



Simplified Cost Options

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European Court of Auditors' Annual Report 2012

The Court did not detect any errors related to the specific use of SCOs.

This indicates that projects whose costs are declared using SCOs are less error prone.

Thus a more extensive use of SCOs would normally have a positive impact on the level of error.



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Simplified Cost Options

Standard scales of unit costs
Art.57b) CPR

Lump sums
Art.57c) CPR

Flat rate financing
Art.57d) CPR

What are the calculation methods ?

Ex ante evaluation

Fair,
Equitable
and
Verifiable
method

Use of existing EU schemes

(for similar
type of
operation
and
beneficiary)

Use of existing own national schemes

(for similar
type of
operation
and
beneficiary)

Use of schemes/ rates/ standards from the regulation

What are standard scales of unit costs?

Unit cost

A training costs **7€** per hour per trainee

Output foreseen

10 people will follow a 100 hours training = a total of **1,000 hours**

Maximum grant

7€ x 1,000 hours = **7,000€**

Real output

1 trainee dropped-out at the middle of the course = **950 hours**

Real grant

950 hours done x 7€ = **6,650€**

What are lump sums?

Lump sum

On the basis of a draft budget, a training is expected to cost **7,000€**



Output foreseen

10 people will be trained



Real output and grant received (good scenario)

10 people are trained = **7,000€**



Real output and grant received (unlucky scenario)

1 person drops out and only 9 people are trained = **0€**

**Max: 100,000 EUR
public contribution !**

What is flat rate financing?

The application of a percentage to one or several categories of costs:

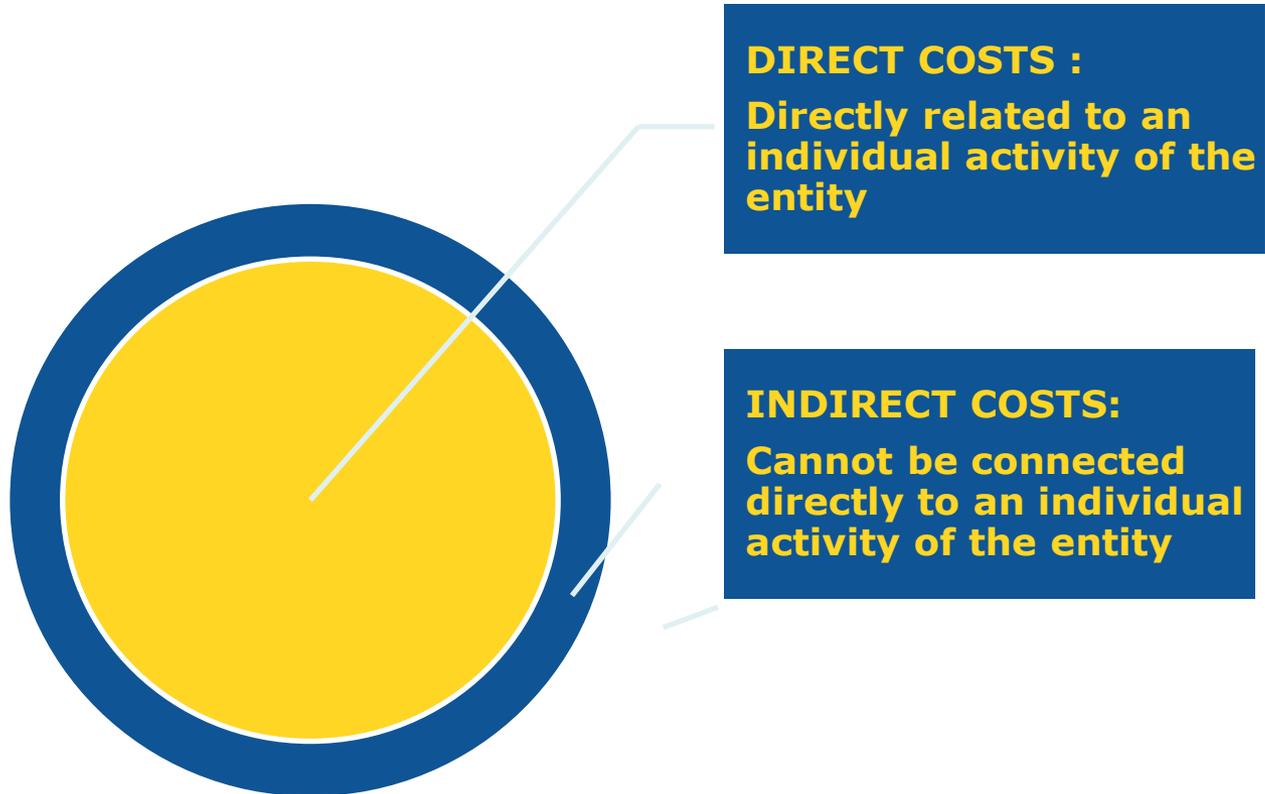
Indirect costs

Art. 58 1) CPR

Other costs

Art. 57 1) d) CPR

How do you calculate flat rate indirect costs ?



How do you calculate flat rate indirect costs ?

Up to 25% of eligible direct costs

- Fair, equitable and verifiable methodology
- Existing similar national methodology

Up to 15% of eligible direct staff costs

- No need to make any calculation

Using a flat rate applied in Union policies (Delegated act)

- For a similar type of operation and beneficiary

How do you calculate hourly staff costs ? (art. 58 2) CPR)



When to use SCOs?

Real costs are difficult to verify

High error rates

Risk on retention of documents

Want to focus on outputs and results

Reliable data on financial and quantitative implementation

Operations are standardised

Operations are not 100% procured

When you are sufficiently prepared !



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Thank you for your attention !