



# Provisional budget calculation for the project

## Provisional budget calculation

The provisional budget supporting the application is a key element considered in the evaluation of any proposals. Indeed, the accuracy and coherence of the estimated costs is proof of well conceived project.

- ☞ You must avoid the following weaknesses:
  - roughly estimated costs,
  - salaried costs not in line with the internal salaries grid of your organisation,
  - overestimated costs with regard to existing labour and market prices,
  - estimated costs not supported by a sufficient level of explanatory details,
  - etc.

Some specific principles must be considered:

### A. The budget coherence

The budget details of the provisional budget must be included in your application **at two levels**:

- In the automated form available in SEP

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3 Budget Show

→

3 - Budget

| No.   | Name of beneficiary                       | Country | Rate       | Personnel costs without replacement EUR | Subcontracting costs EUR | Purchase costs - Travel and subsistence EUR | Purchase costs - Equipment EUR | Purchase costs - Other goods, works and services EUR | Financial support to third parties EUR | Indirect costs EUR | Total eligible costs EUR | Ineligible costs EUR | Total estimated project costs and contributions EUR | Funding rate | Maximum EU contribution as % eligible costs EUR | Proposed EU contribution as % eligible costs EUR | Max grant amount EUR | Income generated by the project EUR | In kind contributions EUR | Financial contribution EUR | Other resources EUR | Total allocated project amount EUR |      |
|-------|---|---------|------------|---|--------------------------|---|--------------------------------|--|--|--------------------|--------------------------|----------------------|---|--------------|---|--|----------------------|-------------------------------------|---------------------------|----------------------------|---------------------|------------------------------------|------|
| 1     | Inter Counting Soc                        | BE      | Costanza   | 0                                       | 0                        | 0   | 0                              | 0  | 0                                      | 0.00               | 0.00                     | 0                    | 0   | 80           | 0.00  | 0.00   | 0.00                 | 0                                   | 0                         | 0                          | 0                   | 0                                  | 0.00 |
| 2     | France Habitat Habitat                    | FR      | Affiliated | 0                                       | 0                        | 0   | 0                              | 0  | 0                                      | 0.00               | 0.00                     | 0                    | 0   | 80           | 0.00  | 0.00   | 0.00                 | 0                                   | 0                         | 0                          | 0                   | 0                                  | 0.00 |
| 3     | Région Flandre - Economie et Business Net | BE      | Affiliated | 0                                       | 0                        | 0   | 0                              | 0  | 0                                      | 0.00               | 0.00                     | 0                    | 0   | 80           | 0.00  | 0.00   | 0.00                 | 0                                   | 0                         | 0                          | 0                   | 0                                  | 0.00 |
| Total |   |         |            | 0                                       | 0                        | 0   | 0                              | 0  | 0                                      | 0.00               | 0.00                     | 0                    | 0   | 0            | 0.00  | 0.00   | 0.00                 | 0                                   | 0                         | 0                          | 0                   | 0                                  | 0.00 |

- ☞ Due to IT reasons, the amounts encoded must be rounded.
- ☞ The amounts indicated by heading will be the project's aggregated amounts (merging coordinator and Affiliated Entities budget).

- 👉 For travel costs, accommodation costs can be included in the '*subsistence costs*' column.
- 👉 The applicant must ensure that the column 'Request EU contribution ...' is duly filled in.
- 👉 The figures encoded in this form will be considered as the project's budget. These figures will be the basis of the future Grant Agreement (in case your project would be selected to be financed).

- **In the detailed (excel) budget table**

Very precise figures and justificatory details will be compulsory by Work Package and by heading of costs.

- 👉 In case of multiple Affiliated Entities, one global detailed excel budget table will contain several different worksheets showing the details by organisation.  
**See instructions in the excel table tab '1. Instructions'. In summary**
- 👉 **Create the Work Packages in tab '2. Start'**
  - **Duplicate the tab '3. Detailed table' in order to have one detailed budget for each organisation (COO + each AE).**
    - Duplicate the tab '4. Consolid table (participant)' in order to have one detailed budget for each organisation (COO + each AE).
      - Fill in carefully and with extended details each '3. Detailed table' and '4. Consolid table (participant)'.
        - Check/fill in the tab '5. Consolid table (project)' that would show the amount by headings for each organisation involved.
- 👉 This detailed budget must present a perfect coherence in the heading's total costs shown in the tab '*Consolid table (participant) budget*' and/or in the tab '*Consolid table (project)*' in case of the involvement of Affiliated Entities.
- 👉 **A perfect coherence with the figures summarised in the SEP form is expected. If not, the figures indicated in the SEP form will automatically take priority.**

## B. Exchange rate for non-euro zone applicants

The estimated budget must be drafted in euro. Applicants with accounting in a currency other than the euro must consider the conversion into euro, as an average of the daily euro exchange rates published. Obviously, the future rates applicable cannot be yet known. However, it is suggested to use the average rate over the last 12 months as shown on the [ECB website](#) as a basis of conversion.

## C. Personnel costs

For recall, personnel costs are eligible only if they are related to:

- Staff working for the applicant (or affiliated Entity) under an employment contract (or equivalent appointing act) and assigned to the action ('costs for employees'). They must be limited to salaries, social security contributions, taxes and other costs included in the remuneration, if they arise from national law or the employment contract (or equivalent appointing act). They may also include additional remuneration for personnel assigned to the action (including payments on the basis of supplementary contracts regardless of their nature), if:
  - (a) It is part of the applicant's usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required;
  - (b) The criteria used to calculate the supplementary payments are objective and generally applied by the applicant, regardless of the source of funding used.

