

## Exercise on the eligibility of costs

1.	<p><b>One of your project partners asks:</b></p> <p><i>When do we need to use the Staff cost tool?</i></p>	<p><b>What is your answer and justification?</b></p> <p>You need to use the Staff cost tool when you work part-time with flexible number of hours and the hourly rate is not set in the contract but needs to be calculated for the project.</p>
2.	<p><b>One of your project partners asks:</b></p> <p><i>I'm working part-time for the project. We have our own time registration system that also calculates the cost to the project. Can we use that instead of the Staff cost tool?</i></p>	<p><b>What is your answer and justification?</b></p> <p>If you are working part time with fixed %, you don't need to use the Staff cost tool as the cost for the project is calculated using the fixed %.</p> <p>If you are working part time with flexible number of hours, you need to use the Staff cost tool to calculate the hourly rate and the cost to the project correctly. Own systems usually have different method to calculate the share of your salary cost.</p>
3.	<p><b>One of your project partners asks:</b></p> <p><i>We have an employee working 10% for the project. The employee has been working for us already 10 years, so her contract does not have any reference to this project, only projects in general. What documentation is needed so that we can report her salary for the project?</i></p>	<p><b>What is your answer and justification?</b></p> <p>Appointment decision to justify that the employee is assigned to the project. In addition, job description is needed, if that is not part of the appointment decision. Either of those documents should also define the % for the project. Pay slips are also a part of supporting documents needed for reporting staff costs. Also proof of payment of the salary as well as the employer contributions to social security are required.</p>
4.	<p><b>One of your project partners asks:</b></p> <p><i>Instead of 1720 annual hours, can we use 1624 annual hours that is the annual work time according to the employment contract?</i></p>	<p><b>What is your answer and justification?</b></p> <p>No. For the annual hourly rate method you can only use the standard number of 1720 hours.</p>

<p>5.</p>	<p><b>One of your project partners asks:</b></p> <p><i>The Staff cost tool and our internal calculation methods result to different sums. What should we report, meaning which sum is correct: the real cost that we have booked in the project cost center in our accounting or the sum in the Staff cost tool? What should we do with the difference?</i></p>	<p><b>What is your answer and justification?</b></p> <p>You should report the sum from the Staff cost tool as the calculation methods in the Programme manual must be applied correctly. In case it is possible, it might be an idea to record the costs to the project cost centre according to the Staff cost tool.</p> <p>It's an <u>internal matter</u> how you deal with the difference. If the use of the Staff cost tool results to lower amount than the use of internal calculation methods, the difference is covered by your organisation. In case the use of the Staff cost tool results to higher amount, you just keep the difference. The difference should not be reported to the programme.</p>
<p>6.</p>	<p><b>One of your project partners asks:</b></p> <p><i>The salary is paid in the end of the month and social security payments are always paid 15th of next month. When should we report those?</i></p>	<p><b>What is your answer and justification?</b></p> <p>As the social security payments relate to the actual salary payments, and are strictly regulated, those can be reported together with the actual salary payment on the months of the actual salary payment. However, the social security payments need to be visible in your accounting system for the month that those are reported and those will need to be paid before the FLC verification (to have proof of actual payment).</p>
<p>7.</p>	<p><b>One of your project partners asks:</b></p> <p><i>The salary is paid in the end of the month and social security payments are always paid 15th of next month. Do we need to report them separately? How should those be included in the Staff cost tool?</i></p>	<p><b>What is your answer and justification?</b></p> <p>As the social security payments relate to the actual salary payments, and are strictly regulated, those can be reported together with the actual salary payment on the months of the actual salary payment. Note, that this is an exception to the payment date -requirement. In the Staff cost tool there is separate columns for salary and social security contributions by the employer. Usually there are several contributions, but those can be reported as a total sum.</p>

<p>8.</p>	<p><b>One of your project partners asks:</b></p> <p><i>We have an ex-colleague who could work for project as external expert for conducting a set of trainings. She was also actively involved in the project preparation when she was still working for us. Can we contract her directly based on her know knowledge and skills?</i></p>	<p><b>What is your answer and justification?</b></p> <p>Unique skills are very seldom that unique. In that case, the decision must be documented in a detailed way to prove that the set of trainings couldn't have been bought from another person or organisation. Usually there are options available, therefore it is not recommended to refer to unique skills.</p>
<p>9.</p>	<p><b>One of your project partners asks:</b></p> <p><i>When and how do we need to do the price comparison?</i></p>	<p><b>What is your answer and justification?</b></p> <p>If the total cost of the service / product is estimated to exceed 5.000 € during the project time, you need to make a price comparison and documented it properly. Usually, at least three comparable offers should be requested so that at least two offers can be received. In some cases, you can use the information available online (price lists etc.) and document this in the price comparison e.g. with print screens.</p> <p>It is always advisable to have a small margin, if the total cost would in the end be more than planned. So in case you estimate the cost to be close to 5.000 €, it is for your own safety better to make a price comparison before the purchase.</p>
<p>10.</p>	<p><b>One of your project partners asks:</b></p> <p><i>Can we use the framework contract that exist in our organisation for translation services in the project? We need to translate the Guide and toolbox as defined in the Application form. But first we will need to translate the Partnership Agreement.</i></p>	<p><b>What is your answer and justification?</b></p> <p>Yes, you can. Just add the framework contract as a supporting document for the invoice for the translation of the Guide and toolbox. However, translating Programme documents, such as partnership agreement is not eligible.</p>

11.	<p><b>One of your project partners asks:</b></p> <p><i>We are organising a joint training for 10 students from each participating country. Can we cover their travel and accommodation costs from the BL Travel and accommodation?</i></p>	<p><b>What is your answer and justification?</b></p> <p>Yes you can. Just remember that you need to buy the tickets and pay for the accommodation directly.</p>
12.	<p><b>One of your project partners asks:</b></p> <p><i>We are organising a study tour to Sweden for 3 representatives of local municipalities from each participating country. The costs would be plane tickets, accommodation and we also need to rent a bus to go from Stockholm to cities A and B. From which BL can we cover those costs?</i></p>	<p><b>What is your answer and justification?</b></p> <p>The cost for plane ticket and accommodation should be reported under the budget line Travels, and you need to buy the tickets directly. The cost for transportation from Stockholm to cities A and B is regarded as external (transportation) service, so that cost should be reported under budget line External expertise and services.</p>
13.	<p><b>One of your project partners asks:</b></p> <p><i>Our credit card invoice is always paid in the month following the invoice (and activities). Our reporting period ends in May and the invoice is booked in May, but it is paid 15th of June. When should we report the costs?</i></p>	<p><b>What is your answer and justification?</b></p> <p>You should report the costs in the reporting period it is actually paid out, so in this case in the reporting period that starts in June.</p>
14.	<p><b>One of your project partners asks:</b></p> <p><i>Can we use Swedish/Estonian/Latvian/Finnish in the List of Expenditure? Our financial officer does not have proper command of English and all our documents are also in the local language.</i></p>	<p><b>What is your answer and justification?</b></p> <p>No, the List of Expenditure must be filled in using English. Even though FLC knows national language, LP and the JS does not necessarily know it. Both LP and JS need to understand what is reported. The invoices are naturally on the original language. If the financial officer does not have enough good command of English, another person will need to fill in the information in the List of Expenditure, at least the written parts, in English.</p>