

## Fact Sheet 2a: Staff costs in Flanders-Belgium

Version	Valid from	Valid to	Main changes
Version 1	16.11.2021	08.11.2022	n/a
Version 2	09.11.2022	-	Switch from an hourly based standard calculation method to a monthly based system for regular staff.

### CORE MESSAGE

The Flemish authorities (Flanders Innovation & Entrepreneurship) have put in place a mandatory standard system for calculating “regular” staff costs. Separate programme rules apply for staff without an employment contract. This system applies to partners covered by the 1st and 2nd level control system for Flanders-Belgium and which are therefore under the liability of Flemish authorities. This fact sheet thus makes abstraction of geographical location or institutional background of a beneficiary in Belgium.

### Rationale

The mandatory calculation method works according to a monthly based logic instead of an hourly basis that varies as was the case in the previous programming period.

Beneficiaries covered by this fact sheet shall apply the described method to calculate and report the overall gross employment cost for staff being reported on their project.

This method applies both to staff working full time (category 1) or part time with a fixed percentage (category 2) on a project.

A number of previous and standard North Sea programme provisions for staff continue to apply.

### How to determine a person’s gross monthly employment cost

Step 1: identify the person’s gross monthly salary via the person’s monthly pay slip. Only the amount referred to under the header “gross salary” must be used. No other salary costs may be included in this amount. The factor in the next step will cover all additional salary costs legally covered by the employer.

Step2: apply the factor 1,7 to the identified amount. You now know the person’s gross monthly employment cost.

Step 3: apply the relevant FTE % for Interreg project activities as fixed in the task assignment letter

Step 4: you know now the eligible staff costs for this month

Example

1	Employee gross monthly salary (A)	3.000
2a	Factor covering employer's contributions (B)	1,7
2b	Total monthly salary costs (C)	5.100
3	Fixed percentage of time per month for the project (D)	60%
4	Eligible staff costs:	3.060

### Supporting evidence

The following **supporting evidence** is required

- Mission/task assignment letter or equivalent written agreement between the employer and employee. This letter or agreement should stipulate:
  - the assignment % of the employee on the project
  - a description of the main role(s), tasks, responsibilities... of the employee regarding the project
  - the assignment % on other EU funded projects (if applicable)
- Pay slips (1 per month covered)

No registration of working time (time sheets) is required since the amount of time worked on the project is fixed in the written agreement with the employer

### Further **points of attention**

- Given their central role in the calculation described above, it is key to run a good filing system for the pay slips that will be used throughout the project.
- As far as not foreseen by programme tools, we also recommend to keep an overview table specifying per month the calculation of the monthly employment costs for each employee on the project;
- Beneficiaries are further reminded of the importance of organising a transparent and consistent audit trail for persons working on several EU funded projects. This in view of mitigating risks related to possible double funding.

### Changes to or updating the fixed %

The implementation of projects is a dynamic process. Events along the way will prove whether ex-ante estimates on staff time needed to implement each project stage are sufficiently robust. Even roles of staff involved may evolve over time.

It is therefore possible to adapt the % of staff working on the projects and eventually even the related tasks of a person if necessary.

This requires an adapted or new mission/task assignment letter as described above.

In view of counterbalancing the administrative burden for all bodies, we recommend not to change these elements lightly.

We recommend to privilege the six monthly reporting cycle to determine whether any updates or changes are needed for the upcoming reporting period.

The approved staff budget remains anyway the starting point of what beneficiaries can claim.

### North Sea programme provisions that continue to apply

- Staff costs must be calculated individually for each staff member.
- Any bonuses or salary increases resulting from involvement in an EU co-financed project must be evaluated against the principle of sound financial management (Part of this must include an assessment of whether special qualifications, new tasks, etc. are required). Any such payments should not be excessive, must be linked to new responsibilities and/or targets, and must reflect norms in the country and organisation involved.
- No overhead costs can be reported under this budget line.
- Daily allowances and any other travel and accommodation costs cannot be included under this budget line and must be reported under travel and accommodation instead (see Fact Sheet 4).
- In the event of sickness, holiday, maternity leave, etc. working time can sometimes be charged to the project proportionally if they are non-recoverable by the employer:
  - For a full-time employee 100% of the working time can be charged to the project.
  - For staff working part-time on the project with a fixed percentage of time, the same percentage can be charged to the project.
  - In all such cases it must be documented that the employee has been absent due to illness. There are no formal requirements for this documentation, but at a minimum the employee must have reported ill and registered this in the organisation's time registration system.

### Particular categories of staff

**Seconded staff (Detachering)** The salary cost of staff seconded by a third party to a partner organisation in order to execute project activities is eligible and shall be calculated in the same way as the salary costs of regular staff, provided that the partner bears the salary cost itself. If the partner organisation does not issue pay slips for such staff and the secondment cost is born via invoices, the pay slip from the organization of origin of that staff member shall be used to determine the monthly rate. Justification to be provided next to the standard documentation mentioned above: the secondment contract. A word of caution: secondment can by no means be used by procuring authorities to circumvent public procurement provisions.

**Public authority staff** The costs of public authorities are eligible when these authorities implement a project that is additional to their core tasks. Within this framework, the salary costs of public authorities are considered eligible expenditure regardless of the fact whether this concerns new and or existing contractual or statutory government staff.

**Temporary/interim employment** Temporary/interim employment is not eligible as a staff cost and should instead be reported under external experts.



**Staff of linked enterprises/organisations** Staff of linked enterprises/organisations can under certain conditions be reported as staff costs by a given organisation even though the employer mentioned on a payslip does not match the name of the organisation who reports the staff costs.

Conditions are:

- sufficient arguments and probative elements/documents exist and are provided that prove the link or unity;
- Flanders Innovation & Entrepreneurship (National Authority) confirms that the organisations at stake can be considered as linked enterprises/organisations or a unity; confirmations by Flanders Innovation & Entrepreneurship are always done on a case by case basis.

### Further information

Please refer to the Flemish national contact point or Flemish MC representative in case of further detailed or interpretation questions.

Eventual updates on this fact sheet will also be announced and published via the Interreg specific pages of the VLAIO website.