



FreeTwinEV

D4.3 Handbook for Management and Administration of International Projects

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Executive Summary

This handbook is a practical guide to administrative project management, designed to help teams manage projects consistently from setup to final audit. It explains how to work with the handbook, the process principles behind it, and provides shared reference points (definitions and abbreviations) so everyone applies the same language and logic in day-to-day work.

The main body follows the full project cycle and translates it into clear processes: preparation and planning (including pre-project activities, concept definition, preparation methodology, and budgeting), post-approval setup (cash-flow, roles, contractual documentation), implementation (supporting documents, personnel cost calculations, other direct and indirect costs, budget updates, technical and financial reporting), and finally project closure (audits, inspections, record keeping and archiving).

A dedicated part clarifies key roles used in the EC Funding & Tenders Portal and then dives into the core rules for Horizon Europe administrative management—especially eligibility of costs and how to handle each cost category in practice (personnel, subcontracting, purchases such as travel/equipment/services, and indirect costs). It also highlights essential compliance topics like record keeping, affiliated entities, budget flexibility, and the project payment flow. All content is specifically tailored to the needs of STU and fully aligned with its internal processes and requirements.

To support smooth delivery and audit readiness, the handbook also covers financial planning and management, the practical impact of the consortium agreement (including IP-related considerations), a structured list of required documents for reporting and audits, and guidance for projects funded through lump sum or unit cost models—plus final provisions and annexes for reference.

Timeline of preparation

Early 2025: The activity started with a kick-off meeting where ADDSEN and STU agreed on the overall process and next steps.

Step 2: ADDSEN collected feedback from the faculties and the rectorate on proposed improvements. In parallel, ADDSEN reviewed the competence matrix.

Step 3: Based on the inputs received, the **first draft version** of the Handbook was prepared.

Step 4: The proposed changes were incorporated and circulated for review.

Step 5: After an in-person meeting with project and administrative managers from the faculties, ADDSEN collected additional feedback.

Step 6: By incorporating this feedback **improved subsequent final version** was created.

Handbook for Management and Administration of International Projects for Research, Development and Innovation – Horizon Europe

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1 How to Use the Handbook

1.1 Intended Audience

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1.2 How to Work with the Handbook

The handbook provides comprehensive information on the administrative management system for university-wide projects. However, it can also be used in its individual parts as needed, in particular depending on:

- the current phase of the project ;
- the employee's role in the project;
- the activities to be carried out in connection with the project and to which the relevant project costs are linked .

The Handbook has the character of a user's manual, the aim of which is to:

- In **Chapter 2**, define the phases of the project cycle: project proposal preparation, post project approval, project implementation and project closure. The process objective, process inputs, process activities, expected process outputs, tools used in the process, and roles involved in the process are defined, including the identification of the process leader;
- in **Chapter 3**, define the project roles identified within HEU projects on the Funding and Tender Opportunities Portal;
- in **Chapters 4** present and explain the principles of administrative management of HEU projects. These chapters clarify the eligibility of individual costs, indicate the types of each cost category, describe their characteristics in more detail, and, where appropriate and necessary, provide specific examples for a clearer understanding;
- in **Chapter 5**, describe financial planning and project management, primarily intended for administration purposes;
- in **Chapter 6**, identify the link between the grant agreement and the consortium agreement, and its impact on project financial management and intellectual property protection;
- in **Chapter 7**, provide the list of documents for the reporting of an ongoing or completed project, for the purpose of cost reporting to the

- EC and/or for first- and second- level audits requirements;
- in **Chapter 8**, provide a brief description of projects implemented in the form of lump sums and unit costs.

1.3 Process Principles

In defining the processes in this Handbook, 2 basic principles have been applied:

- **Process leadership:** each process has a designated leader who oversees the execution of the individual activities within the process;
- **Role specialisation:** individual project roles and the employees assigned to those roles provide only part of the process activities in line with their job description and competences.

1.4 Applicable Programmes and Projects – Alternatives to HEU

The handbook has been developed for the purposes of EU Framework Programme for Research, Development and Innovation – Horizon Europe. In view of the corporate nature of the model grant agreement for the period 2021–2027, it is also applicable to some extent to other directly managed programmes of the European Union. However, the specificities of these directly managed programmes, as set out in the relevant grant agreement, must be considered. For other international programmes, the procedures are partially applicable.

1.5 Definitions of Terms

The Project Administration Manual complements and updates the existing internal rules of STU and is binding for the management of university-wide projects of the Framework Programme for Research, Development and Innovation – Horizon Europe (hereinafter referred to as "projects").

The manual regulates the administrative and financial management of projects at STU according to the principles of economy, efficiency and effectiveness. It also contains recommendations for legal issues related to project contracting.

Definitions of terms used in the manual:

- **Principal Investigator (PI)** – an employee of STU who is responsible for the substantive content, successful implementation of the project and its sustainability in line with the planned indicators that determined the provision of financial contribution. This includes in particular the fulfilment of

measurable indicators of the project, providing documents for monitoring reports, providing documents for public procurement, fulfilment of sustainability indicators, etc. Each project must have a Principal Investigator;

- **Researcher (R)** - an STU employee who carries out professional research, educational and other activities on the project and is also responsible for the implementation of the substantive and professional part of the implemented project. He/she is listed in the project personnel matrix and is directly involved in the project activities and the fulfilment of its indicators under the supervision of the Principal investigator;
- **Project Manager (PM)** - a person responsible for the correct administrative management of the project, timely performance of all administrative tasks and obligations arising from the implementation of the project. Together with the Principal Investigator, he/she is responsible for the preparation and submission of monitoring reports, provides assistance in the preparation of payment requests and in the implementation of public procurement. It shall, in cooperation with the Principal Investigator, supervise the economic and efficient use of project funds. He/she shall also be responsible for all necessary supporting documentation in the framework of the project implementation and for its archiving. He/she deals with the current status of the administration of project activities, possible budget transfers proposed by the Principal Investigator, etc. Each project must have a project manager.
- **Centre of European Projects (Centrum európskych projektov (CEP)** - supports and facilitates the involvement of the STU in international projects and programmes financed by European funds. CEP focuses on the preparation and implementation of projects, strengthening cooperation with external partners, ensuring quality management of project activities and providing support to the faculties. CEP is one of the departments of CEPSIT.
- **Centre of European Projects, Cooperation with Practice, Innovations and Technology Transfer STU (CEPSIT)** - ensures a uniform, coordinated and legally and internally compliant management process and administration of international projects, cooperation with industry, technology transfer, and support for the establishment of start-ups for STU students and graduates.
- **Local Project Administrator for International Projects (LPA)** - is a specialized role with competencies in project management, assisting investigators in project implementation and enabling the effective management of the project portfolio at the level of the organizational unit and its subdivisions;
- **Management of the organizational unit (VOS)** - represents the leadership of the organizational unit where the Principal Investigator and Researcher are based;
- **Department management (VUT)** - represents the management of a

department within organizational unit where the Principal Investigator and Researcher are located;

- **VU - University Management**
- **VO** - public procurement at the level of the STU Rectorate;
- **PO** - personnel department at the level of the STU Rectorate,
- **EO** - economic department at the STU rectorate level;
- **SPaZ** - co-financing, pre-financing and advance payment;

1.6 List of Abbreviations

AE - Affiliated entities

AF - Faculty Administration unit

F&T portal - Funding & Tenders portal

CA - Consortium agreement

CFS - Certificate of financial statements (First Level Audit)

EC - European Commission and Executive Agencies funding HEU

GA - grant agreement

Project ID - Project identification number

IPR - intellectual property rights

MAGION - accounting software

SMEs - small and medium-sized enterprises

NCP - national contact point

NFA - non-repayable financial contribution

PFSign, FSIGN - Project Financial Signatory

PHM - fuel

PLSign, LSIGN - Project Legal Signatory

PM - personmonth

SPaZ - Co-financing and back-up

TS - timesheet

WP - workpackage

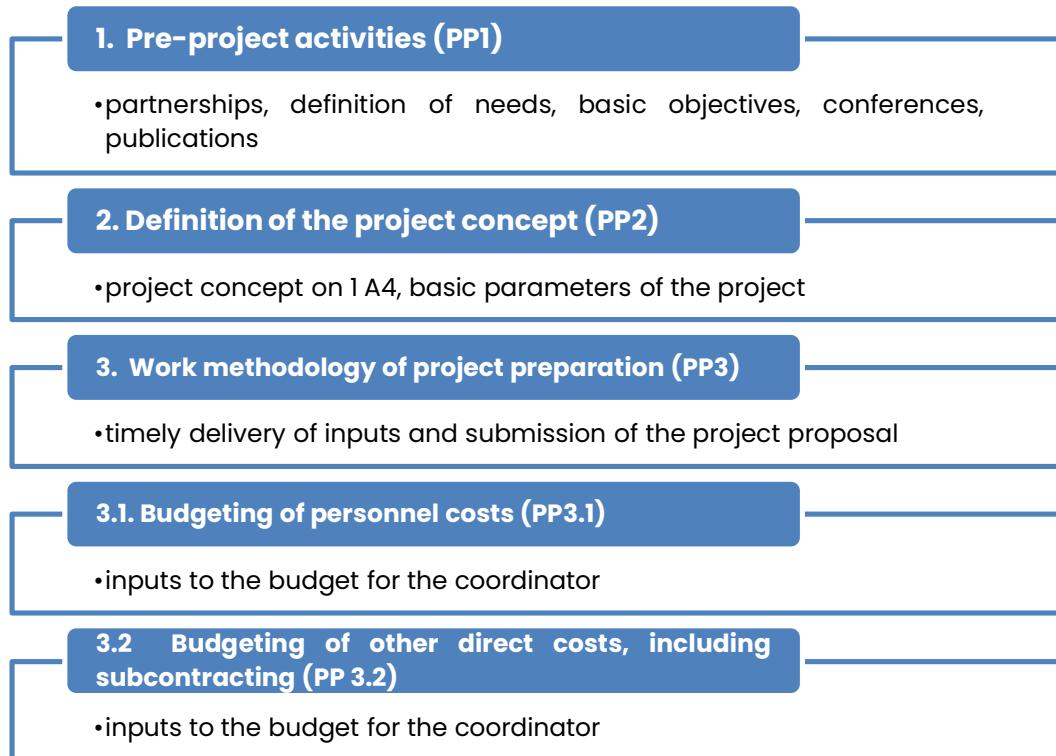
2 Project Cycle Phases and Their Processes

For purposes of this Handbook, we distinguish between 4 phases of the project cycle in terms of administrative and financial project management:

1. Preparation Phase
2. Post-Approval Phase
3. Implementation Phase
4. Closure phase

2.1 Project preparation and planning (Phase 1 of the Project Cycle)

This phase includes the pre-project activities prior to the submission of the project proposal, the processes within the project preparation itself: work methodology, preparation of the project budget and securing the financing of the preparatory activities, including the reimbursement of costs incurred during the project preparation.



2.1.1 Pre-project Activities

Process Leader: Principal Investigator

Process Objective:

Proposal of project topics in accordance with the research and development focus of the department and the researcher.

Process inputs:

- Assignment from university management, institute, partner or financing provider, staff own research activities (organisational unit profile and staff profile);
- Definition of needs and basic objectives;
- Partnerships – existing, mediated by support structures, contact database, etc;
- Active participation in international conferences;
- Joint publications with foreign partners.

Process activities:

- a) Opportunity search and pre-project activities
 1. VU provides funds for pre-project activities;
 2. The VOS and the VUT will ensure that the PIs and Rs have the necessary time for pre-project activities of the PI (e.g. participation in events to support project preparation);
 3. LPA and CEP supports and guides the researcher (e.g. participation in events, contact database, general profile of the unit), keeps a record of support opportunities for STU areas of interest;
 4. The PI is looking for opportunities (working with Horizon Europe National Contact Points (NCPs) and partners);
- b) Implementation of the pre-project activity
 5. The PI and/or R will participate in pre-project activities (e.g. attending events support project preparation);
 6. The PI and/or R shall account for the costs related to the pre-project activity;
 7. The EO will process the reimbursement of costs related to the pre-project activity;

8. CEP and/or LPA monitors calls for reimbursement of costs associated with the preparation of projects and prepares requests for reimbursement of these costs in coordination with the PI and the EO.

Expected outcomes of the process:

- Approved pre-project activity;
- Design of project topics (project concept);
- Partnerships – existing, mediated by support structures, contact database, etc.

