



#HorizonEU

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**THE EU  
RESEARCH & INNOVATION  
PROGRAMME**

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2021 – 2027

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**PERSONNEL  
UNIT COST**

# Unit costs – why do we use them?

## Simpler and less error-prone forms of funding

- Funding based on reimbursement of actual costs remains complex and error-prone

## Reducing the financial error rate

- There is wide agreement that the error rate in the R&I programme must be reduced
- Vast majority of beneficiaries have only 1 or 2 grants per programme, and most of them are SMEs or newcomers with little or no previous experience
- Beneficiaries with limited experience are more likely to make errors. Unit costs are much easier to use, helping them **avoid errors**.

# Why introduce a personnel unit cost?

Personnel costs represent:

- approximately **two thirds of the budget** in a project;
- the largest single **source of financial errors** in Horizon 2020.

**For actual costs, despite simplifications in Horizon Europe we still have:**

Different calculations for employees, consultants, SME owners, ...

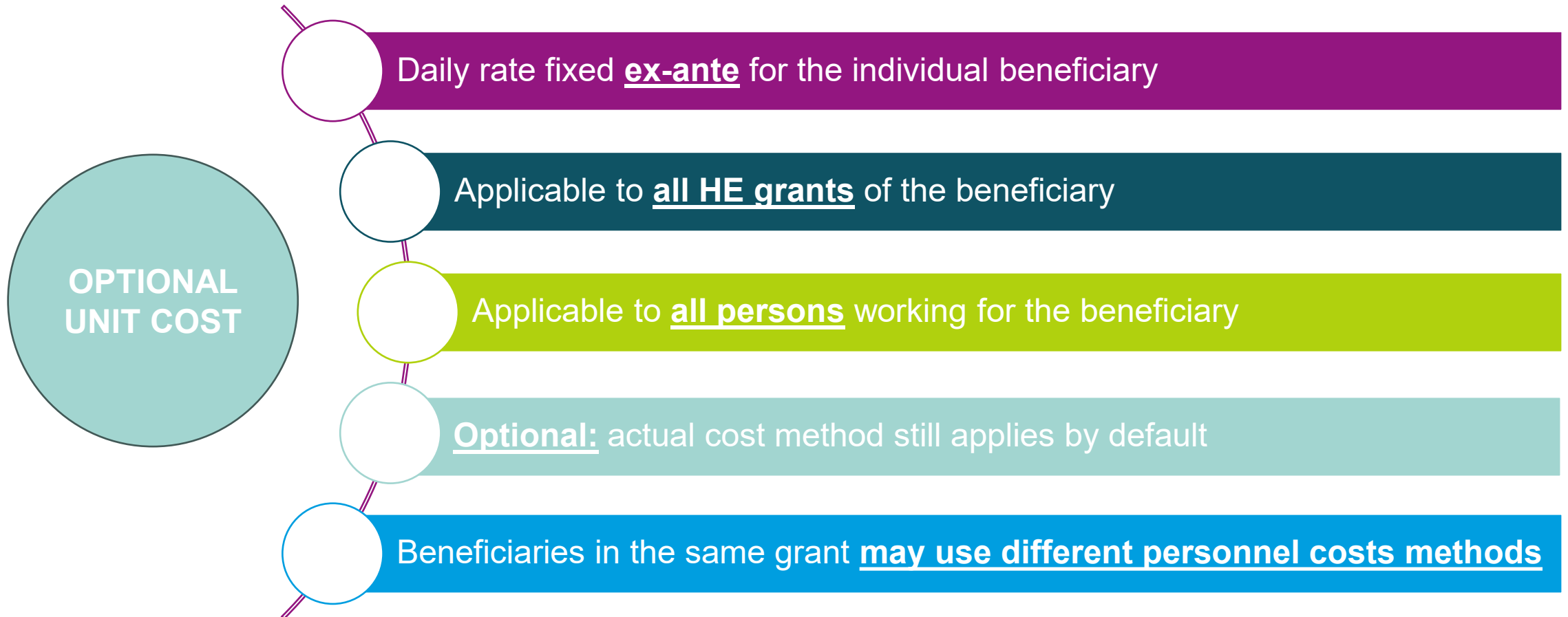
Project-based / non project-based remuneration

Specific conditions for eligibility of bonuses

Part-time employees, parental leave, etc...

