

**“Based on real costs”** means that the Programme does not use flat rate or standard scale of unit costs for staff costs. It also means that when reporting, the **calculation is always based on real costs**.

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## Full-time

### Supporting questions

- Is the reported staff in line with the Application Form or approved by the project contact person?
- Is the person working solely for the project?
- Does the person have an employment document (a contract, or an appointment decision) to work full time for the project?
- Does the person have a job description with tasks related to the project?
- Are all staff related costs taken into account for the gross employment cost?

### Calculation of the salary costs

100 % of gross employment cost is allocated to the project, so no specific calculation method is used.

### Bear in mind

- Time registration is not needed for the person.
- Full time for the project can also mean 80% work time, but solely for the project.
- If this is not specified in the work contract, the appointment decision for a full time person can state e.g. “**NN works 100% on the CBXX PROJECT for period DD.MM.YYYY-DD.MM.YYYY.**”

## Part-time with a fixed percentage

### Supporting questions

- Is the reported staff in line with the Application Form or approved by the project contact person?
- Does the person have an employment document (a contract, or an appointment decision) to work for the project?
- Does the person have a job description with tasks related to the project?
- Is there a document fixing the share (%) that the person works for the project?
- Are all staff related costs taken into account for the gross employment cost?

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### Calculation of the salary costs

The defined % of gross employment cost is allocated to the project. The cost to the project is calculated with the formula:

- the gross employment cost per month \* the defined % for the project

For example

- gross employment cost per month 4.000 €
- defined work time for the project 25 %
- cost for the project:  $4.000 \text{ €} * 25 \% = 1.000 \text{ €}$

### Bear in mind

- Time registration is not needed for the person.
- If this is not specified in the work contract, the appointment decision for a part time person can state e.g. “**NN works 25% on the CBXX PROJECT for period DD.MM.YYYY-DD.MM.YYYY.**”

### Part-time with flexible hours, based on the monthly working time

#### Supporting questions

- Is the reported staff in line with the Application Form or approved by the project contact person?
- Does the person have an employment document, a contract, or an appointment to work for the project?
- Is the **working time of the person defined per month** (not per week, for example) in the above-mentioned document or a document of equal value?
- Does the person have a job description with tasks related to the project?
- Does the person have timesheets to show the number of worked hours?
- Does the timesheet meet the requirements of the programme?
- Does the timesheet cover 100% of the person's working time?
- Are only actually worked hours marked for the project in the timesheet and holidays or sick leave etc are excluded?
- Are all staff related costs taken into account for the gross employment cost?

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### Calculation of the salary costs

The calculation of the staff cost to the project is made in two steps:

- 1) the hourly rate calculated as the monthly gross employment cost/number of hours per month as fixed in the employment document
- 2) the above hourly rate is multiplied with the hours worked per month for the project from the time registration

For example:

- gross employment cost per month 4.000 €
  - defined monthly work time in the employment document 152 h
  - work time for the project according to time registration 43 h in a specific month
- 1) hourly rate:  $4.000 \text{ €} / 152 \text{ h} = 26,32 \text{ €/h}$
  - 2) cost for the project :  $43 \text{ h} * 26,32 \text{ €/h} = 1.131,76 \text{ €}$

### Bear in mind

- Time registration for 100 % work time is required.
- Monthly working time must be stated in the employment documentation; monthly working time can also be set in the collaborative labor agreement
- If this is not specified in the work contract, the appointment decision for a part time person with flexible amount of hours can state e.g. “**NN works between 20 and 100 hours per month on the CBXX PROJECT for period DD.MM.YYYY-DD.MM.YYYY.**” or “**NN works 250 hours on the CBXX PROJECT during the project duration time (DD.MM.YYYY- DD.MM.YYYY).**”

### Part-time with flexible hours, based on standard number of 1720 as annual working time

#### Supporting questions

- Is the reported staff in line with the Application Form or approved by the project contact person?

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- Does the person have an employment document (a contract, or an appointment decision) to work for the project?
- Does the person have a job description with tasks related to the project?
- Is a **documented gross employment cost available for a consecutive 12-month period counting back from the start of the reporting period?**
- Does the person have timesheets to show the number of worked hours?
- Does the timesheet meet the requirements of the programme?
- Does the timesheet cover 100% of the person's working time?
- Are only actually worked hours marked for the project in the timesheet and holidays or sick leave etc. not included?
- Are all staff related costs taken into account for the gross employment cost?

### Calculation of the salary costs

The calculation of the staff cost to the project is made in two steps:

- 1) the hourly rate is calculated as the latest documented annual gross employment cost/1720 h
- 2) the above hourly rate is multiplied with the hours worked per month for the project from the time registration

For example:

- latest documented annual gross employment cost 45.000 €
- work time for the project according to time registration 43 h

- 1) hourly rate:  $45.000 \text{ €} / 1720 \text{ h} = 26,16 \text{ €/h}$
- 2) cost for the project :  $43 \text{ h} * 26,16 \text{ €/h} = 1.124,88 \text{ €}$

### Bear in mind

- Time registration for 100 % work time is required.
- If this is not specified in the work contract, the appointment decision for part time person with flexible amount of hours can state e.g. **“NN works between 20 and 100 hours per month on the CBXX PROJECT for period DD.MM.YYYY-DD.MM.YYYY.”** or **“NN works 250 hours on the CBXX PROJECT during the project duration time (DD.MM.YYYY- DD.MM.YYYY).”**
- It is not possible to use this option if the gross employment cost for a consecutive 12-month period counting back from the start of the reporting period is not available.

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## Contracted on an hourly basis

### Supporting questions

- Is the reported staff in line with the Application Form or approved by the project contact person?
- Does the person have an employment document, a contract, or an appointment to work for the project?
- Does the person have a job description with tasks related to the project?
- Is the **hourly rate fixed in the employment document?**
- Is the hourly rate (with corresponding social security costs) multiplied with the hours worked per month and is the sum of this calculation reported by the partner as cost for this month?
- Does the person have timesheets to show the number of worked hours?
- Does the timesheet meet the requirements of the programme?

### Calculation of the salary costs

The hourly rate (with corresponding social security costs) is multiplied with the hours worked per month.

### Bear in mind

- Time registration providing information on the number of hours spent per month on the project is required.