Tools used in the process:

- meetings and minutes of meetings;
- possible cost accounting of pre-project activities in Magion;

Roles involved in the process: PI, LPA, VOS/VUT, EO, CEP, VU

2.1.2 Definition of the Project Concept

Process Leader: Principal Investigator

Process Objective:

Definition and approval of the project concept in accordance with the focus of STU research and development.

Process inputs:

- An assignment from university management, a partner, a funder or your own research task.

Process activities:

- a) Definition and approval of the project concept
 1. The PI will prepare a definition of the project concept+ will enter the basic parameters of the plan including the need for co-financing, pre-financing and advance payment according to the project management directive;

2. R works with the PI to define the project concept;
3. The VU takes note of the project concept, in the case of a call with only one possible participation they decide on the submitted project;

Expected outcomes of the process:

Approved project concept in accordance with the research and development focus of the department and the researcher's focus.

Tools used in the process:

- SW tool- registration of intentions in a structured form;
- PI – project concept.

Roles involved in the process: PI, R, VU

2.1.3 Methodology for Project Preparation

Process Leader: CEP

Process goal: Submission of a project proposal.

Inputs to the process: approved project concept .

Process activities:

a) **Project preparation**

1. CEP and LPA methodologically supports the PI (project preparation and submission process, Part A, work with F&T portal);
2. The PI writes the project, communicates with project partners, and coordinates project preparation at the university, interacting with other organizational units;
3. R contributes to the project concept as required by the PI;
4. The PI will assign a CEP employee as the organization's contact person in the project proposal (Part A of the project in the role of Coordinator Contact or Participant Contact);
5. The PI submits a project proposal.

Expected outcomes of the process:

- Timely submission of the project proposal on the F&T portal in

- accordance with the requirements of the call;
- Records of project submitted and approved.

Tools used in the process:

- Submission of the project proposal (PI) and its evaluation – EC website – F&T portal;
- records of project proposals submitted and approved.

Roles involved in the process: PI, R, LPA, CEP.

2.1.4 Budgeting of Personnel Costs (Inputs for the Coordinator's budget)

Process Leader: CEP

Process Objective:

A budget with an optimal project cost structure.

Process inputs:

- Financial inputs from accounting system MAGION, EC methodology for Horizon Europe.

Process activities:

a) Person-month plan at project level:

- The PI defines the need, negotiates the person-month (PM) at the project level;
- The PI defines the assignment of the staff involved in the project and identifies their project role.

b) Calculation of personnel costs of the project:

- The CEP and LPA in cooperation with the PI will determine the amount of personnel costs based on the data from the PO and in accordance with the EC methodology and the Project Remuneration Directive and the Project Management Directive;
- The PI will enter the projected personnel costs in the proposal;

3. The CEP and LPA will undertake a review of the staff costs budget.

Expected outcomes of the process:

- A realistic estimate of the project's personnel costs budget.

Tools used in the process:

PO – MAGION – financial documents;

PI, CEP – budget in tabular form – Template for HEU project budget (Annex 1)

Roles involved in the process: PI, PO, CEP, LPA

2.1.5 Budgeting of Other Direct Costs (Inputs for the Coordinator's Budget)

Process Leader: CEP

Process Objective: A budget with an optimal project cost structure.

Process inputs:

- Financial documents from the MAGION system;
- EC Methodology for Horizon Europe.

Process activities:

a) **Calculation of other direct project costs**

1. The PI defines the need for other direct project costs;
2. The EO will provide the basis for other direct costs (prices of materials, services, etc.)
3. Provides supporting documents to CEP (if relevant to the project) – e.g. amount of depreciation balance on equipment that will be in the project budget, unit cost determined according to common accounting practice and objective criteria – internal company invoices (consumables of own production, use of specific research equipment or research equipment e.g. supercomputer equipment), estimated cost of foreign business trip;
4. The STU and LPA will propose an optimal cost structure in accordance with the need of the PI and in coordination with the EO and the rules of

the programme;

5. The PI will enter the amount of other direct costs in the project budget, defining the necessary cost breakdown according to the requirements of the grant provider;
6. The STU and LPA will carry out a review, checking the eligibility of costs;

Expected outputs of the process: a budget with an optimal project cost structure.

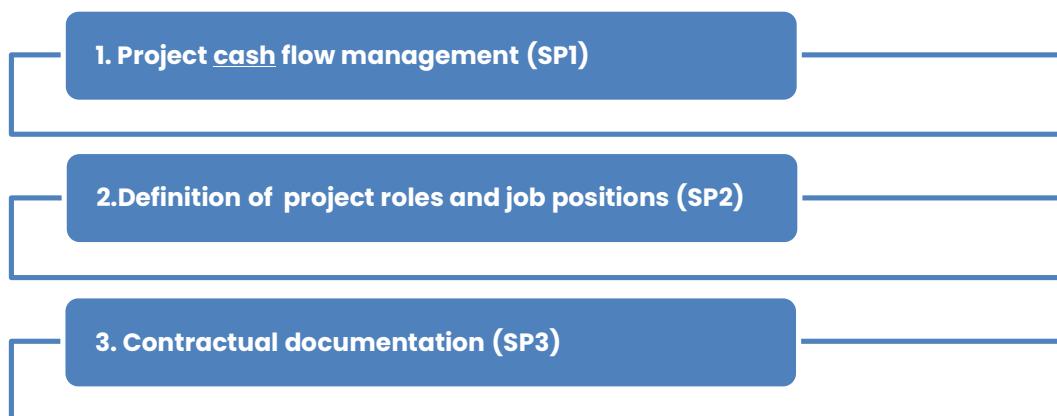
Tools used in the process:

- EO – MAGION – financial documents;
- PI, CEP – budget in tabular form – Template for HEU project budget (Annex 1)

Roles involved in the process: PI, EO, EO, LPA. Project Post-Approval (Phase 2 of the Project Cycle)

2.2 Post-Approval of the Project (Phase 2 of the Project Cycle)

This phase includes the processes after project approval: planning the project budget and cash-flow, defining project roles and setting salaries based on project roles.



2.2.1 Project Cash-flow Management

Process Leader: Economic Department

Process Objective:

Optimal project cash-flow management - backup, financial management of the project portfolio.

Process inputs:

- project budget, estimated duration of the project, estimated annual budget (cost) over the years, estimated EC contribution - grant agreement;
- Identified project cost coverage (expected payments).

Process activities:

a) **Planning for budget execution and ensuring project cost coverage**

1. The PI enters the planned annual project budget according to the project management guidelines and, in cooperation with the CEP, identifies the period of expected payments from the grant provider (based on the grant agreement);
2. The EO records the costs and balances in the active projects accounts;
3. The CEP helps the EO identify cost coverage (expected payments) based on information from GA and CA. The CEP works with the EO to propose a solution if SPaZ is needed;
4. The CEP proposes PI and VU solutions in case of SPaZ (financial management of the project portfolio);
5. The VU approves the financial coverage in the case of the SPaZ.
6. The VOS/VUT approves the financial coverage SPaZ for the relevant departments;

Expected outcomes of the process: optimal project cash flow management, available funds to cover project expenses.

Tools used in the process:

- PI, EO, CEP – registration of the annual plan of budget spending;
- EO – records of project costs, records of the use of funds – MAGION.

Roles involved in the process: PI, VOS/VUT, CEP, EO, VU.

2.2.2 Definition of Project Roles and Job Positions

Process Leader: Principal Investigator

Process goal: Defining project roles

Process inputs:

- TOR – composition of the project team and definition of their roles in the project;
- CEP – administrative management manual and competence matrix.

Process activities:**a) Approval of project team composition and assignment of project roles**

1. The PI defines the staffing matrix according to the project management directive;
2. CEP assigns PLSign and Fsign (project roles);
3. CEP and PI will prepare and deliver documents for the change of the job description to the PO;
4. The PO will prepare amendment to the job description;
5. The VOS/ VUT approves job description amendment and signs where it has approval authority,;
6. The VU approves job description amendments and signs amendments where it has approval authority.

Expected outcomes of the process:

- approved composition of the project team;
- amendment to the job description or other record of involvement in the project.

Tools used in the process:

- PI – new job description according to the directive;

- CEP – change management of roles on the F&T portal.

Roles involved in the process: PI, VOS/VUT, PO, CEP, VU.

2.2.3 Contractual Documentation

Process Leader: Principal Investigator

Process goal: Signing of project contractual documentation (grant agreement and consortium agreement).

Inputs to the process: standard model grant prepared by the grant provider, model consortium agreement (e.g. DESCA) provided by the coordinator.

Process activities:

1. The PI submits the contract documentation to the CEP for comments;
2. The CEP in cooperation with relevant STU departments (e.g. legal department) will ensure the control of contractual documentation, especially the consortium agreement;
3. The PI will provide signatures on the cover sheet for the contract documents, the VOS will sign the cover ;
4. CEP submits a cover letter to the PLSIGN contract documentation;
5. The VU signs the contracts;
6. CEP archives a scanned version of the contractual documentation, in the case of a grant agreement a printed version.

Expected outcomes of the process:

1. Grant signed;
2. Consortium agreement signed.

Tools used in the process:

- Grant agreement via F&T portal
- Consortium agreement in a written form e.g. word, communication by electronic mail e.g. email.

Roles involved in the process: PI, CEP, VU, VOS.

2.3 Project implementation (Phase 3 of the Project Cycle)

This phase includes processes during project implementation – the basis for calculation and recording of personnel costs – monthly and at the end of the calendar year/reporting period, other direct costs and indirect costs, tracking of the project budget and cash-flow and their updating, technical periodic and final reporting and reporting of costs to the EC.

- 1. Supporting documents, calculation, and recording of personnel costs – monthly (RP1)**
 - Processing of timesheets, calculation of personnel costs on a monthly basis
- 2. Supporting documents, calculation, and recording of personnel costs – at the end of the calendar year/reporting period (RP2)**
 - calculation of eligible personnel costs of HEU projects at the end of the calendar year/reporting period
- 3. Supporting documents, calculation, and recording of other direct costs (RP3)**
 - recording and monitoring of costs for official travel, consumables, services and equipment
- 4. Supporting documents and calculation of indirect costs (RP4)**
 - identification of indirect (overhead) costs
- 5. Budget updates (RP5)**
 - comparison of planned and actual budget spending
- 6. Technical periodic and final reporting (RP6)**
 - preparation of technical reports on project implementation progress and their submission to the project coordinator
- 7. Cost Reporting to the EC (RP7)**
 - preparation of financial statement at the end of the reporting period/ at project completion and submission to the project coordinator

2.3.1 Supporting documents, Calculation and Recording of Personnel Costs – monthly

Process Leader: CEP

Process Goal: Eligible personnel costs in accordance with the terms of the HEU program.

Process inputs:

- Hours worked on project activities; Personnel contract documentation.
- Knowledge of the EC Manual and guidance on staff costs.

Process activities:

a) **Processing of timesheets**

1. The PI and R shall prepare their own timesheet (TS). The PI signs the TS by the researcher, the VUT signs the TS by the responsible researcher (in the case of collaboration between institutes, the TS is signed by the head of the institute where the employee is assigned). If the PI is VOS the immediate supervisor controls and signs the TS, in case of the Rector the TS is controlled and signed by the PI.
2. The PI submits all TSs for the month to the CEP and LPA for review;
3. LPA and CEP check TS compliance with attendance.

b) **Calculation and recording of personnel costs**

1. CEP calculates the amount of pers. costs and informs the PO.
2. The PO will charge a pro rata. portion of the personnel costs of the project.
3. The EO will pay the salary based on the PO's documents.
4. CEP records the personnel costs of the project – records the use of funds, archives the documents for the calculation of eligible costs.

Expected outcomes of the process:

- The amount of personnel costs recorded for the project is in accordance with the Manual and the EC guidelines

Tools used in the process:

- PI, R – Timesheets;

- EO – MAGION – HR;
- CEP – Internal guidelines on TS recording (Annex 2), Evidence of hours spent on the project – in a spreadsheet form e.g. Excel.

Roles involved in the process: PI, R, LPA, VOS/VUT, EO, PO, CEP.

2.3.2 Supporting documents, Calculation and Recording of Personnel Costs (End of the Calendar Year/Reporting Period)

Process Leader: CEP

Process Goal: Eligible personnel costs in accordance with the terms of the HEU programme.

Process inputs:

- Monthly personnel costs posted to the project;
- Methodology for calculating eligible personnel costs;
- EC Handbook and Guidelines for the HEU Programme.