**Calculation of a daily rate per person and per reporting period**

# The new personnel unit cost – key features:



# Simplification in practice:

## Actual personnel costs

(examples with reporting period of 18 months)

### Example 1: Employee - Full time working regime

Number of **maximum declarable day equivalents**  $((215 / 12) \times 18 \text{ months})$   
 $\times 1 [\text{full-time}] = 322,5$

Total recorded costs: 100 000€

**Daily rate:**  $100\,000\text{€} / 322,5 = 310,07 \text{ €/day}$

### Example 2 : Employee – goes to half time working regime The person works 100% for 12 months and then 50% for 6 months

**Separate calculation** for 12 months and 6 months:

12 months:  $((215 / 12) \times 12 \text{ months}) \times 1 = 215$  declarable day-equivalents

6 months:  $((215 / 12) \times 6 \text{ months}) \times 0.5 = 53.75$  declarable day-equivalents

**Total** declarable day-equivalents: 269 (**rounding**)

Total recorded costs: 75 000€

**Daily rate** =  $75\,000\text{€} / 269 = 278.81 \text{ €/day}$

### Example 3 : Consultant with a direct contract of 24.000€ for 8 months

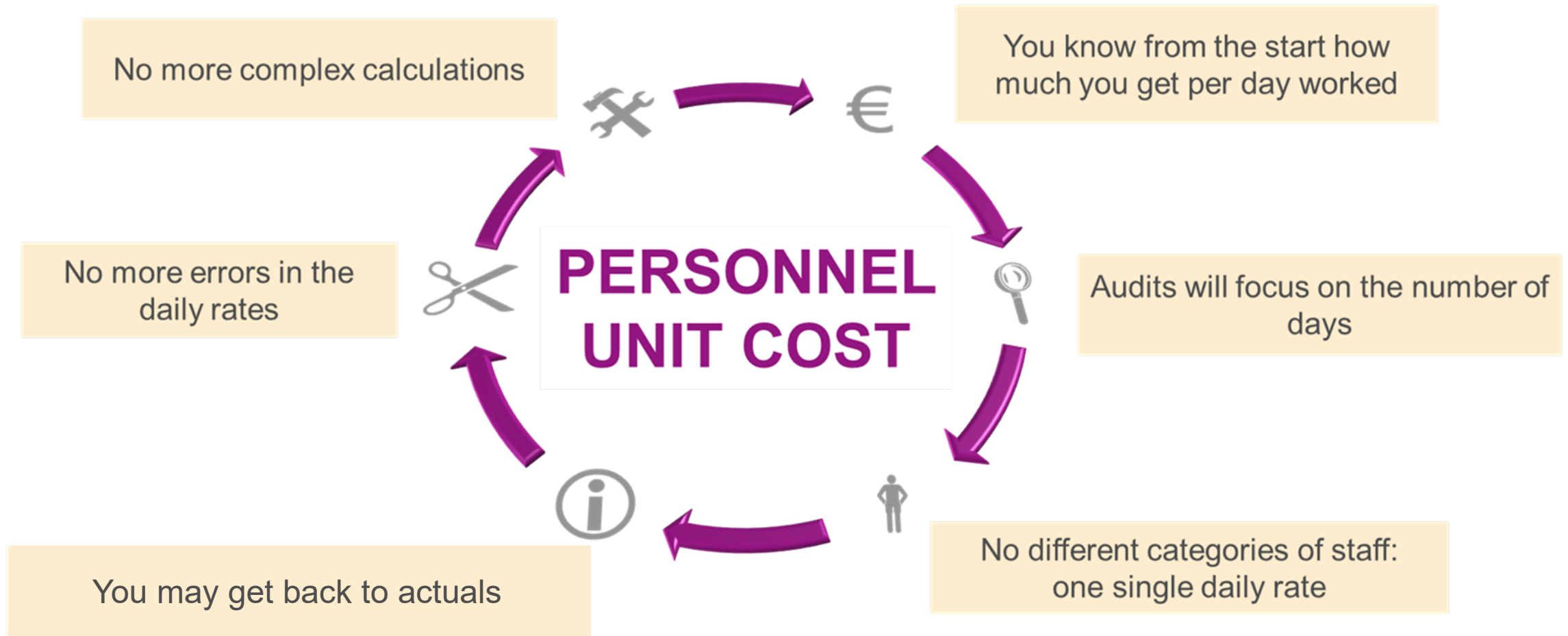
Daily rate = annual personnel costs / **pro-rata of 215**

=  $24\,000 \text{ €} / ((215 / 12) \times 8 \text{ months}) = 167,44 \text{ €/day}$

## Personnel Unit Costs

Daily rate **fixed ex ante**  
for all staff  
e.g. 285 €/day

# What advantages would the personnel unit costs bring?



# Daily rate calculation

Calculated in accordance with the beneficiary's historical data

## Daily rate

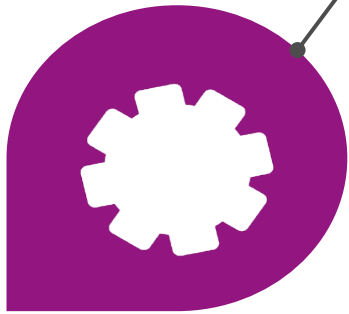
$$\frac{\text{Total staff costs* of the beneficiary in the last closed full financial year}}{\text{Annual work units** in the last closed full financial year}} / 215 \text{ days}$$

