



Guidance on Eligibility of Costs related to COVID-19 Pandemic

(version 1 – 04/06/2020)

Due to the COVID 19 pandemic, projects had and still have to adjust to a new, very exceptional context. This situation has given rise to questions about the eligibility of certain cost items. The JS has thus compiled in this document frequently asked questions and related answers so that they can be shared with project partners, first level controllers and bodies in charge of the approbation of first level controllers. **The general principles stipulated in the relevant EU-regulations, subsidy contract, programme manual and national rules remain fully in place.**

In order to highlight just the most important ones applicable in the present context:

- The eligibility of certain costs may be justified based on the fact that the COVID 19 pandemic can be considered as a force-majeure situation. This has to be judged within the specific context in which the project operates during the crisis and the national/regional/internal measures generally put in place.
- Only costs that are not recoverable by any means and that are actually borne and paid by the partner organisation can be considered eligible.
- Any changes to activities and budget are possible if they are done in respect of Section 6.3 of the programme manual.
- Any changes to the equipment budget line continue to have to be pre-approved by the JS.

This document provides guidance taking into consideration these general principles. Nevertheless, projects partners are asked to always consult the responsible first level controller as well, in order to check their specific request in the light of the specific national/regional/internal context.

For any further questions, project lead partners may also refer to their finance and project officer in the JS.



Staff costs

Work from home (“home-office” or “telework”)	Costs for employees performing all project related tasks and activities from home through teleworking can be eligible in the same way as work from the office. The place of work does not impact the question of eligibility.
Employees in a stand-by situation or with a reduced working time	<p>Following national/regional emergency measures, partner organisations were sometimes obliged to put employees partially or fully in a stand-by situation or to reduce their working time as, for example:</p> <ul style="list-style-type: none">- the technical conditions for doing telework have not been immediately available; and/or- it has been necessary to decrease the number of people present in the office at the same time; and/or- it has been necessary to grant employees time off so that they could care for their children in the absence of child care centers and schools. <p>The related staff costs for employees working on the project may still be eligible if this situation is considered as a force majeure situation and depending also on the calculation method applied by the beneficiary for the concerned employee.</p> <p>If an employee works full-time or partly on the project on a fixed percentage, then such costs could be in principle considered eligible by the first level control (similarly to costs for holidays or sick leave).</p> <p>Any possible payments or reimbursements from any other source that reduces the costs actually incurred by a partner organization due to any national, regional or internally agreed mechanism (e.g. temporary unemployment benefits paid by the job center/employment agency, childcare schemes reimbursed by social security etc.) would have to be deducted from the costs. The fixed percentage that has been laid down in the mission letter previously and reflects the usual project involvement is applied to the reduced, remaining amount.</p> <p>Such costs cannot be eligible for an employee working partly on the project on a flexible number of hours per month. No hours are worked on the project and due to the flexible project involvement, it is also not possible to determine the share of time the employee would have usually worked on the project in that month.</p>
Postponed payment of part of the gross employment cost (e.g. social security contributions)	<p>Some countries have adopted measures to allow some organizations to postpone the payment of part of the gross employment costs for staff members (e.g. social security contributions). To be eligible, costs must be actually incurred and paid by the partner organisation, i.e. debited from its bank account. Therefore, costs such as social security contributions delayed based on exceptional deferment measures can only be reported to the programme once they have been actually incurred and paid by partner organizations.</p> <p>Such costs paid with delay can then be reported in the following progress reports, once they are actually paid out and as long as the payment takes place still by the end date of the project.</p>



Office and administration costs

Protective equipment and sanitizing material	Costs for employees' protective equipment (e.g. masks and gloves), sanitizing materials (e.g. hydro alcoholic gel, spray or other disinfectant) or other equipment to implement end of lockdown provisions (e.g. separation walls and panels) are covered by the flat rate under the Office and administration budget line. This is because: <ul style="list-style-type: none">- protective equipment and sanitizing material can be considered as office supplies/consumables;- these costs are rather indirect, as these items are usually purchased centrally for all purposes and functions of a partner organization and not for a specific project.
Allowance for indirect costs related to telework	Any allowance paid to cover indirect costs arising from telework (allowance to cover e.g. a share of the employees' electricity or Internet costs) are covered by the flat rate under the office and administration costs budget line.
Improved Internet services (e.g. broadband)	Costs for better internet services (e.g. broadband) needed to organise an increased number of online meetings are covered by the flat rate under the Office and administration budget line.

Travel and accommodation costs

Fees for cancelled travel	Costs related to cancelled trips could be declared eligible if it can be demonstrated that: <ul style="list-style-type: none">- the trip could not take place due to a case of force majeure related to the COVID19 pandemic and- the costs were irrecoverable as cancellation of the trip and reimbursement was not possible based on the applicable contract and within the applicable deadlines. There was also no reimbursement from any travel insurance. If a share of the costs were recoverable, only the remaining irrecoverable part may be declared. The circumstances of force majeure related to the COVID19 pandemic and the fact that the costs are not recoverable need to be properly documented.
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External expertise and services

External expertise to help with the continuation of project activities through online meetings	During the period of limited travel, the JS encourages projects to carry on their activities as much as possible by distance, e.g. by organising project meetings, stakeholder meetings or even study visits or a final conference online. Some project partners may thus require additional expertise to help them with the organisation of such online meetings (technical assistance and consultancy services for the organisation of online meetings, video filming services to make a study visit possible online). Such costs may be eligible under the external expertise budget line as unplanned costs within the budgetary limits (see also Section 6.3 of the programme manual).
Cost for cancelled meetings	Costs related to cancelled meetings could be declared eligible if it can be demonstrated that <ul style="list-style-type: none">- the meeting could not take place due to a case of force majeure related to the COVID19 pandemic and that- the costs were irrecoverable (cancellation of the meeting and reimbursement was not possible based on the applicable contract and applicable deadlines). If a share of the costs were recoverable, only the remaining irrecoverable part may be declared. The circumstances of force majeure related to the COVID19 pandemic and the fact that the costs are not recoverable need to be properly documented.

Equipment

Technical equipment and software for telework and online meetings	Costs for equipment items purchased, rented or leased by a partner, necessary to achieve the objectives of the project could be in principle eligible . However, it is likely that such equipment (e.g. laptops, video conferencing tools and software) will not be used only for the project's activities (e.g. for a staff person not working 100% on the project or depreciation period, or in case of purchase). Therefore, for any equipment purchased by project partner(s), only the share of the costs related to the use of the equipment for the project could be reported. If costs for such equipment items were not planned in the application form, projects can use the 20 % flexibility rule which allows for the budget line equipment to be exceeded by 20% or by EUR 7,000, whichever deviation is higher.* However, in line with section 7.2.5 programme manual, costs for equipment items can only be reported if planned in the application form or pre-approved by the JS. Lead partners must consult the responsible JS officers monitoring the project before purchasing unplanned equipment items .
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*see programme manual version 8 (in the process of amendment. Publication expected for September 2020).