Process activities:

a) Recalculation of personnel costs according to HEU scheme rules and posting the difference in the accounts:

1. The PO will provide the CEP with the documents necessary for the calculation of eligible personnel costs (payrolls and pay slips);
2. If it does not meet the conditions of project remuneration according to the project remuneration guidelines: the CEP will calculate the amount of personnel costs according to the corporate approach, then proceed as per point 4.
3. If it meets the conditions for project remuneration according to the project remuneration guidelines: the CEP will calculate the amount of the project remuneration staff costs (taking into account the national reference rate and the project rate);
4. The EO will post the difference between the interim monthly staff cost calculation and the annual recalculations/recalculations at the end of the reporting period. period based on the documents from the CEP;
5. CEP records the personnel costs of the project – records the budget spending, archives the documents for the calculation of eligible costs;

Expected outcomes of the process:

- Amount of eligible project personnel costs of the PI and R for the financial statement to the EC.

Tools used in the process:

- EO – MAGION – personnel accounts;
- PO, CEP – calculation of rates and personnel costs in tabular form e.g. Excel

Roles involved in the process: EO, PO, CEP

2.3.3 Supporting Documents, Calculation and Recording of Other Direct Costs

Process Leader: CEP

Process objective: Eligible other direct costs in accordance with the terms of the HEU programme

Process inputs:

- Plan of other direct costs needed for the project from the PI;
- EC Handbook and Guidelines for the HEU Programme.

Process activities:**a) Records of other direct project costs**

1. PI, R – in accordance internal guidelines, prepares documents for declared costs (e.g. business bills, business report, publication number, fees, purchase of consumables, etc.). The PI approves the costs and assigns a contract number;
2. The PI will provide the CEP with estimated dates for the purchase of goods, services and works, if necessary;
3. The PI prepares the technical specification – goods, services and works for VO (public procurement), if necessary;
4. The VO assists and supports PI and R where necessary;
5. The CEP prepares administrative documents for the procurement process up to the purchase of goods, services and works, if necessary in cooperation with the Procurement Office. Where necessary, in liaison with the VO, it shall

- prepare the anticipated plan for the PSC;
- 6. The PI approves the other costs of the project;
- 7. EO reimburses costs, charges costs to the project;
- 8. CEP records other project costs – updates the drawdown;
- 9. CEP informs the SC on the absorption of other direct costs;
- 10. CEP archives scans for other direct costs;

b) project cost control

1. The CEP checks the eligibility of costs (compliance with the grant agreement) and checks the classification of costs in the individual HEU programme categories;

Expected outcomes of the process:

- Amount of eligible other project costs for the financial statement to the EC

Tools used in the process:

- PI, R, CEP – registration of costs and their classification into individual categories of HEU programme e.g. Excel;
- EO – MAGION;
- VO –Internal Directive for Procurement of goods and services;

Roles involved in the process: PI, R, EO, VO, CEP

2.3.4 Supporting Documents and Calculation of Indirect Costs

Process Leader: CEP

Process objective: Eligible indirect costs in accordance with the terms of the HEU programme

Process inputs:

- Identified direct costs of the project
- EC Handbook and Guidelines on the HEU Programme

Process activities:

a) Calculation of indirect costs of the project and their booking;

1. The CEP will calculate the amount of indirect costs of the project on a quarterly basis based on the amount of direct costs drawn (except for those covered by indirect costs, e.g. subcontracting);
2. The EO shall charge indirect costs to the project;
3. The CEP will recalculate the amount of indirect costs after the end of the reporting period and inform the EO;
4. The EO will book the difference between the calculated eligible indirect cost amount and the indirect costs posted on a quarterly basis.

Expected outcomes of the process:

- Posted eligible indirect costs.

Tools used in the process:

- CEP – recording of costs e.g. in Excel;
- EO – MAGION

Roles involved in the process: EO, CEP

2.3.5 Budget Updates

Process Leader: Principal Investigator

Process goal: Optimal project cash flow management.

Process inputs:

- Planned budget spending – recording including updates;
- Project payment records (receipts sent to the EC and expenditure in the project account);
- Costs posted in the accounts.

Process activities:

a) Updating cost spending plans and tracking variations in actual vs. planned budget spending

1. The CEP monitors the budget spending on a quarterly/annual basis;
2. The PI updates the budget spending plan based on information from the CEP;

Expected outcomes of the process:

- Updated project budget spending plan;
- Identification of variances of real vs. planned budget.

Tools used in the process:

- PI, CEP – budget spending plan – continuous budget spending in tabular form e.g. Excel.

Roles involved in the process: PI, CEP

2.3.6 Technical Periodic and Final Reporting

Process Leader: Principal Investigator

Objective of the process: To justify the claimed eligible costs declared in the financial statement to the EC and to meet the contractual requirement of the grant provider as per the grant agreement.

Process inputs:

- Objectives and deliverables – set out in the grant agreement;
- Publications, technical documentation for the project;
- Agreed deliverables with project partners;
- EC Handbook and Guidelines for the HEU Programme.

Process activities:

a) Sending inputs for Technical Report to the coordinator/Task leader/Project coordinator /EC

1. The PI summarizes and forwards the inputs for the activities in the project period. R prepares input to the PI as mutually agreed.

Expected outcomes of the process:

- Sent inputs for the technical report to the coordinator/leader of the respective task;
- Interim/final technical report sent to the EC (if the PI is the project coordinator).

Tools used in the process: word, email, EC F&T portal.

Roles involved in the process: PI, R.

2.3.7 Cost Reporting to the EC (Financial Statement at the End of the Reporting Period or at Project completion)

Process Leader: CEP

Process Goal: Submission of a project financial statement in line with the project activities and the terms of the grant agreement.

Process inputs:

- Grant agreement – budget;
- Posted project direct and indirect costs;
- Recording of costs sorted into cost categories;
- EC Handbook and Guidelines for the HEU Programme.

Process activities:

a) Preparation of the financial statement to the EC

1. PI announces the obligation to prepare the financial statement;
2. CEP will check the compliance of the documents with MAGION;
3. The CEP prepares the financial statement. The PI and R provide support to CEP. The CEP will check the financial statement before sending it to the coordinator. Uploads the CFS to the portal, in the case of a 1st stage audit (see the process: 1st stage audit);
4. CEP approves and signs the financial statement and sends to the EC (FSIGN identified by the Bursar (Kvestor) of STU).

Expected outcomes of the process:

- Submitted financial statement to EC with project eligible costs in line with EC guidelines for HEU programme.

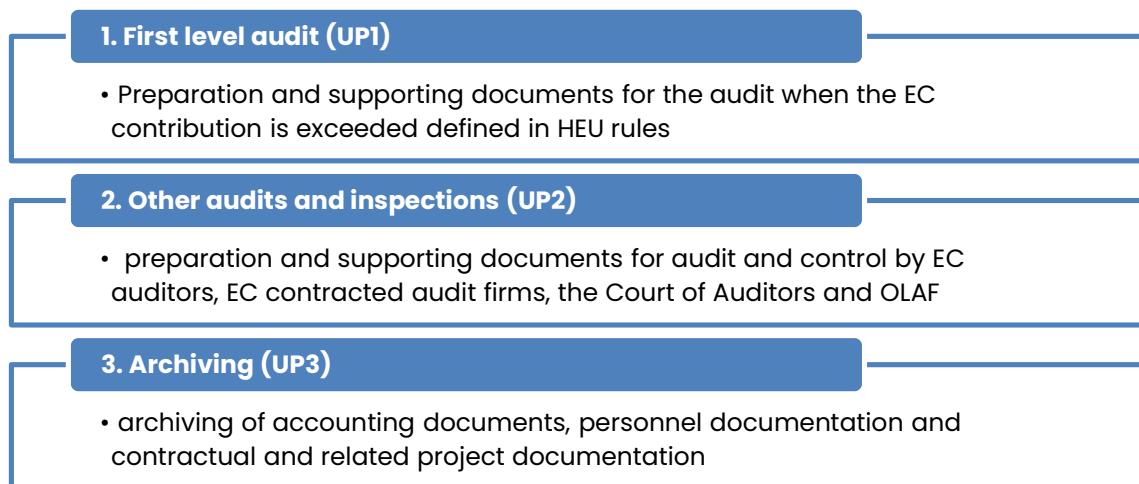
Tools used in the process:

- PI, CEP – EC F&T portal;
- CEP – registration of costs sorted into cost categories in a spreadsheet form e.g. Excel;

Roles involved in the process: PI, R, CEP

2.4 Project closure (Phase 4 of the Project Cycle)

The project closure phase includes the first stage audit, other audits and controls, and the archiving of accounting documents, staff documentation and contractual and related project documentation.



2.4.1 First level Audit

Process Leader: CEP

Process Goal: Minimisation of corrections to audit output.

Process inputs:

- Grant agreement;
- EC Manual and Guidelines;
- Supporting documentation for the project – technical and financial reports, timesheets in written form, records of hours, records of costs classified in the cost categories of the HEU programme;
- Posted costs.

Process activities:

a) **Process of the first level audit**

1. VO – assists in the selection of the auditor;
2. CEP – primary contact – contacts and communicates with the

auditor during the audit, defends costs if necessary;

3. PI, R, LPA, PO – provides assistance;
4. EO – provides assistance and access to accounting documents on request;

Expected outputs of the process: documentation for the auditor, audit result with minimum corrections.

Tools used in the process:

- EO – posted project costs – MAGION;
- PI, R, CEP – recording of hours and costs in a spreadsheet form e.g. Excel;
- F&T portal
- MS office or similar tools

Roles involved in the process: PI, R, EO, LPA, PO, VO, CEP.

2.4.2 Other Audits and Inspections

Process Leader: CEP

Process Goal: Minimize corrections to the audit output.

Process inputs:

- Grant agreement;
- EC Manual and Guidelines;
- Supporting documentation for the project – technical reports, timesheets in written form, records of hours, records of costs classified into cost categories of the programme;
- Posted project costs.

Process activities:

a) **Progress of other audits and controls**

1. CEP – primary contact – communicates with the auditor during the audit, defends costs if necessary. Provides access to cost records for the purpose of the audit;
2. EO – provides assistance, access to documents;

3. PI, R, LPA, PO - provides assistance;
4. The CEP comments on the draft auditor's report;
5. CEP - proposes adjustments to processes and internal. procedures in case of findings;
6. VU - approves updated processes and regulations.

Expected outputs of the process: documentation for the auditor, audit result with minimum corrections.

Tools used in the process:

- EO - posted project costs - MAGION;
- PI, R, CEP - recording of hours and costs in tabular form e.g. Excel;
- F&T portal.
- MS office or similar tools

Roles involved in the process: PI, R, LPA , EO, PO, CEP, VU.

2.4.3 Record Keeping and Archiving

Process leader: CEP

Process goal: Archiving of documentation as required by the grant agreement.

Process inputs:

- Payroll documentation for the project;
- Accounting documentation for the project;
- Supporting documentation for the project: grant agreement including possible amendments, technical and financial reports, records of hours and costs in spreadsheet form e.g. Excel, timesheets - in written form, records of costs classified in the cost categories of the project budget; other documentation in written or electronic form.
- EC Handbook and Guidelines.

Process activities:

a) Archiving of project documentation

1. CEP keeps the supporting documentation for the project (contractual documentation, communication with the grant provider regarding deviations from the grant agreement), project file in electronic form;
2. The EO will keep the project accounts and payroll and personnel documentation.

Expected outputs of the process: documentation of the project for later audits and controls.

Tools used in the process:

- posted project costs – MAGION;
- F&T portal
- MS excel or similar tools

Roles involved in the process: PI, R, EO, CEP

3 Roles According to the EC F&T Portal

The roles are divided into two areas:

- **Organisation roles** - relate to the whole organisation and its data, but without access to projects/contracts.
- **Project/contract roles** - these roles are defined first in the project proposal and then assigned to the project/contract if the organisation is invited to sign or join a contract with the EC. These roles can be set during the project preparation phase and later during the post-approval phase and include all level of access: read/write/submit.