**'Staff costs'**\* = Costs recorded in accordance with the accounting standards applicable in the country where the beneficiary is established and reported under the heading staff costs in the statutory accounts of the beneficiary

**'Annual work units'** \*\* = Definition under Article 5 of the Annex to the Commission Recommendation 2003/361/EC of 6 May 2003

# Specific characteristics

## Ex-ante validation



- Beneficiary (LEAR) must submit an **audit certificate** proving the two figures (total staff expenditure and number of staff)
- A **cap** will apply to prevent unrepresentative results from the daily rate formula
  - {EUR 9 618 multiplied by the corresponding country-specific correction coefficient\* divided by 18 days}
- Possibility to **update** the daily rate every 2 years for new grants (ongoing grant agreements cannot be amended)

\* The coefficient is the one for unit costs for Doctoral Networks under MSCA



# Audit certificate

During GAP:

- Submitted by the LEAR through a dedicated **Participant task in F&T Portal**
- Provided by an auditor\*, following the **template** available for download in the F&T Portal
- Based on the Beneficiaries' records on personnel costs and work units for the last closed full financial year

\* Qualified approved external auditor according to Directive 2006/43/EC (public bodies: by a competent independent public officer)

# PUCA AUDIT CERTIFICATE ON ANNUAL PERSONNEL COSTS AND WORK UNITS

*(To be completed by the auditor, printed on their letter-headed paper and signed. The scanned PDF must be uploaded by the participant in the Participant Register. Originals should be kept by the participant on file for controls.)*

## Certificate

To

[Organisation full name  
address]

We, [full name of the audit firm/auditor/independent officer in case of public bodies], established in [full address/city/country]/, represented for signature of this certificate by [name and function of an authorised representative],/

in order to assist the EU in evaluating a request for the use of personnel unit costs in EU grant agreements under the [HE personnel unit cost authorising decision](#)<sup>1</sup>,

have conducted an audit on the relevant statutory records for the financial year running from [insert start date of the financial year]<sup>2</sup> to [insert end date of the financial year] of [insert organisation legal name (short name)], PIC [number]<sup>3</sup>, legal registration number/VAT number [insert number] ('the participant') and

**hereby certify**

1 — The amounts reported under the heading staff costs in the participant's financial statements<sup>4</sup> of the statutory accounts were determined according to the applicable accounting standards of the country where the participant is established and its usual accounting practices.

2 — The total amount reported under the heading staff costs complying with the above is:

**[insert amount] [insert currency]<sup>5</sup>**

*[OPTION to be added if the amount above is not in euro:* As the statutory accounts of the participant are in a currency other than the euro, the amount converted<sup>6</sup> into euro is:

**[insert amount] euro.]**

3 — The number of staff of the beneficiary in annual work units (AWU) during that financial year, i.e. the number of persons who worked full-time as defined in Article 5 of the Annex to the EU SME Recommendation [2003/361](#)<sup>7</sup> is:

**[insert number of AWU]**

4 — The work of persons who did not work the full year, the work of those who worked part-time, regardless of duration, and the work of seasonal workers were counted as fractions of AWU.

5 — The audit was carried out in accordance with generally accepted auditing standards and applicable ethical rules.

6 — The statutory records on which this audit was conducted *[were//were not]* subject to a **statutory audit**.

7 — I/We am/are qualified/authorised to deliver this certificate and not subject to any conflict of interest.

I/we am/are *[OPTION 1 by default:* qualified to carry out statutory audits of accounting documents in accordance with Directive 2006/43/EC<sup>8</sup> or similar national regulations/*[OPTION 2 if the participant has an independent public officer:* a competent independent public officer in charge of carrying out audits on the participant].

SIGNATURE  
For the auditor

# After validation of the daily rate

After the approval date, the unit cost:

- **Must** be used in **all** HE and Euratom proposals submitted after the approval date;
- **May** be used in proposals already submitted, if:
  1. awarded after the approval date of the unit cost and
  2. the consortium and the granting authority agree on the adapted budget (if needed).



