

Exercise on FP7 Financial Issues

This FP7 financial exercise does not include costs of a real project but aims to help the participants of the NIS-NEST FP7 workshop to understand the parameters that should be taken into account when calculating a project's budget.

The hypotheses for the financial exercise are the following:

- Number of partners: 3. More analytically:

1. Partner A: **University**

Personnel rates: Professor: 30 Euro / hour Secretary: 20 Euro / hour

Student: 10 Euro / hour

Reimbursement of **eligible costs**

Calculation of indirect costs (overheads): **Flat Rate 20%**

Audit cost done externally: 800 Euro

conference organization (Subcontracting): 4000 Euro

2. Partner B: **Research Institute**

Personnel rates: Senior researcher: 20 Euro / hour; Junior researchers: 15 Euro / hour,
Administrative staff: 10 Euro / hour

Reimbursement of **eligible costs**

Calculation of indirect costs (overheads): **Actual indirect costs** (in this case, calculated at **40%** of direct costs)

Audit cost done externally: 800 Euro

3. Partner C: **SME**

Director: 45 Euro / hour Secretary: 35 Euro / hour

Reimbursement of **eligible costs**

Calculation of indirect costs (overheads): **Actual indirect costs** (in this case, calculated at **80%** of direct costs)

Audit cost done externally: 800 Euro

Things to remember:

- The EC contribution per activity = reimbursement rate x ((direct costs - subcontracting) + indirect costs)
- Reimbursement rates for non-profit public bodies, secondary & higher education establishments (including universities) research organisations and SMEs: RTD: 75% Demonstration 50% Management 100% Other costs 100%
- Audit cost:
 - if done internally, enter as 'other direct costs' under 'management'
 - if done externally, enter as 'subcontracting' under 'management'