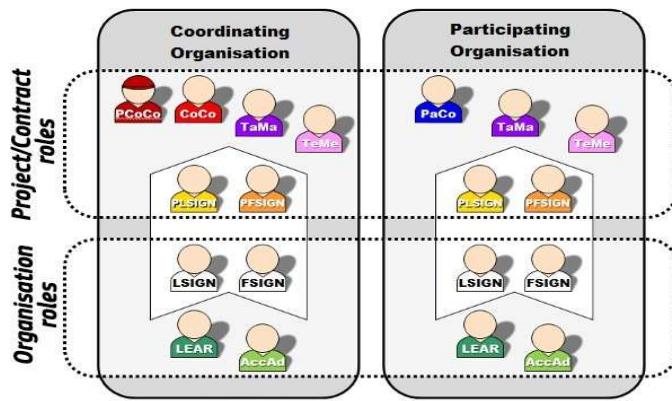


Figure 1 - Distribution of roles

Source: F&T portal - Online manual (2021-2027)

Role	Explanation
(Primary) Coordinator Contact (PCoCo/CoCo)	<p>Primary Coordinator contact (PCoCo) is the main contact between the consortium and the EU for a specific project/contract. By default, it is the person who will create the project proposal on the F&T portal.</p> <p>The PCoCo may nominate/de-nominate a Coordinator Contact (CoCo) for a project/contract (number not limited) who will have the same authority- except to de- nominate the PCoCo.</p> <p>Coordinator Contacts can:</p> <ul style="list-style-type: none"> • Nominate/cancel Participant Contacts nominations for other organisations in the consortium; • Nominate/de-nominate Task Managers and Team Members in their own organisation; • Assign Legal and Financial Signatories in their own organization to their projects; • Make changes to project documents on the F&T portal;

Role	Explanation
	<ul style="list-style-type: none"> • Communicate with EU services and submit project proposals and project documents to the EU; • It is important to list your partner organisations (and their contact persons) early in the application process as this will give them access to the project proposal and allow them to nominate other roles for their organisation.
Participant Contact (PaCo)	<p>The PaCo is the representative of the organisation in the consortium that is not the coordinating organisation.</p> <p>An organisation can have an unlimited number of PaCo roles for a project and everyone will be able to:</p> <ul style="list-style-type: none"> • Nominate/de-nominate other PaCo's in their organisation; • Assign Legal and Financial Signatories in their own organization to their projects; • Submit their work to the coordinator; • Nominate/de-nominate Task Managers and Team Members in their own organisation; • Make changes specifically to the participant- related sections of the project documents on the F&T Portal; • Submit information directly to EU services (if required under the grant agreement).
Task Manager (TaMa)	<p>TaMa can perform some limited actions: create, update and upload documents related to their organization's participation in the project and fill in, edit or delete project/contract related information.</p> <p>An organization can have an unlimited number of TaMa roles assigned to a project. This role cannot nominate/de-nominate anyone and cannot submit information to the coordinator or the EC.</p> <p>This role cannot be used in the project preparation process.</p>
Team Member (TeMe)	<p>TeMe has limited access rights: search and read only.</p>

Role	Explanation
Project Signatory (PLSIGN)	<p>PLSIGN has the right to sign the grant/contract (including amendments) for a specific project on behalf of the organization.</p> <p>The LEAR (or Account Administrator) must first designate an LSIGN; the coordinator and each project partner (PCoCo/CoCos/PaCos) can then assign a named PL SIGN for a specific project who will have the authority to act as the organization's legal signatory for the project. An organization may have an unlimited number of PL SIGNS for a project.</p> <p>PL SIGNS have the same permissions as CoCos/PaCos for a project/contract, VUT cannot nominate/cancel nominations for any roles.</p>
Project Financial Signatory (PFSIGN)	<p>PFSIGN has the right to sign "cost claims/invoices" on behalf of the organization.</p> <p>The LEAR (or Account Administrator) must first appoint FSIGN, the Coordinator and each project partner (PCoCo/CoCos/PaCos) may then assign a PFSIGN for each project to act as the organization's legal signatory for the project.</p> <p>An organization can have an unlimited number of PFSIGNS for a project.</p> <p>PFSIGNS have the same permissions as CoCos/PaCos for a project/contract information, cannot nominate/de-nominate any roles.</p>

4 Principles of Administrative Project Management

– Horizon Europe Programme

4.1 Eligible and Ineligible Costs for HEU projects

The financial management of HEU projects is based on the Annotated Model Grant Agreement (AGA). When the AGA is updated, the relevant part of the handbook should be updated if necessary.

The HEU programme distinguishes between **4 types of eligible costs:**

- A. Actual costs
- B. Unit costs
- C. Costs calculated at a flat rate
- D. Costs declared as lump sums

Characteristics of actual eligible costs:

1. They must be actually incurred by the beneficiary – they must not be estimated or budgeted only.
2. They must be incurred during the duration of the grant (exceptions are described below).
3. They are included in Annex 2 as estimated project budgeted costs. Costs not filled in or filled in incorrectly are ineligible (e.g. a cost category prohibited by the call).
4. They must be connected to the action and necessary for its implementation as described in Annex 1.
5. Costs must be identifiable and verifiable – based on the organisation's usual accounting and management principles, must be based on the organisation's existing accounting system and accounting procedures must comply with the laws of the Slovak Republic. Generally accepted accounting practices do not override the rules of the programme and the grant agreement.
6. They must be reasonable, justified and comply with the principles of sound financial management, as regards economy and efficiency.
7. Costs must comply with applicable legislation.

The costs for the preparation of final reports and the costs of the first level audit (CFS) are eligible even after the end of the project.

Characteristics of unit costs:

1. Unit costs must be correctly calculated according to the applicable

methodology. The total cost charged to the project is calculated as unit cost * number of units.

2. The number of units must be necessary for the action.
3. Unit costs must be generated during the implementation of the project.
4. The beneficiary must be able to demonstrate the link between the project work and the unit cost.

Characteristics of costs calculated at a flat rate:

1. For eligible cost types, a flat rate is applied to calculate them.
2. For HEU project overheads, actual overheads are irrelevant and do not need to be calculated or documented by accounting evidence. Only the direct costs on the basis of which the overheads were calculated need to be eligible.

Characteristics of costs declared by lump sum:

1. Costs must correspond to the lump sum costs in the project budget – Annex2.
2. The output or result triggering payment of the lump sum must have been achieved during the action duration.
3. The project work must be carried out in accordance with the Project Description (Description of Action) – Annex1. The project works are specifically defined in the Work-Packages.
4. Actual costs are irrelevant when lump sum costs are applied. Only supporting documentation confirming the implementation of the project tasks as defined in Annex 1 is checked.

Ineligible costs (full list, some not relevant to STU):

1. Cost of preparing the project proposal.
2. Cost of preparing the consortium agreement (to be signed before the start of the grant).
3. Post-project costs excluding preparation of the final report and the first stage audit (CFS).
4. Dividend expenses and fees related to profit sharing.
5. Provisions for future losses or debts.
6. Debt and fees.
7. Interest owed.
8. Exchange rate losses.
9. Bank charges levied by the beneficiary's bank for crediting funds from the

grantor.

10. Excessive and reckless spending.
11. Deductible VAT (non-deductible VAT is an eligible expense).
12. Costs to be incurred when the grant is suspended.
13. Costs declared for other EU and national grant schemes, this does not apply to synergy grants.
14. Expenses or allowances for staff or representatives of the EU institutions (in particular travel and subsistence expenses).
15. Costs or contributions for activities taking place in non-eligible countries (as specified in the terms and conditions of the call).
16. Costs that are explicitly listed as ineligible in the call.

4.2 Cost categories under HEU: Actual Direct Costs and Indirect Costs (Flat Rates)

Eligible cost structure of Horizon Europe projects (direct and indirect costs) and their identification in the project budget:

A. Personnel costs

- A.1 Employees (or equivalent)
- A.2 Natural persons under direct contract
- A.3 Seconded persons
- A.4 SME owners and natural persons beneficiaries (SME owners and natural persons beneficiaries)

B. Subcontracting

C. Purchase costs

- C.1 Travel and subsistence
- C.2 Equipment
- C.3 Other works, goods and services

D. Other cost categories

- D.1 Financial support to third parties
- D.2 Internally invoiced goods and service
- D.3 Unit costs for transnational access to research infrastructure
- D.4 Unit costs for virtual access to research infrastructure

E. Overheads (indirect costs)

In the STU conditions, we assume the most frequent occurrence of the following cost categories, which are described in detail below:

- A. Personnel costs
 - A.1 - Employees
 - A.2 - Natural persons working on a direct contract ("Agreements")
- B. Subcontracting
- C. Purchase costs
 - C.1 Travel and subsistence
 - C.2 Equipment
 - C.3 Other works, goods and services
- E. Overheads (indirect costs)

4.3 A. Direct Personnel Costs

1. Horizon Europe introduced **daily rates** for the calculation of staff costs (instead of hourly rates used in H2020).
2. **The number of productive** days in a calendar year is fixed at **215**, which represents **1612.5 hours** ($215 * 7.5$ hours).
3. 215 days is the maximum number of day-equivalents a staff member can declare per calendar year on all EU/EURATOM projects.

4.3.1 A.1 Employees

This cost category represents the cost to the organisation of an **employee** who performs his/her activities **solely** based on **an employment contract**.

For these costs to be eligible, the staff member implementing the project must be **assigned to the project**:

- by amendment of job description;
- **or other record of involvement in the project** - a management decision to assign the employee to the project, e.g. minutes of a faculty or institute management meeting or other internal regulation. An alternative method of assigning an employee to a project should be archived as part of the archiving process. A record of time worked on the project is also sufficient.

If the staff member in question performs project work as his/her only activity within the job description, the employment contract must be modified and the new HEU project added to the job description.

4.3.1.1 What are the eligible components of personnel costs under category A.1?

The eligible cost is the cost of the work = gross wage + employer's compulsory social and health insurance contributions.

The gross wage is composed of:

- I. **the functional salary** specified in the staff member's salary slip. This is the tariff salary + personal allowance (supplement) + other allowances granted to the employee (in line with relevant legislation). A special type of functional salary is the personal salary.

The functional salary may include an **personal allowance (osobný príplatok)**, which is a non-entitlement component of remuneration; therefore, its amount must not depend on participation in Horizon Europe projects. Remuneration for work on the project is subject to project-related remuneration (Project Remuneration Directive).

According to Horizon Europe rules, the personal allowance must be allocated in an objective manner, for example on the basis of employee performance evaluation (so-called merit-based remuneration).

- II. Personnel costs of STU related to providing financial and non-financial benefits to all employees on the basis of pre-defined rules laid down in the internal documents of the university or the faculty, in the collective agreement or arising from Slovak legislation, e.g. 13th and 14th month salary arising from the collective agreement, remuneration arising from a higher-level collective agreement, contributions to the third pillar of pension savings, contribution from/to the social fund (applied only once), meal allowance, company car for private use, and similar benefits.
- III. Other components, e.g. overtime compensation.
- IV. Provided that the conditions for granting project-related remuneration are fulfilled, the project bonus/remuneration according to the Directive on project remuneration will also be included in the gross salary.

4.3.1.2 What are the ineligible components of A1 personnel costs?

- I. Part of employee remuneration that does not represent an actual cost for STU – e.g. the contribution paid by the Social Insurance Agency during sick leave.
- II. Arbitrary (non-objective) bonuses – these are bonuses that are not awarded based on objective criteria and are not entitlement-based, as the conditions for granting them are not known in advance.

The European Commission considers objective criteria to be those under which

an employee knows beforehand what must be achieved in order to obtain the bonus; for example, publishing an article in a peer-reviewed journal is rewarded with a EUR 300 bonus per article. In such a case, the bonus is eligible.

- III. Bonuses that are awarded based on the availability of project funds.

4.3.1.3 Recording of hours worked and calculation of personnel costs

Recording time spent on the project:

Recording working time on a Horizon Europe project is documented by the number of hours worked on the project monthly. For the purpose of time recording, a timesheet is used, with the template provided in the Project Management Directive. Although the European Commission allows working time for Horizon Europe projects to be reported in days, the requirement to record cumulative working time for Structural Funds projects in hours mean that the hourly system continues to be applied for the Horizon Europe programme.

Furthermore, recording working time in hours makes it possible to distinguish working time between individual projects in cases where an employee performs activities on multiple projects under their employment contract and holds different roles, which is reflected in the calculation of project-based remuneration.

Calculation of personnel costs:

The European Commission distinguishes two approaches to the calculation of personnel costs:

- **General (corporate) approach** (the salary does not change because of the employee's involvement in the project)
- **Project-based remuneration** (work on the project leads to an adjustment, i.e. increase of the remuneration).