**Grants already awarded/signed cannot be amended to introduce the unit cost.**



# Reverting back to actual costs



Possibility to **revert back to actual costs once** (e.g., if it did not deliver the envisaged simplification):

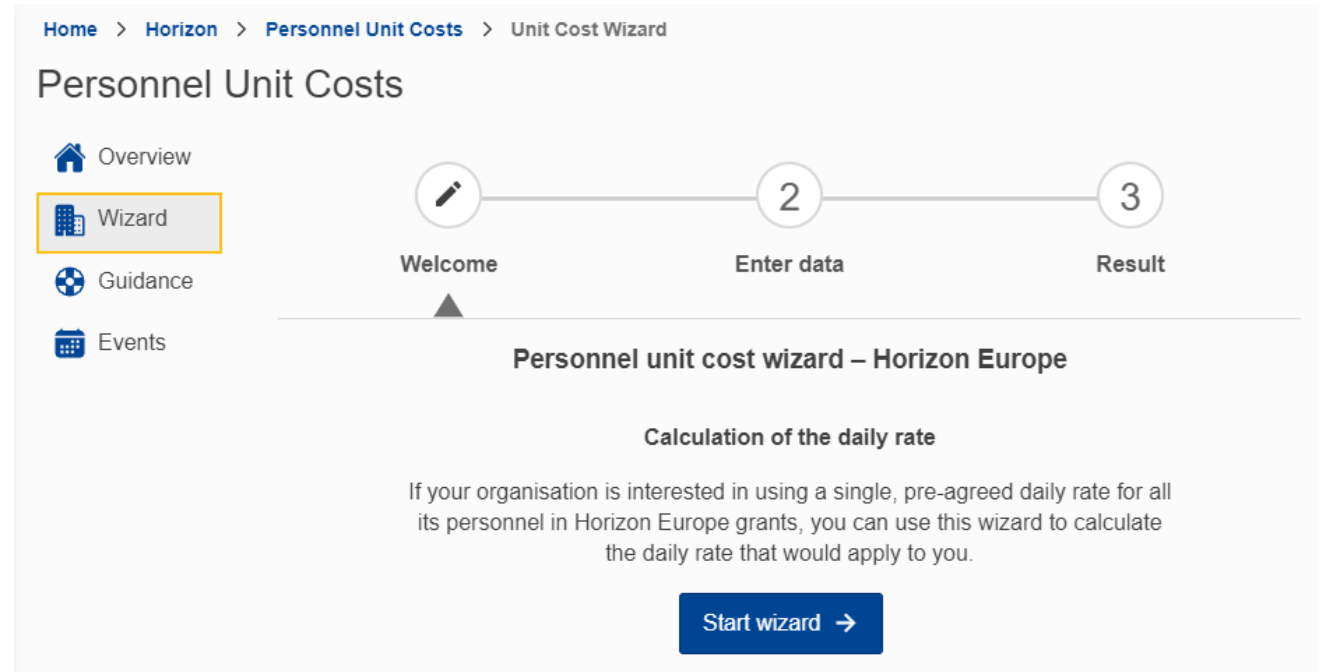
- Actual costs will apply to **future grants** (ongoing grants are not impacted).
- Beneficiary is **not allowed** to request the use of personnel unit cost again for the rest of the HE programme.

## Withdrawal of the unit cost

- If incorrect data, **concealed or misrepresented information**
- If a check, review or audit finds that the actual costs are **recurrently and significantly lower** than the unit cost

# Personnel Unit Cost Wizard

- Calculate the personnel unit cost for your organisation **without any commitment**
- Available in the **F&T Portal** on the landing page for personnel unit costs



The screenshot shows the 'Personnel Unit Costs' page with a breadcrumb trail: Home > Horizon > Personnel Unit Costs > Unit Cost Wizard. A sidebar on the left contains links for Overview, Wizard (highlighted with an orange box), Guidance, and Events. The main content area features a three-step progress bar: 1. Welcome (with a pencil icon), 2. Enter data, and 3. Result. Below the progress bar, the title 'Personnel unit cost wizard – Horizon Europe' is displayed. Under the heading 'Calculation of the daily rate', a paragraph explains that users can calculate a single daily rate for all personnel in Horizon Europe grants. A blue button labeled 'Start wizard →' is positioned at the bottom right of the text area.

# Useful links

- **Decision authorising the use of unit costs** for personnel costs for actions under the HE and Euratom Programmes
  - [https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/unit-cost-decision-personnel-costs\\_horizon-euratom\\_en.pdf](https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/unit-cost-decision-personnel-costs_horizon-euratom_en.pdf)
- **Personnel Unit Cost – Landing Page on EU Funding & Tenders Portal**
  - <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/programmes/horizon/personnel-unit-costs/overview>
- **Personnel Unit Cost Wizard**
  - <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/programmes/horizon/personnel-unit-costs/unit-cost-wizar>
- **Personnel Unit Cost Audit Certificate – Template**
  - [https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/temp-form/lev/personnel-unit-cost-audit-certificate\\_en.docx](https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/temp-form/lev/personnel-unit-cost-audit-certificate_en.docx)
- **Annotated Model Grant Agreement – under Article 6.2.A.6**
  - [https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/aga\\_en.pdf](https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/aga_en.pdf)



# Thank you!

## # HorizonEU

<http://ec.europa.eu/horizon-europe>



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