



OVERVIEW: Cost Calculation Methods, Overhead Rates and Upper Funding Limits for FP7 Projects

Cost calculation method (form of grant), overhead rates (flat rates on indirect cost) and upper funding limits differ according to the type of funding scheme (type of project), type of the institution (SME, public body, etc.) and type of activity. The table is based on 2007 information; cost calculation methods might be modified in the future.

For most of the projects the following funding schemes will be used: Small or Medium-scale Projects (former "STREPs") and Large-scale Projects (former "IPs").

PLEASE NOTE THAT THE BELOW INFORMATION IS NOT LEGALLY BINDING.

Funding Scheme	Cost Calculation			Upper Funding Limits According to the Type of Activity ¹				
	Direct Eligible Costs	Indirect Eligible Costs - option to use:		RTD ⁴	Demonstration	Training	Management	Other ⁵
		Reimbursement of eligible costs ²	Flat Rate on Indirect Costs ³					
<i>Specific Programme COOPERATION and/or CAPACITIES⁶</i>								
Collaborative projects - Small or Medium-scale Projects - Large-scale Projects	Total Eligible Costs	Total Eligible Costs / Simplified Method	20% 60%**	50% 75%*	50%	100%	100%	100%
Networks of Excellence	Total Eligible Costs	Total Eligible Costs / Simplified Method	20% 60%**	50% 75%*	-	-	100%	100%
Coordination and support action	Total Eligible Costs	Total Eligible Costs/ Simplified Method; but max. 7% of direct costs reimbursed	7%	-	-	100%	100%	100%
Research project for the benefit of specific groups (SMEs) ⁷	Total Eligible Costs	Total Eligible Costs/ Simplified Method	20% 60%**	50% 75%*	50%	100%	100%	100%
<i>Specific Programme IDEAS</i>								
ERC: Support for "frontier" research	Total Eligible Costs	Total Eligible Costs/ Simplified Method; but max. 20% of direct costs reimbursed	20%	100%	100%	100%	100%	100%
<i>Specific Programme PEOPLE</i>								
Marie Curie Actions	Fixed Rates /Total Eligible Costs ⁸	-	10%	-	-	-	max. 3% (only for multi beneficiary ITN max. 7%)	Fixed-amount rates according to type of action and category ⁹
Marie Curie Award	Lump sum of 50.000 €	-	-	-	-	-	-	-

* For beneficiaries that are **non-profit public bodies, secondary and higher education establishments, research organisations and SMEs**

** For beneficiaries that are non-profit public bodies, secondary and higher education establishments, research organisations and SMEs **if unable to identify with certainty their real indirect costs for the project** (only for projects which include RTD and demonstration activities). 60% will apply for grants awarded under calls for proposals closing **before 1 January 2010**. After that new level of flat rate will be set up by the Commission, but not lower than 40%.

¹ **Upper funding limits, or reimbursement rates, also apply to projects funded on a flat rate (including flat rate on indirect costs) or lump sum financing basis, whether this is for the whole of or part of the project. The total eligible costs must first be calculated (including all direct and indirect costs) before applying the upper funding limits/reimbursement rates for the type of activity concerned (e.g. research, demonstration, management...).**

² Total eligible cost for indirect costs – for institutions that are able to identify indirect costs of a project; use of **simplified method** of calculation of total indirect eligible costs (based on real indirect costs) is allowed but only in cases where there is the lack of analytical accounting or use of cash-based accounting. Unlike FP6, in FP7 everybody has real option of using a flat rate on indirect costs (even large enterprises). The costing structure largely depends on the policy of the organisation involved.

³ Flat rates on indirect costs - percentage of total direct eligible costs excluding the direct eligible costs for subcontracting and the costs of reimbursement of resources made available by third parties which are not used on the premises of the beneficiary. Total direct eligible costs = costs of all activities (RTD, Demonstration, Training, Management, Other)

⁴ RTD - Research and Technological Development activities - **include scientific coordination**

⁵ Other activities means any "specific activity" covered by Annex I (Technical Annex)

⁶ Special provisions for “Infrastructures”: Community financial support for access costs is based on unit costs (see Model Grant Agreement, Annex III - Infrastructures)

⁷ For “Research for SMEs/SME Associations” there is a limit of Community financial contribution: max. **110%** of the “invoice” paid by the SMEs/SME Associations to the RTD Performers

⁸ Total Eligible Costs in Marie Curie Actions applies only to management activity

⁹ For detailed information on the fixed-amount rates for different type of Marie Curie actions and categories look at FP7 People Work Programme for 2007, overview p. 71-76