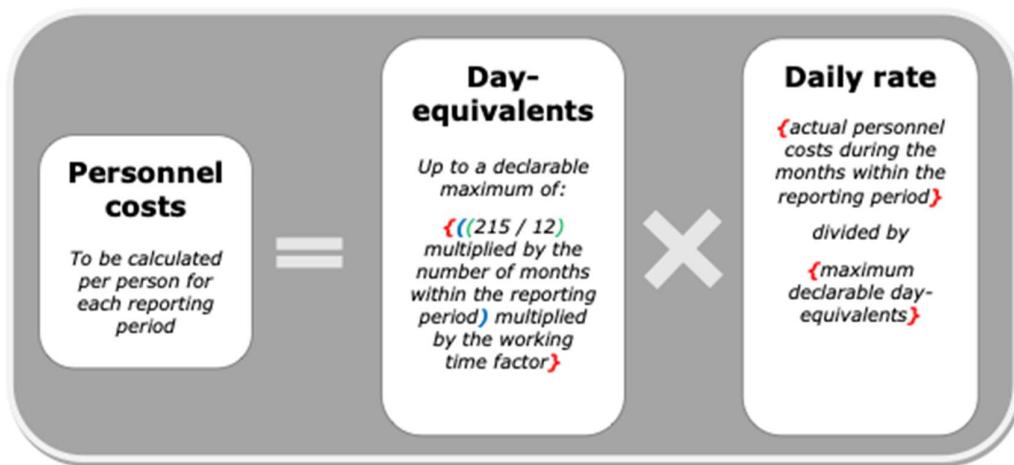
I. Corporate approach to calculating personnel costs:

When an employee does not qualify for project-based remuneration, STU must apply the corporate remuneration approach as defined in the Horizon Europe Annotated Grant Agreement. Under this method, the beneficiary reports the personnel costs that stem from the employee's usual remuneration system, without any project-driven adjustments.

For each person working on the action, the beneficiary must determine the following elements in order to establish the personnel costs to be declared in the financial statement:

- the **daily rate**, calculated in line with the AGA methodology;
- the **employee's maximum number of day-equivalents** corresponding to the period of work on the project;
- the **number of day-equivalents actually worked** on the project during the reporting period.

The personnel costs to be declared are established using the standard Horizon Europe daily rate formula, applied to the number of day-equivalents worked on the action.



where:

Day Equivalents (DE) - represent the number of days worked on the project converted per full-time equivalent (FTE) employee. The result is **rounded to the nearest half day**.

$$DE = \frac{\text{number of hours worked on the project for the whole reporting period}}{7,5}$$

Daily rate (DR) of an employee on a project is calculated according to the following formula:

$$DR = \frac{\text{All eligible personnel costs of employee for reporting period}}{\text{Max. number of day equivalents for reporting period}}$$

Maximum number of Declarable Day Equivalents (MDE) worked by an employee on a project - the result is **rounded to the nearest half day** and calculated according to the formula:

$$MDE = \left(\frac{215}{12}\right) \times \text{number of months the staff member is employed during the reporting period} \\ \times \text{working time factor (1 for FTE; 0.5 for 0.5 FTE)}$$

If an employee's working time percentage changes during the reporting period, the calculation of maximum day-equivalents (MDE) must be broken down into separate intervals reflecting each distinct employment rate. For every interval, the MDE is calculated individually following the AGA methodology, and the resulting values are then aggregated.

Capping rule:

For any reporting period, the beneficiary may not declare personnel costs on the action that exceed:

- the maximum number of day-equivalents (MDE) attributable to that employee and thus exceeding the employee's eligible actual personnel costs for the reporting period (i.e., the numerator used for calculating the daily rate).

Examples of calculation of the maximum number of declarable day equivalents:

Example 1: The reporting period of the project is 18 months, from 1.1.2022 to 30.6.2023. A full-time employee has been assigned to work on the project.

The maximum number of day equivalents is:

$$215/12*18*1= 322.5 \text{ days}$$

Example 2: The reporting period of the project is 18 months, from 1.1.2022 to 30.6.2023. An employee has been hired to work on the project from 1.4.2022 for 3.75 hours per day (part-time).

The maximum number of day equivalents is:

$$215/12*15*(3.75/7.5)= 134.5$$

Example 3: The reporting period of the project is 18 months, from 1.1.2022 to 30.6.2023. An employee has been hired to work on the project from 1.4.2022 on a full-time basis for 4.6 hours per day. As of 1.1.2023, his working hours were adjusted to 7.5 hours per day, i.e. full-time.

The maximum number of day equivalents that can be reported on a project is:

$$215/12*9*(4.6/7.5)+215/12*6*1= 206.5$$

Example of the calculation of personnel costs in the corporate approach:

Example: The reporting period covers 18 months, from November 2021 to April 2023.

The employee holds a full-time employment contract that was in place before the start of the action. Working time on the action is recorded monthly, using an approved timesheet template in line with the Horizon Europe requirements for time-recording.

Reporting period (month)	Total labour costs	# of working hours (working calendar)	Hours on the project	Vacation	Sick leave
11.21	2 000,00 €	150	30	15	
12.21	2 000,00 €	165	15	37,5	7,5
1.22	2 200,00 €	150	75	30	
2.22	2 200,00 €	150	67,5		
3.22	2 200,00 €	172,5	37,5		
4.22	2 200,00 €	142,5	0	22,5	
5.22	2 200,00 €	165	0		
6.22	2 200,00 €	150	52,5		
7.22	2 300,00 €	150	52,5	75	
8.22	2 300,00 €	165	52,5	75	15
9.22	2 300,00 €	150	150		
10.22	2 300,00 €	157,5	135		
11.22	2 300,00 €	150	75	75	
12.22	2 300,00 €	157,5	22,5		30
1.23	2 300,00 €	157,5	0	157,5	
2.23	2 300,00 €	150	120		
3.23	2 300,00 €	172,5	150		
4.23	2 300,00 €	135	120	15	
Total	40 200,00 €	2790	1155	502,5	52,5

Calculation:

1. **Maximum day-equivalents (MDE)**

The employee's maximum number of day-equivalents for the reporting period is calculated by applying the annual ceiling of **215 days**, proportionally distributed across the 18-month period:

$MDE = (215/12 \times 2) + (215/12 \times 12) + (215/12 \times 4) = 322,50 \text{ day-equivalents}$
This represents the **upper limit** of days that may be declared for this employee under Horizon Europe for the given reporting period.

2. **Daily rate**

Based on the employee's total eligible actual personnel costs for the reporting period (EUR 40,200), the daily rate is established as:

$\text{Daily rate} = 40\,200 / 322,50 = 124,65 \text{ EUR}$

3. **Conversion of hours worked into day-equivalents**

Using the beneficiary's standard workable day of 7.5 hours, the hours recorded on the action (1,155 h) correspond to:

Conversion of hours to days: $1155 / 7.5 = 154$ -day equivalents (is less than the maximum 322.50 days he can report for the entire period).

4. **Eligible personnel costs to be declared**

$124.65 = \text{EUR } 19,196.28$ This value represents the personnel costs chargeable to the action for the reporting period.

5. **Annual ceiling control (215-day rule)**

6. The beneficiary must also verify compliance with the annual limit of 215 day-equivalents across all directly managed EU projects:

7. In 2021, the employee worked 45 hours on the action, corresponding to: $45 / 7.5 = 6$ day-equivalents. Therefore, in 2021 the employee may still declare up to $215 - 6 = 209$ day-equivalents on other directly managed EU projects.

A similar verification must be performed for each subsequent calendar year.

II. Project-based remuneration

Where the conditions for granting project-based remuneration are met, the beneficiary must establish **two daily rates** for each person working on the Horizon Europe action:

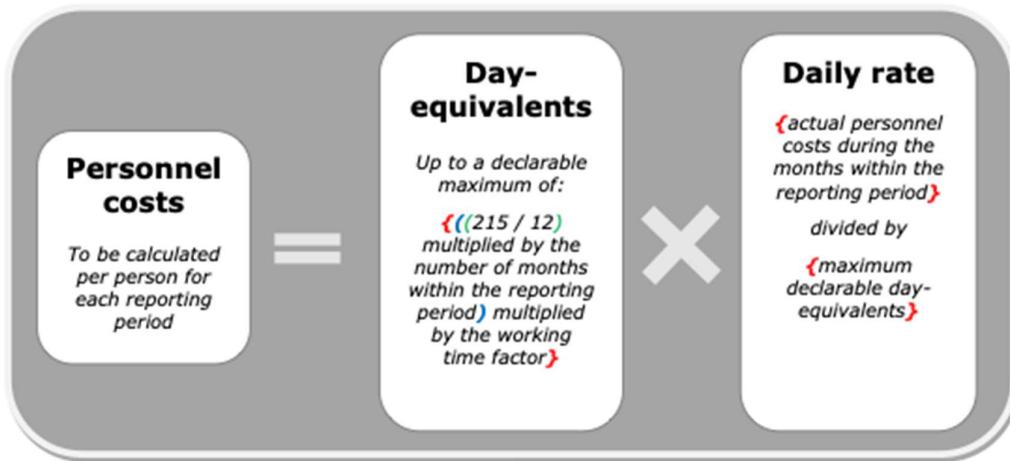
- the **national project daily rate** (npDR), reflecting the theoretical personnel costs attributable to the project period under the beneficiary's remuneration system; and
- the **Horizon Europe project daily rate** (hDR), reflecting the actual eligible personnel costs for work performed on the action, including bonuses awarded in line with the Project Remuneration Directive.

$$npDR = \frac{\text{theoretical personnel costs for similar work in a national project over the same number of months as the reporting period}}{\text{maximum declarable day - equivalents}}$$

$$hDR = \frac{\text{Actual personnel costs for work on the action, including bonuses according the Directive during the months within the reporting period}}{\text{day - equivalents worked by the person on the action during the months within the reporting period}}$$

These two rates are then **compared**, and following the principles of the Annotated Grant Agreement, **the lower of the two must be used** for declaring personnel costs to the action.

Once the applicable daily rate is determined, the subsequent calculation of eligible personnel costs follows the same methodology as under the corporate approach.



Example of calculation of personnel costs in project remuneration:

The employee is engaged in the implementation of a Research and Innovation Action (RIA) and acts as a Work Package Leader. In accordance with the beneficiary's Project Remuneration Directive, the employee is entitled to a project-related remuneration component of EUR 15 per hour of work performed on the action (for the purpose of this example, this value is treated as the labour-cost equivalent).

The reporting period spans 18 months (November 2021 – April 2023). The employee holds a full-time employment contract that pre-dates the start of the action and reports working time monthly using an approved Horizon Europe-compliant timesheet.

Across the entire reporting period, the employee records a total of 2,235 workable hours (after deducting annual leave and justified absences such as medical appointments or family accompaniment), of which 1,155 hours are attributable to the Horizon Europe action. These values form the basis for determining the eligible personnel costs.

A detailed month-by-month overview of workable hours and hours recorded on the action is presented in the following table.

Reporting period (month)	Total labour costs	# of working hours (working calendar)	Hours on the project	Vacation	Sick leave
11.21	2 000,00 €	150	30	15	
12.21	2 000,00 €	165	15	37,5	7,5
1.22	2 200,00 €	150	75	30	
2.22	2 200,00 €	150	67,5		

3.22	2 200,00 €	172,5	37,5		
4.22	2 200,00 €	142,5	0	22,5	
5.22	2 200,00 €	165	0		
6.22	2 200,00 €	150	52,5		
7.22	2 300,00 €	150	52,5	75	
8.22	2 300,00 €	165	52,5	75	15
9.22	2 300,00 €	150	150		
10.22	2 300,00 €	157,5	135		
11.22	2 300,00 €	150	75	75	
12.22	2 300,00 €	157,5	22,5		30
1.23	2 300,00 €	157,5	0	157,5	
2.23	2 300,00 €	150	120		
3.23	2 300,00 €	172,5	150		
4.23	2 300,00 €	135	120	15	
Total	40 200,00 €	2790	1155	502,5	52,5

Calculation:

1. **Maximum day-equivalents (MDE)**

The annual ceiling of 215 days is prorated across the 18-month reporting period:

$$MDE = (215/12 \times 2) + (215/12 \times 12) + (215/12 \times 4) = 322.5 \text{ day-equivalents.}$$

This represents the maximum number of day-equivalents that may be declared for the employee for the entire period.

2. **Conversion of project hours into day-equivalents**

Based on a standard workable day of 7.5 hours, the hours worked on the action correspond to:

$$1155 / 7.5 = 154 \text{ day-equivalents}$$

Since 154 is below the MDE limit, the full amount may be used in further calculations.

3. **National project daily rate (npDR)**

Theoretical personnel costs for the period include usual remuneration (EUR 40,200) and project-based remuneration calculated on total workable hours (2,235 h × EUR 15):

$$npDR = (40,200 + 2,235 \times 15) / 322.5 = \text{EUR 228.60}$$

4. **Horizon Europe project daily rate (hDR)**

Actual eligible personnel costs for the Horizon Europe action consist of:

- the proportion of usual remuneration attributable to the hours worked on the action, and
- project-based remuneration for the hours worked on the action.

$$hDR = [(1,155 / 2,235 \times 40,200) + (1,155 \times 15)] / 154$$

$$hDR = \mathbf{EUR\ 247.40}$$

5. **Eligible personnel costs to be declared**

In line with the AGA principle, the lower of the two daily rates (npDR vs. hDR) must be used.