- Natural persons working under a direct contract with the applicant (other than an employment contract) only if:
  - (a) The person works under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed);
  - (b) The result of the work carried out belongs to the applicant (unless agreed otherwise), and
  - (c) The costs are not significantly different from those for personnel performing similar tasks under an employment contract with the applicant.
- 👉 The calculation must be based on actual salaries or quotes applicable in the organisation.
- 👉 For persons working exclusively on the action: {monthly rate (annual personnel costs for the person divided by 12) for the person multiplied by number of actual months expected on the action}. For persons involved part-time on the action, daily rate {annual personnel costs for the person divided by the number of individual annual productive days} multiplied by the number of days expected on the action (rounded up or down to the nearest half-day)}.
- 👉 The working duration must be carefully estimated and must include the resources required for the administrative management of a possible project, this considering the new management mode in place (notably the 'EC e-management' and the 'Continuous reporting').
- 👉 **Based on past experiences, the applicant will have to carefully estimate the budget related to the administrative management of the project (monthly reporting, amendment procedure (if necessary), final reporting, etc.).**

#### D. Travel/subsistence/accommodation costs

These costs must be reasonable and based on the most economical approach. The rate used must be in line with the internal regulation in force in the organisation. They must be closely related to a precise activity. They can cover the costs of the staff involved or the participants in activities.

- 👉 A high level of travel costs should be substantiated by specific activities linked to the call's topics.

#### E. Subcontracting costs

If necessary to implement the actions proposed, the applicant may award subcontracts covering the implementation of certain action tasks described in the proposal. Nevertheless, subcontracting may cover only a limited part of the action. The applicant must award the subcontracts ensuring the best value for money or, if appropriate, the lowest price. In doing so, it must avoid any conflict of interests (ex. use of companies linked to any staff used on of the applicant or the Affiliated Entity).

- 👉 Subcontracting with Affiliated Entities are prohibited.
- 👉 **The use of a subcontractor for the WP1 activities of coordination and management of the project are not authorised as it will attest to a lack of operational capacity.**

#### F. VAT

Deductible or recoverable VAT (including VAT paid by public bodies acting as public authority) are not eligible costs and cannot be included in the provisional budget calculation.

In case the applicant (and Affiliated Entity if applicable) could not recover VAT due to its legal status, VAT could be included in the budget calculation. However, a formal proof of this exemption will be requested.

- 👉 In case of VAT included, a supporting justification will have to be included in the proposal.

#### **G. EU visibility costs**

Your proposal should include the costs possibly related to the obligation to ensure the visibility of EU funding in any production or dissemination of documentation and information activities.

For recall this EU visibility include:

- the display of the EU flag,
- the inclusion of the following text: '*Funded by the IMCAP Programme of the European Union*',
- the inclusion of the following disclaimer: '*The content of this [insert appropriate description, e.g. report, publication, conference, etc.] represents the views of the author only and is his/her sole responsibility. The European Commission does not accept any responsibility for use that may be made of the information it contains.*'

Based on experience, the development of a banner that could be included in any communication (including posts on social media) is the most convenient option. The cost related to the development of such a banner (or logo) is also eligible and should be budgeted under heading 'personnel costs' (if done by internal staff) or other direct costs (if done by an external provider).

#### **H. Certificate on the financial statement (CFS) costs**

For recall, a CFS is compulsory for EU grant request higher than 100.000 € in terms of direct costs. This threshold is not valid at the project' level but applicable by entity (i.e. at the coordinator level and at the level of each distinct Affiliated Entity involved). Such eligible cost should be budgeted under heading *C3. Other goods, works and services*, usually in the WP1.

#### **I. Indirect costs**

The IMCAP call plan a flat rate of 7% of indirect costs applicable to the sum of all direct cost with the exception of applicant (or Affiliated Entity) already benefiting from a EU operating grant for the period of the proposed project), unless it can demonstrate that the operating grant does not cover any costs of the action.

- 👉 The applicant (or the Affiliated Entity) must encode this 7% flat rate in the detailed (excel) budget table (see section E. Indirect costs).

#### **J. Project's Income (green) part of the detailed (excel) budget table)**

- EU contribution grant

In order to apply for an IMCAP grant, the applicant will have to encode

- The IMCAP co-financing rate of 60 %,
- The EU grant amount requested (with the maximum of the 60% rate).

- 👉 **If no amount would be indicated for the EU grant request' in the detailed budget table the EC will consider that the applicant does not request for EU funds.**

- Revenues and contribution by 3<sup>rd</sup> parties

This category of incomes include 3 possibilities:

- Incomes possibly generated by the project activities themselves,
- In-kind contributions by third parties, and
- Financial contributions by third parties.

👉 Detailed information about incomes can be found in the AMGA (Annotated Model Grant Agreement available in the F&T Portal).

**K. Financial capacity**

The accuracy and level of details of the provisional budget will be duly considered during the evaluation and compared to the activities proposed. It will complement the analysis of your own operational capacity to implement the activities (without using a too large scale of subcontractors or external staff).

This will notably illustrate your financial capacity to cover costs of the activities you would propose.

👉 To avoid any weakness in your proposal, the budget information are of the utmost importance.