



INDIRECT COSTS AND ITS TREATMENT IN HEU

V4+WB Network of
Research Managers and
Administrators (RMAs)



INDIRECT COSTS

What are they?

- Costs that are not eligible under direct cost categories
- Linked with direct costs (7 %, 25 %, other)
- Known also as OH

DIFFERENT VIEWS ON INDIRECT COSTS

- On institutional level
- On project level (beneficiaries view)
- View of funding stakeholders

TYPES OF INDIRECT COSTS

- Necessary but ineligible costs
- Overall organizational costs
- Project preparation costs
- Ineligible amortization costs
- Excessive costs

JUSTIFYING INDIRECT COSTS

- Usually they are granted on basis of agreed direct costs
- In some cases a beneficiary must also prove these costs with appropriate accounting documents

INELIGIBLE DIRECT COSTS

- May occur due to different recognition (project rules vs. accounting rules)
- Consequently treated as indirect costs
- In case of redundant project expenditures we may want to reconsider moving these costs to another source of funding

HEU ADDITIONAL ELIGIBILITY RULES

- Granted funds may not exceed beneficiary's annual budget
- Use of cost accounting management – using cost allocation keys, cost accounting codes

HEU INDIRECT COSTS RATES

- 25 % - higher education, SME, EDF
- Other indirect cost flat-rates (35 %, 4%, 30%)
- Actual indirect costs

CONCLUSION

- Understanding relation between direct and indirect costs
- Taking into consideration organizational settings
- Taking into consideration funders rules