Since npDR = EUR 228.60 is lower, the personnel costs are:

$$154 \times 228.60 = \mathbf{EUR\ 35,205.12}$$

4.3.2 A.2 Natural persons under direct contract

This category covers individuals who perform project tasks for STU under a contractual arrangement other than an employment contract. In practice, this includes mainly **agreements on work performance and agreements on work activity** concluded in accordance with Slovak labour regulations.

In specific, justified cases, this category may also include **professionals** who cannot carry out their activity under an employment relationship, but who work for STU under conditions that are substantially comparable to those of staff members (e.g. similar supervision, similar integration in the organisation, ownership of results resting with STU, and remuneration aligned with that of employees performing equivalent tasks). **Such arrangements must be consulted in advance with the CEP.**

For this category, **project-based remuneration does not apply!**

The following conditions must be met:

- **Horizontal 215-days ceiling** – If a pro-rata number of 215 annual day-equivalents is used in the calculation of the amount per unit (daily rate), you must respect the horizontal ceiling.
- **Maximum declarable day-equivalents** – If a number of day-equivalents (specified directly in the contract or determined via a pro-rata of 215 day-equivalents) is used in the calculation of the amount per unit (daily rate), you can NOT declare more day-equivalents worked on the action than the number of day-equivalents used to calculate the daily rate.

Eligible personnel costs (EPC) for category A.2 are calculated as follows:

$$EPC = \text{amount per unit [daily rate]} \\ * \text{number of day-equivalents worked on the action}$$

Agreement daily rate (aDR):

aDR = hourly rate stated in the agreement plus employer social contributions * 8

Number of day equivalents (DE):

$$DE = \frac{\text{number of hours worked on project for whole reporting period}}{8}$$

Example of calculation of personnel costs in A.2 category

A contractor engaged under an **agreement on work activity** performs project tasks for STU for max. **10 hours per week** over **75 weeks** within the reporting period. The contractor reports a consistent workload of **10 hours per week**, resulting in a total of **750 hours** worked on the action. The applicable **hourly labour-cost rate** is **EUR 30**.

Calculation:

1. **Agreement daily rate (aDR)**

In line with the internal methodology for non-employment arrangements, the daily rate is obtained by multiplying the hourly labour cost by the standard **8-hour working day**:

$$aDR = 30 \times 8 = \mathbf{EUR 240}$$

2. **Day-equivalent conversion (DE)**

Total hours worked on the action are converted into day-equivalents using the same standard 8-hour basis:

$$750 \div 8 = \mathbf{93.75}, \text{ rounded to } \mathbf{94 \text{ day-equivalents}}$$

3. **Eligible personnel costs (EPC)**

$$EPC = 240 \times 94 = \mathbf{EUR 22,560}$$

4.4 B. Subcontracting Costs

Characteristics of the subcontracting cost category:

1. Subcontracting covers costs for **the implementation of a specific task or part of a task by a third party** that is not a beneficiary of the action, but is an external legal entity outside the consortium.
2. **Subcontracting costs must always reflect actual costs and may never exceed the amount invoiced by the subcontractor.** Only real, invoiced expenditure is eligible; no unit costs, no flat rates and no indirect costs may be applied unless explicitly allowed by the grant agreement.
3. **Subcontracting must remain limited in scope and may not constitute a substantial share of the beneficiary's budget.** While Horizon Europe does not impose a numerical threshold, the Commission expects subcontracting to remain proportionate. The underlying rationale stems from the declaration made by each beneficiary before signing the Grant Agreement - that it possesses the operational capacity to perform the tasks for which it is responsible. Excessive outsourcing raises the question whether the outsourced entity ought to have been a beneficiary, performing the task at cost rather than at a profit margin.
4. **All subcontracting must be identified in the proposal budget and becomes part of Annex 2 (Estimated Budget) upon signature of the Grant Agreement.** Any subcontract not foreseen in Annex 2 is subject to prior approval by the granting authority.
5. **The proposal narrative must justify the need for subcontracting but may not name the subcontractor.** Even if a subcontractor is mentioned in a proposal for illustrative purposes, its inclusion does not imply any form of approval; subcontractors are never "approved" by the Commission through the evaluation.
6. **As a contracting authority, STU must carry out procurement in line with applicable public procurement legislation and its internal policies.** Subcontractor selection must respect transparency, equal treatment, and competition principles.
7. **STU must prevent conflicts of interest and actively demonstrate that no conflict exists in the selection of the subcontractor.** Conflicts may arise from family ties, personal relationships, political or national affiliation, or any financial or non-financial interest. If a potential conflict exists, STU must formally notify the granting authority.
8. **The subcontract must explicitly ensure that all obligations imposed on the beneficiary under the Grant Agreement also apply to the subcontractor.** This includes, inter alia, obligations relating to:

- a. proper implementation (Art. 11),
- b. avoidance of conflicts of interest (Art. 12),
- c. confidentiality and security (Art. 13),
- d. ethics (Art. 14),
- e. visibility (Art. 17.2),
- f. special provisions in Annex 5 (e.g., classified information),
- g. duty to inform (Art. 19),
- h. record-keeping obligations (Art. 20).

9. **STU must also ensure that the entities listed in Article 25 of the MGA (EC, OLAF, European Court of Auditors, and others) can exercise their audit and control rights at the subcontractor's premises.** These rights must be explicitly included in the subcontracting agreement.

10. **If subcontracting becomes necessary during implementation, the beneficiary must always seek prior approval from the coordinator and the Project Officer.** Subcontracting introduced without prior approval risks being declared ineligible during financial checks or audits.

4.5 C. Direct Purchase Costs

Within this cost category we distinguish 3 types of costs:

- C.1 Travel and subsistence
- C.2 Equipment
- C.3 Other works, goods and services

General principles for purchase costs:

- **Public procurement obligations**
As a contracting authority, STU must conduct all purchases in full compliance with applicable public procurement legislation and its internal procurement rules. The selection of suppliers must respect transparency, equal treatment, and proportionality.
- **Avoidance of conflict of interest**
STU must ensure that no conflict of interest arises in the selection of suppliers. Conflicts may stem from family relationships, personal or emotional ties, political or national affiliation, or any direct or indirect financial or non-financial interest.
If a potential conflict of interest cannot be fully avoided, STU is obliged to inform the granting authority without delay.
- **Purchases must always be declared as actual costs**

Under Horizon Europe, purchase costs cannot be reported using unit costs unless explicitly foreseen in the Grant Agreement. By default, they must always reflect actual, paid costs, supported by invoices and proof of payment.

- **Purchases between beneficiaries are, as a rule, not eligible**

Transactions between beneficiaries of the same Grant Agreement are generally not allowed and cannot be declared as purchase costs, except for narrowly defined exceptions foreseen in the AGA.

- **Framework contracts are permitted**

Framework agreements may be used for purchase costs, provided that their award complied with public procurement rules. The actual cost charged to the action must be based on real invoicing under the framework conditions.

4.5.1 C.1 Travel and subsistence

Eligible costs in this cost category are:

- Travel expenses
- Accommodation
- Travel reimbursements

Travel cost principles:

- **Usual internal rules must be applied consistently**

STU must determine the eligibility and level of travel costs strictly in line with its established internal travel regulations. Usual practice may not be adapted or relaxed for the purpose of Horizon Europe projects, nor may the rules be modified in a way that artificially increases costs charged to the action.

- **Travel starting or ending outside the duty station**

If the employee begins or ends the trip at another location than their official workplace or place of residence, the project may only be charged up to the amount corresponding to the theoretical cost of a journey that would have started/ended at the duty station or place of residence.

In such cases, STU must document both the actual cost and the theoretical cost used as the ceiling.

- **Kick-off meetings before the official start of the grant**

If the kick-off meeting takes place during the action period, travel that necessarily begins before the first day of the grant may be eligible, provided that the meeting itself occurs within the grant duration.

- **Travel insurance**

Cancellation insurance for flights is an eligible cost, provided it is in line with usual practice and necessary to carry out the action.

- **Force majeure**

In cases of force majeure, STU must take all reasonable measures to minimise the financial impact on the action. Only unavoidable and necessary costs may be declared.

Examples of non-eligible (purpose-driven) travel costs under C.1:

- **Unused flights or hotel bookings**

Costs paid but not used because the trip did not take place are not eligible.

- **First-class travel**

First-class tickets are ineligible if internal rules do not allow or explicitly prohibit such travel.

- **Per-diems that are not part of usual practice**

Pocket money or per-diems paid only for Horizon Europe projects—but not applied consistently across STU’s national and international projects—are ineligible.

If per-diems form part of STU’s general travel policy, they become eligible for Horizon Europe as well.

- **Use of private vehicles**

Reimbursement exceeding STU’s usual practice is not eligible.

If usual practice is to reimburse only the equivalent of public transport fares, this rule must also be applied for Horizon Europe projects. Conversely, if STU’s general practice allows reimbursement based on vehicle depreciation and fuel costs for all projects (national and international), these costs may be eligible under Horizon Europe.

4.5.2 C.2 Equipment

This cost category covers the **purchase of equipment, infrastructure or other tangible or intangible assets** that STU recognises as fixed assets under its accounting rules.

Key principles:

- **Eligible cost = depreciation**

Only the monthly depreciation charge, calculated based on the asset’s acquisition cost, is eligible. If the acquisition cost includes installation, commissioning, maintenance, insurance or other directly linked costs, these may be included, provided they form part of the capitalised value.

- **Depreciation may never exceed the acquisition cost**

The total amount declared to the action cannot go beyond the original purchase value.

- **Depreciation is eligible only after the asset has been capitalised**

Costs can be charged to the project only from the moment the asset is formally recognised as part of STU’s fixed assets.

- **Only the proportion used for the action is eligible**
Depreciation must be allocated pro rata to reflect the actual use of the asset for the project.
- **Depreciation after the end of the grant is not eligible**
Any depreciation period extending beyond the project duration cannot be charged to the action.
- **Rental or leasing is eligible but capped**
Rental or leasing fees may be eligible up to the amount of depreciation of a comparable asset. Financing charges included in leasing fees are not eligible.
- **Full acquisition cost is eligible only in exceptional cases**
This applies only if explicitly foreseen in the call and confirmed in the Grant Agreement (e.g. specific infrastructure calls, prototyping, or development costs).

Example – calculation of eligible equipment costs:

STU purchased and capitalised an item of equipment on 1 January 2020 at an acquisition cost of EUR 90,000. The asset has a five-year useful life (depreciated until 31 December 2024), resulting in a monthly depreciation charge of EUR 1,500.

The Horizon Europe project runs from 1 January 2024 to 31 December 2026. The equipment is used 60% for the project during 2024; the remaining capacity is used for teaching.

Calculation

- **Relevant period for depreciation**
Only depreciation falling within the project period can be considered. The asset is fully depreciated on 31 December 2024, so the eligible period is:
1 January 2024 – 31 December 2024 = 12 months
- **Monthly depreciation attributable to the project**
EUR 1,500 × 60% = EUR 900 per month
- **Total eligible depreciation cost**
EUR 900 × 12 = EUR 10,800

4.5.3 C.3 Other works, goods and services

This cost category covers a broad range of non-personnel, non-equipment costs that are directly linked to the implementation of the action and necessary to achieve its objectives. The following types of expenditure fall within this category:

- **Purchase of consumables**
Consumable materials, laboratory supplies, and other items that are used up during the project.
- **Costs related to dissemination and communication activities**
Including flyers, roll-up banners, promotional materials, visual identity items, website-related communication tools, and similar outputs required by the project's communication strategy.

- **Costs of the mandatory Certificate on the Financial Statements (CFS)**
Required when the EU contribution to the beneficiary is \geq EUR 430,000.
- **Use of inventories**
Stock items consumed for project purposes may be charged at their actual cost, based on the beneficiary's stock accounting system.
- **Internally produced consumables**
These may be charged at direct cost, never at commercial rates or internal transfer prices.
- **Costs of protecting intellectual property generated during the action**
Including fees charged by patent attorneys, patent searches, patent filing fees, and costs related to securing IPR arising from the project.
(IP that enters the project as background is not eligible.)
Costs for licensing rights may be eligible, but must be pre-consulted with the CEP.
- **Costs of protecting project results that do not constitute formal intellectual property**
E.g. securing confidential results, legal reviews, data protection measures relevant to project outputs.
- **Costs related to updating and implementing the Communication, Dissemination and Exploitation Plan (DEC)**
Including professional services, design, and implementation of updates required by the Grant Agreement.
- **Open access publication fees**
Article processing charges linked to open access publishing are eligible if they comply with the Horizon Europe open science requirements.
- **Utility costs where consumption can be directly measured**
Energy costs may be eligible if the equipment used for the project has a dedicated energy meter, enabling direct measurement of actual consumption attributable to the action.

