



Finances: Key concepts

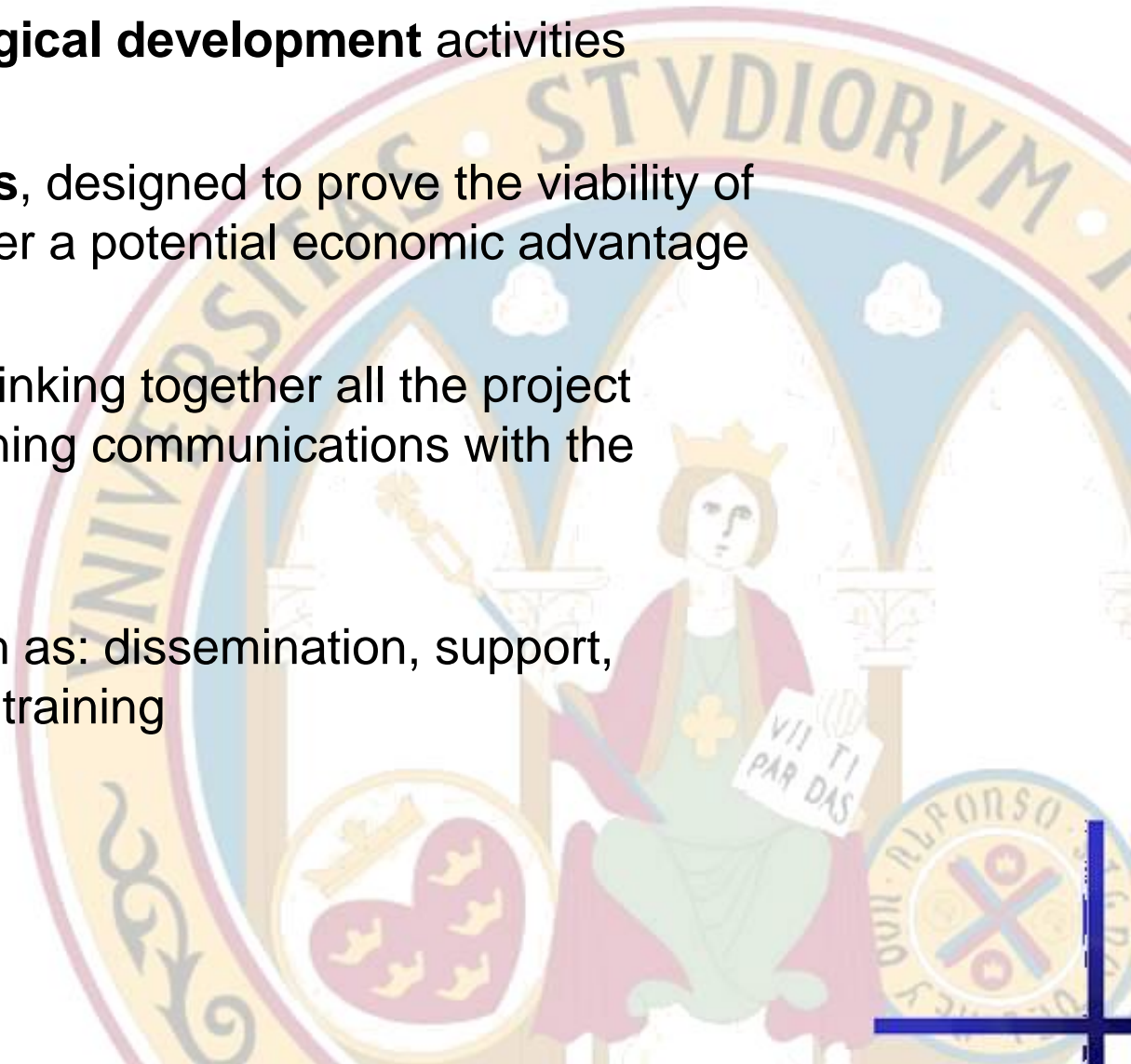
- The EC reimburses actual **eligible costs**
- The eligible costs are **direct + indirect**
- Partners can report indirect cost as:
 - Actual indirect cost [available to all]
 - Flat rate: a percentage of direct costs (*excluding* subcontracting):
 - Transitional flat rate (60%) [non-profit public bodies, secondary and higher education establishments, research organisations, SMEs – unable to identify the real indirect cost for the project]
 - Standard flat rate (20%) [available to all]
- Partners from ICPC can opt for **Lump sum** amounts

Conditions may be set in the Work Programme/ call for proposals



Activities financed in FP7 projects

- **Research and technological development** activities
- **Demonstration activities**, designed to prove the viability of new technologies that offer a potential economic advantage
- **Management activities** linking together all the project components and maintaining communications with the Commission
- Any **other activities** such as: dissemination, support, coordination of research, training



Maximum reimbursement rates of eligible costs	Research and technological development (*)	Demonstration activities	Training activities	Management of the consortium activities	Other activities (**)
Network of excellence				100%	100%
Collaborative project	50% 75% (***)	50%	100%	100%	100%
Research project for the benefit of specific groups (SMEs)	50% 75% (***)	50%	100%	100%	100%
Coordination and support action			100% (****)	100% (****)	100% (****)

(*) Research and technological development includes operational activities directly related to the protection of foreground and coordination of research activities.

(**) Other activities means any "specific activity" covered by Annex I.

(***) For *beneficiaries* that are non profit public bodies, secondary and higher education establishments, research organisations and SMEs

(****) The reimbursement of indirect eligible costs, in the case of coordination and support actions, may reach a maximum 7% of the direct eligible costs, excluding the direct eligible costs for subcontracting and the costs of reimbursement of resources made available by third parties which are not used on the premises of the beneficiary.



Lump sum budgeting

Lump sum contribution per country income group

Economy of the ICPC	Contribution (EUR/researcher/year)
low-income	8,000
lower middle income	9,800
upper middle income	20,700

- These amounts must be multiplied by the total number of person-years for the project requested by the ICPC legal entity.
- The lump sum is deemed to cover **all costs** of a participant from an ICPC country (personnel, travel, equipment, consumables, subcontracts and indirect costs).



Upper funding limits to be applied per funding scheme

Funding Scheme	Non-profit public bodies, secondary and higher education establishments, research organisations and SMEs	All other organisations
Collaborative project	75%	50% ⁴
Network of Excellence	75%	50% ⁴
Coordination and support action	100%	100%
Support for "frontier" research (ERC)	100%	100%
Research for the benefit of specific groups	75%	50% ⁴
Support for training and career development of researchers (Marie Curie)	Not applicable	Not applicable

4) For security-related research and technological development activities, this percentage may reach a maximum of 75%



Person-months calculation

1PM ≠ calendar month
productive hours per month = 1 PM

Productive hours must be calculated according to the beneficiary's normal practices. Productive hours per year should exclude annual leave, public holidays, training and sick leave. **210 working days- year** could be considered representative in most cases

For example:

- Total days in a year 365
- Weekends -104
- Annual holidays -21
- Statutory holidays -15
- Illness/Others -15
- Workable days in a year 210



	Name	WEEK : JANUARY 2007						
		Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
R&D Activities		01	02	03	04	05	06	07
Research								
Project xxx								
Project yyy								
Project zzz								
Management								
Project xxx								
Project yyy								
Project zzz								
Total R&D								
Other Activities								
A								
B								
C								
Total Other								
Absences								
Annual Leave								
Special Leave								
Illness								
Total Absences:								
Total Time :								
Signed:								
Approved:								

Productive hours per year/12= productive hours per month