



Fact Sheet 3 - Office and Administration (including 'Overhead' costs)

| | Valid from | Valid to | Main changes |
|-----------|------------|----------|--------------|
| Version 1 | 27.04.15 | | |

Core message: All office and administration costs must be covered by a flat-rate of 15% of staff costs. This may not cover all real costs but is a reasonable rate, which should avoid the efforts and errors involved in trying to report real costs for overheads in the past.

15% Flat-rate

All office and administration costs (overhead costs) are reimbursed as a flat-rate based on verified staff costs. This is the only way to claim such costs and no items related to standard office and administration costs can be included under any other budget line. As with all other costs, 50% of this expenditure is reimbursed.

The 15% flat-rate is automatically calculated and filled in by the Online Monitoring System when preparing the project budget and reporting staff costs. As a result, there is no need for documentation or any extra accounting evidence for these costs. Note also that any changes to the staff budget will result in an automatic recalculation of office and administration costs.

Summary

All office and administration costs are calculated as;

$$\text{Office and administration costs} = 15\% * \text{Staff costs}$$

Audit trail

The only documentation needed to justify "Office and administration" costs is effective documentation of staff costs (see Fact Sheet 2). When controlling other budget lines, however, First Level Controllers **must ensure** that no costs have been included which should have been



reimbursed as part of the flat rate. Those costs would include but are not limited to the following cost items¹:

- Office rent
- Insurance and taxes related to the buildings where staff are located and to the equipment in the office (e.g. fire, theft insurances)
- Utilities (e.g. electricity, heating, water)
- Office Supplies
- General accounting services provided by the beneficiary organisation
- Archiving of documents
- Maintenance, cleaning and repairs
- Security
- Standard IT hardware and software
- Communication (e.g. telephone, fax, internet, postal services, business cards)
- Bank charges for opening and administering the account or accounts where the implementation of an operation requires a separate account to be opened
- Charges for transnational financial transactions

Two types of cost that might otherwise fit under office and administration costs can, however, be claimed under other budget lines:

- Specialist equipment, IT hardware and software, furniture and fittings which are **essential for the project** and which are not part of the standard office set-up of the beneficiary can be reported under the budget line for equipment. These must be specified in the application.
- Costs of control and audit of the project (**first level control**) can be included under the external expertise and service budget line. This does not apply in Sweden where First Level Control is provided **only** by Tillväxtverket, free of charge.

References

- Regulation (EU) No 1303/2013 of the European Parliament and the Council of 17 December 2013 laying down Common Provision Regulation, Articles 67 1d and 68 1b
- Commission Delegated Regulation (EU) no 481/2014 of 4 March 2014 Article 4

¹ Commission Delegated Regulation No. 481/2014 § 4