4.6 E. Indirect Costs

Key characteristics:

- **Nature of indirect costs**
Indirect costs represent expenditure that cannot be directly attributed to a specific action, such as general administration, utilities, cleaning services, office supplies (e.g. printer toner), and other shared operational costs.
- **Flat-rate calculation under Horizon Europe**
For Horizon Europe grants, indirect costs are calculated automatically as a 25% flat rate applied to eligible direct costs, using the formula embedded in the financial reporting system:
$$(A + C + D.7) \times 0.25$$

Only cost categories A (personnel), C (other direct costs), and D.7 (subcontracting excluded) are included as defined in the Annotated Grant Agreement.

- **Booking of indirect costs depends on the consumption of direct costs**

Indirect costs are posted proportionately and only to the extent that direct costs have been incurred. At STU, indirect costs for Horizon Europe projects are recognised on a quarterly basis.

- **No supporting documentation required for the indirect cost rate**

Under the Horizon Europe flat-rate system, actual indirect costs are irrelevant. Beneficiaries are not required to calculate or justify real overhead expenses. The only documentation requirement relates to direct costs, since indirect costs are derived automatically from them.

4.7 Record keeping

Obligations:

- **Standard retention period**

Beneficiaries must retain all supporting documents and records related to the implementation of the action for five years after the payment of the balance.

For projects with an EU contribution not exceeding EUR 60,000, the retention period is three years.

Record-keeping requirements apply not only to financial documentation but to all evidence demonstrating proper implementation, including internal policies in force during the project period, relevant versions of this manual, and any other compliance documentation.

- **Where to find the exact obligation**

The precise retention period for each project is specified in the Data Sheet at the beginning of the Grant Agreement and in Article 20 of the Model Grant Agreement.

- **Retention extension due to ongoing checks**

If an audit, review or investigation is ongoing, the beneficiary must continue to retain all records until the process is formally closed, even if this extends beyond the standard period defined in the Grant Agreement.

4.8 Affiliated Entities (AE)

Key characteristics

- **Definition and legal basis**

An Affiliated Entity (AE) is a legal entity that has a legal or capital link with a beneficiary, and this link allows the AE to declare eligible costs for the action. The relationship must not be project-specific; it must exist prior to the action,

persist throughout its implementation, and continue after the project ends.

Examples of admissible links include:

- **Structural or organisational links**

STU may be part of a broader organisational structure (e.g., an association) in which the association is the project beneficiary and STU participates as its AE.

- **Long-term cooperation agreements**

STU may have a standing cooperation framework with another organisation (e.g., joint research activities in a scientific field). Such a relationship is acceptable only if it did not arise for the purpose of the HEU project and clearly predates and postdates the action.

- **Capital links**

Direct or indirect control between entities (e.g., STU holding a stake in a faculty spin-off). In such a case, STU may be the beneficiary and the spin-off may act as its AE – or vice versa.

Obligations of Affiliated Entities

Although AEs are not beneficiaries and do not sign the Grant Agreement, they are subject to all obligations applicable to beneficiaries, including:

- They may declare costs to the project, but their budget must be listed in Annex 2.
- They perform project tasks under the responsibility and supervision of the beneficiary they are linked to.
- Their tasks and role must be described in Annex 1 (Description of the Action).
- They must be explicitly listed in Article 8 of the Grant Agreement.
- They must operate under the direct control of the beneficiary, including adherence to reporting obligations, implementation rules, ethics, data protection, IP rules, visibility rules and all other MGA requirements.

Risk considerations for STU when involving AEs

A critical element is that the beneficiary assumes full financial and operational responsibility for the affiliated entity acting under its structure. This includes:

- Ensuring the AE fully accepts the obligations of the Grant Agreement, including Article 25 concerning audits, checks, investigations, and reviews by the European Commission, OLAF, ECA, and other bodies.
- Ensuring that the AE implements project tasks correctly and maintains all records and documentation required under the MGA.
- **Bearing the financial consequences if the AE's costs are rejected during an audit or review.**

4.9 Budget Flexibility

- **Estimated nature of the budget**

The project budget set out in Annex 2 is an estimated budget. Although indicative, it should be prepared with the highest possible accuracy, as it forms the basis for the calculation and release of the pre-financing and reflects the expected financial needs of the action.

- **Budget shifts do not increase the EU contribution**

Any reallocation of funds, whether between partners or across cost categories, may never result in an increase of the maximum EU contribution established in the Grant Agreement.

- **Budget transfers without an amendment**

Provided that the technical implementation of the action remains unchanged, the consortium may reallocate the budget without a Grant Agreement amendment, including:

- Transfers between beneficiaries;
- Transfers between beneficiaries and their affiliated entities (AEs);
- Transfers between cost categories (e.g., moving underspent personnel costs to consumables, unused travel budget to personnel, etc.).

Even when an amendment is not formally required, it is highly advisable to request a written position from the Project Officer in advance, particularly for audit purposes and to ensure transparency.

- **Reallocations between partners with over- or underspending**

If one beneficiary underspends and another exceeds its original allocation, the budget may be rebalanced in favour of the partner who exceeded its planned budget, provided the action is implemented as described in Annex 1 and as agreed in Consortium Agreement.

- **Cases requiring an amendment to the Grant Agreement**

A formal amendment is required when:

- There is a change in the technical implementation described in Annex 1, such as reallocating tasks to a partner not originally assigned to them;
- The consortium intends to introduce subcontracting that was not foreseen in the estimated budget (Annex 2);

4.10 Payments – Pre-financing, Interim payments, Final payments

Pre-financing

- **Expected amount**

Although no fixed percentage is defined in the Grant Agreement, the advance payment typically corresponds to approximately one reporting period of the action, often close to 100% of the average EU contribution for that period (e.g., for a 3-year project with two reporting periods and a total EU contribution of EUR 3,000,000, the indicative advance may be around EUR 1,500,000).

- **Ownership of funds**

The advance payment remains the property of the European Commission until the final payment is executed and the financial balance is established.

- **Timing**

The advance is released to the coordinator within 30 days after the entry into force of the Grant Agreement, or 10 days before the start date of the action, whichever is later.

- **Distribution to partners**

The coordinator must transfer the corresponding share to beneficiaries without undue delay, typically in proportion to their budgeted share unless the Consortium Agreement specifies another distribution mechanism.

- **Mutual Insurance Mechanism (MIM)**

A contribution of 5–8% of the maximum EU contribution is automatically withheld from the advance payment and transferred to the Mutual Insurance Mechanism.

Interim payments

- **Basis for payment**

Interim payments reimburse the eligible costs declared in each Financial Statement (Form C) submitted at the end of a reporting period.

- **Maximum threshold**

Interim payments are capped at 90% of the maximum EU contribution.

Importantly, the MIM contribution does not count towards this 90% ceiling.

As a result, approximately 15–18% of the EU contribution typically remains to be paid only in the final payment.

- **Timing**

The interim payment is transferred within 90 days after approval of the periodic report (technical + financial).

Final payment

- **Scope**

The final payment covers:

- the remaining balance of eligible costs, and
- the release of the MIM contribution (less any amounts retained in case of recoveries).

- **Timing**

The payment is made within 90 days after approval of the final report and completion of the payment calculation.

5 Financial Planning and Management

1. **A project with reimbursement -based payments** is pre-financed throughout its duration from STU's funds and then payment is subsequently claimed from the funding provider.
 - a. Project costs (clear temporal and substantive link to the project) are recorded in the accounts at the time they are incurred. At the end of the project, the project period or at the end of a project phase (as stipulated in the relevant contract), the STU will request the grant provider to reimburse the relevant share of the project costs. At that time, this economic operation will be recorded in the accounts as project income and a receivable from the grant provider. If the grant provider does not recognise all declared costs as eligible or does not recognise them in full, the project income will be reduced by the amount of such non-recognised costs.
 - b. Should the period for which the refund is claimed be longer than an economic (accounting) year, or overlaps several financial periods, the project income must be calculated for each of these individual periods to be correctly recorded in the accounts. The calculation shall be made based on the project budget. Items that cannot be documented shall be estimated in a qualified manner. The correction will only be made at the end of the entire period for which the reimbursement claim is submitted.
2. **A project with advance payments** is, for the duration of its implementation, fully or partially covered by advance payments from the funding provider.
 - a. When the project is co-financed by the grant provider in the form of advance payments, the advance payments are allocated based on the STU's estimated project costs.
 - b. The grant provider (or the project coordinator) transfers an advance payment to the STU's bank account, representing its share of the project co-financing for the entire duration of the grant. In the accounts, this operation will be

recorded as income to the bank account and as deferred income for the project.

- c. Based on the actual costs, STU will allocate the deferred income to the income of the financial year according to the rules of the programme under which the project was supported, at most for the period for which the advance was granted, or at least for each financial year when the period exceeds a financial year.
- d. It is recommended to account for revenue on a monthly basis after closing the cost items in the STU accounting for the in question, or on a quarterly basis if it is a project with a typical turnover of less than EUR 10 000 per month, or on a half-yearly basis if it is a project with a typical turnover of less than EUR 5 000 per month.
- e. Funds that prove to be unspent at the end of the period or at the end of the project will be returned to the grant provider according to the terms of the Grant Agreement.

3. **Financial planning** is a project financial management activity involving the PI and the CEP.

- a. The project budget, or the part reserved for STU, is planned based on realistic cost estimates in individual activities. If an error or a change in the work plan is detected, the budget is optimised and the project coordinator is asked to change the STU part of project budget to the required form.
- b. The project budget is accompanied by a resource use plan that quantifies the expected resource allocations (staff, material and other) for each activity on a monthly/quarterly/semi-annual/annual basis. The resource plan is updated on an annual basis.
- c. The aim of the activity is:
 - i. Control of costs and effectiveness of individual activities – will ensure the updating of indicators and budget parameters, will allow to prevent risks and to evaluate the interim results of the project from a cost perspective;
 - ii. Planning of the procurement process (if relevant);
 - iii. Planning of staff capacities for the next period;
 - iv. Planning material and financial capacities for the next period;
 - v. Effective use of the allocated subsidy as per GA to achieve the objectives of the project and the organization in the project;

4. **Accounting for project revenues in the accounting system:** the allocation of project revenues is made on the basis of the rules of the programme or

project scheme.

- a. The rate of co-financing from public sources is determined by the rules of the programme under which the project has been supported or directly in the contract with the grant provider who is co-financing.
- b. The projects are not profit-oriented, so the part of the costs that is reimbursed to the grant provider by the institution is considered as income only in an accounting sense.
- c. The calculation is made by the CEP based on direct and indirect costs of the project. The basis for recording the project income in the accounting system must be supported by the calculation.

6 Consortium Agreement – Impact on Administration and Intellectual Property Protection

- 1. In all Framework Programme consortium research, development and innovation projects, a consortium agreement should be signed with the EC before signing or acceding to the grant agreement.
- 2. A consortium agreement is a document concluded between the project partners (project consortium) that regulates or specifies the relations between the project partners that are only partially regulated by the grant agreement with the EC or to an extent that may not be satisfactory to the consortium. This contract is similarly important to the EC grant agreement itself.
- 3. The Consortium Agreement further defines:
 - a. the responsibilities of the individual project partners in the implementation of the project and the procedure in case of non-compliance;
 - b. detailed project management procedures, in particular in relation to the organisation of project meetings and voting and decision-making (including veto power);
 - c. financial management of the project:
 - i. development of the project's financial plan;
 - ii. frequency of ongoing internal reporting on budget execution (the interval is shorter than reporting to the EC);
 - iii. Distribution of advance payments (possible gradual release based on

- interim project progress or other agreed indicators);
- iv. reimbursement of payments to the coordinator in the event of non-exhaustion of the advance payment already sent;
- v. financial compensation in the event of a partner withdrawing from the project or being excluded from the project during the duration of the project;
- d. protection of intellectual property, in particular:
 - i. the handling of the partners' joint intellectual property that is an output of the project;
 - ii. transfer of its intellectual property rights to a third party;
 - iii. disclosure of its intellectual property (including publications) where such disclosure may affect the rights of other project partners;
 - iv. As part of the protection of STU's intellectual property, it is necessary to properly list the intellectual property that STU brings into the project and to which other project partners need to have access for the purposes of project implementation. It is necessary to ensure that partners do not have access to other STU intellectual property beyond that which is strictly necessary for the project implementation.
- 4. The consortium agreement is obliged to be submitted by the CEP and PI to the legal department of the STU Rector's Office for approval.

