

## Fact Sheet 3 - Office and Administration

	Valid from	Valid to	Comments to change
Version 1	16.11.2021		

**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 seen as a reasonable rate, which should avoid the administrative efforts and potential errors involved in trying to report all real costs for overheads.

### 15% flat rate

All office and administration costs (overhead or indirect 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, these will be reimbursed based on the grant rate applicable to the individual partner.

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

### Summary

All office and administration costs are calculated as:

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

### Audit trail

Costs for “office and administration” are not documented directly but depend on the documentation of staff costs (see Fact Sheet 2). When controlling other budget lines, however, Controllers **must ensure** that no costs that should have been reimbursed as part of the flat rate have been included. Those costs are limited to the following items<sup>1</sup>:

- Office rent
- Insurance and taxes related to the buildings where staff are located and to the equipment in the office (e.g. fire, theft insurance)

<sup>1</sup> Interreg Regulation No. 2021/1059 Article 40

- Utilities (e.g. electricity, heating, water)
- Office supplies
- Accounting
- Archives
- Maintenance, cleaning and repairs
- Security
- IT systems
- 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 that are **essential for the project** and that are not part of the standard office set-up of the partner can be reported under the budget line for equipment. These must be specified in the application.
- Costs for external Controlling (previously known as First Level Control) can be included under the external expertise and service budget line. This does not apply in Sweden where Control is provided **only** by Tillväxtverket, free of charge.

## References

- Common Provisional Regulation No. 2021/1060 Article 54(b)
- Interreg Regulation No. 2021/1059 article 40