7 List of Documents for Cost Reporting and Audit Purposes

Supporting documentation serves to clearly demonstrate the eligibility of the cost in relation to the relevant Grant Agreement (GA). For each cost category, the standard scope of supporting documentation is listed below, but this may not constitute a final, exhaustive list.

1. **Personal costs:**
 - a. Detailed breakdown of personnel costs as reported in the financial statements.
 - b. Calculation of personnel costs based on the methodology outlined in this manual (daily rate of HEU staff).
 - c. Payrolls and payslips for persons implementing HEU projects.
 - d. The employment contract for each member of the project team, including all amendments, if applicable, or an agreement to perform work or an agreement on work activity

- e. Monthly timesheet signed by both the employee and the manager (timesheet);
- f. Proof of salary payment(bank statement);
- g. Internal guidelines and other internal procedures relevant to employee remuneration;

2. **Travel costs of the project :**

- a. Travel order (signed);
- b. Travel expenses (air ticket, train/bus ticket, use of private motor vehicle, taxi receipt, hotel invoice, per diem documentation and other documents)
- c. Mission travel report (including allocation to the relevant project activity);
- d. Mission travel expense statement;
- e. Proof of payment of costs;
- f. Internal guideline for sending employees on missions ;

3. **Consumables and small services**

- a. Order;
- b. Delivery note;
- c. Invoice;
- d. Proof of payment;
- e. Internal directives governing the procurement process and demonstration of compliance when procuring consumables;

4. **Durable equipment, infrastructure:**

- a. Annex 1 description of project works - it must be demonstrated that the equipment/infrastructure has been planned for in the project;
- b. Inventory register
- c. Equipment's usage diary/register (for equipment used by only partially for the project;(Vehicle logbook, records of equipment use, .);
- d. Depreciation plan;
- e. Purchase order, proof of payment, proof of delivery, invoice;
- f. Directives governing the procurement process and demonstration of compliance when procuring assets;

g. Identification of the equipment with the EU emblem and text on funding from the HEU programme in accordance with the relevant article on the visibility of EU funding (Promoting the action)

5. Subcontracting:

- a. Annex 1 description of design work – it must be demonstrated that the subcontract was planned;
- b. Directives governing the procurement process and demonstration of compliance when procuring a subcontract;
- c. Records of the ordering of services (purchase order);
- d. Evidence of service delivery (e.g. acceptance protocol or delivery note);
- e. Proof of payment (bank statement) and invoice;

6. Indirect costs of the project:

- a. Calculation of indirect costs;
- b. Internal document for the recognition of indirect costs;

7. Documents proving the implementation of the project activities:

- a. Project activities reports;
- b. Records of project meetings and workshops;
- c. Press releases and outputs;

8. Records of project financial transactions:

- a. Records of payments received from the granting authority or project coordinator (bank statement);
9. Records of contractual documentation for the project:
 - a. Grant Agreement (GA) including amendments and all annexes;
 - b. Consortium agreement if applicable;
 - c. Record of important communications with the granting authority (change requests, clarification of discrepancies, guidance, etc.)

8 Projects Funded through Lump Sum and Unit Costs

8.1 Financing through lump sums:

1. Horizon Europe uses lump sum funding to reduce administrative and financial errors. Lump sums simplify the programme by removing the need to report actual costs and allowing the focus to be on the scientific implementation of the project instead of the financial management of the project.
2. The budgeting process follows one of two possible paths on the basis of the published call:
 - a. The lump sum is directly defined by the EC and when preparing the project proposal, the project budget is identical to this amount, describing the resources needed to implement the project activities;
 - b. The lump sum is defined by the consortium itself without restrictions, the project partners define the resources needed for the project implementation;
3. The evaluation of the project proposal includes a detailed budget by partners and Work Packages (WPs) in an Excel document according to the template provided by the EC. Estimated costs based on the actual costs of the organisation are used in the budget development.
4. No Financial Statement of actual project costs shall be submitted after the end of the reporting period.
5. Advance payment is made in the standard way, but interim and final payments are only made based on completed WPs (WPs must be completed at project level, it is not sufficient if the WP is completed at project partner level).
6. The number of WPs should not be purposely increased (e.g. defining WPs as individual tasks or short-term activities etc. is not recommended).
7. No financial controls and financial audits are carried out during the implementation of the project and there is no need to declare the actual costs of the project. It is not necessary to present accounting documents for cost reporting purposes.
8. The provisions of the grant agreement relating to subcontracting remain applicable.

8.2 Financing through unit costs:

1. Most commonly applied in projects under the Marie Skłodowska-Curie Actions (MSCA) – mobility projects.

2. In this type of funding, the call usually defines a unit cost as a fixed cost per unit. For MSCA projects, this typically corresponds to one person-month worked, which serves as the basis for identifying the cost of individual project activities.

9 Final Provisions

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10 Annexes

- Annex 1 Template for HEU project budget
- Annex 2 Internal Guidelines on Timesheet Recording
- Annex 3 Project preparation and planning processes
- Annex 4 Processes after project approval
- Annex 5 Processes during project implementation
- Annex 6 Post-project processes

Annex 1 Template for HEU project budget

1. Instructions

Budget Preparation Instructions for Projects Funded under Horizon Europe (HEU)	
A. Personnel Costs Specify, for each type of personnel involved in the project (Professor, Associate Professor, PhD student, Postdoctoral researcher, etc.), and add/remove positions as necessary.	
1 PersonMonth (PM) for the purpose of Horizon Europe (HEU) planning and reporting represents: - Employee employed under an employment contract: 215 days / 12 months * 7.5 hours = 134.375 hours - Employee employed under an agreement to perform work or work activity: 215 / 12 * 8 hours = 143.3 hours	
Note: The actual number of day-equivalents declared to EU and Euratom grants per person may not exceed 215 days for a full-time position (or proportionally reduced for part-time) per calendar year.	
The average rate per 1 PM – for directly managed EC programmes (including Horizon Europe) – corresponds to the monthly rate used for project proposal purposes, based on the average actual functional salaries of employees planned to carry out project activities, increased by the employer's social security contributions ("cost of labour"). The calculation should further take into account the share of each employee's time dedicated to project tasks and also: - project-related bonuses, if entitlement arises under the valid Project Remuneration Directive, - reserve for inflation, salary increases, or other adjustments.	
B. Subcontracting This category includes costs when an external entity performs a main task of the project. No 25% flat-rate indirect costs are applied to these expenses. Costs that only support the main project tasks (e.g., costs for the verification of the financial statement by an auditor, organisation of events if these are not the main objective of the project, etc.) should be reported under Section C. Purchase Costs.	
C.1 Travel and subsistence - report travel costs in accordance with Act No. 283/2022 on Travel Allowances, as amended, and in compliance with internal regulations, for business trips to consortium meetings, business trips related to project tasks, and business trips carried out within the activities of Dissemination, Communication, and Exploitation.	
C.2 Equipment - Depreciation costs of equipment - report accounting depreciation in proportion to the use of the equipment for the project. If the equipment/instruments are also used for other projects or commercial activities, only the proportional share is applied, using a methodology that will be applied consistently across all projects of the organisation or its organisational unit. If the accounting depreciation differs from the tax depreciation under Act No. 595/2003 Coll. on Income Tax, as amended, approval from the accounting department is required, based on documentation provided by the Responsible Project Manager.	
In the Infrastructure category, examples include fees for the use of supercomputing centres, costs for the rental and operation of specialised laboratories, fees for access to large-scale research facilities, costs for testing facilities, and pilot installations.	
Other assets not included above may include, for example, specialised licences, databases, software, and unique copyrights.	
C.3 Consumables - other purchased assets that are not subject to depreciation under Act No. 595/2003 Coll. on Income Tax, as amended (typically tangible assets up to EUR 1,700 and intangible assets up to EUR 2,400).	
C.4 Other goods, works and services - this category covers any other purchases not classified in the above categories.	
D. Other cost categories - these costs are not subject to the 25% flat-rate for indirect costs.	
E. Indirect costs - It is a flat-rate cost of 25% of costs under categories A and C, which does not need to be supported by documentation.	

2. Budget

	Principal Investigator (PI)/ Researcher (R)	Person Months (PMs)	BUDGET					Total			
			Basic Salary/ 1 PM	Social charges employer from basic salary per 1 PM	Project based remuneration per 1 PM	Social charges employer from project based remuneration per 1 PM	Average basic salary including project based remuneration and social charges employer				
A. Direct personnel costs											
A1. Employees											
Senior scientists											
a) Profesori	R	3	2000	724	2015,625	729,65625	5469,28125	16407,84383 Example			
b) Doktoranti				0	0	0	0	0			
c) Samostatni vedecky pracovnici				0	0	0	0	0			
d) Veduci projektu	PI	1	2100	760,2	0	0	2860,2	2860,2			
e) Other (please fill in)				0	0		0	0			
Junior scientists											
a) Odborný asistent	R - not project bas	1	2500	905	0	0	3405	3405			
b) Postdoktoranti				0	0	0	0	0			
c) Other (please fill in)				0	0	0	0	0			
Technical personnel											
a) Odborný technik					0		0	0			
b) Other (please fill in)					0		0	0			
Administrative personnel											
a) Project manager					0		0	0			
b) Other (please fill in)					0		0	0			
A.2 Natural persons under direct contract (dohoda)											
A.3 Seconded persons											
		Units	Cost per unit					SPOLU			
B. Direct subcontracting costs											
C. Direct purchase costs											
C.1 Travel and subsistence											
C.2 Equipment											
- Depreciation costs of equipment											
- Infrastructure											
- Other assets											
C.3 Other goods, works and services											
- Consumables											
- Services for meetings, seminars, conferences											
- Publication fees											
- Services for dissemination activities (including website)											
- Other (CFS, shipment, insurance, translation, etc. - please fill in)											
D. Other cost categories											
D.1 Financial support to third parties (if applicable in the topic specific conditions)											
D.2 Internally invoked goods and services											
D.3 Transnational access to research infrastructure unit costs (if mentioned as eligible in the topic specific conditions)											
D.4 Virtual access to research infrastructure unit costs (if mentioned as eligible in the topic specific conditions)											
D.5 PCP/PP1 procurement costs (if mentioned as eligible in the topic specific conditions)											
TOTAL DIRECT PERSONNAL COSTS AND PURCHASE COSTS (A+C)								22673,0438			
TOTAL DIRECT COSTS (A+B+C+D)								22673,0438			
E. INDIRECT COSTS (25% * (A+C))								566,26094			
F. TOTAL COSTS (A+B+C+D+E)								28341,3047			
PRÍSPĚVOK POSKYTOVATELA GRANTU											

Annex 2 Internal Guidelines on Timesheet Recording

Format of Time Entries in Timesheets

- *Do not use hour-and-minute format in timesheets, e.g. 7.30. Always round and record time in decimal e.g. 7.5 hours*

Lunch Break Policy

- *Do not include lunch break in the total hours worked. The lunch break must be deducted from the recorded working time if the employee is entitled to it based on the employee's contract.*

Rounding Working Hours

- *Working time should be rounded down to the nearest half hour (e.g. 7 or 7.5 hours, 8, etc.).*
- *It is not necessary to include every minute logged in the attendance system in the timesheet. The purpose of timesheet is to reflect project-related or activity-based work time, typically in rounded intervals (e.g. half-hours), rather than detailed minute-by-minute logs. This helps ensure clarity, avoids over-reporting, and aligns with internal and funding-body guidelines.*
 - *Example: If the total time worked in a day is 7:48, round down to 7:30, then subtract the lunch break, resulting in 7 hours recorded.*

Correct Signing Dates

- *Be sure to accurately record the dates of the signatures of the project leader and responsible investigator in the timesheet.*
 - *First, the employee signs and dates the timesheet to confirm the accuracy of the recorded working hours.*
 - *Afterwards, the project leader or responsible investigator signs, confirming that the reported time corresponds to the activities carried out on the project.*

Recording Time During Business Trips

- *For business trips, flexible working hours do not apply. Daily working time during a business trip must not exceed 7.5 hours. Employees can record travel time before or after standard working hours (e.g. before 7:30 or after 15:30), but the total working time reported in the timesheet must not exceed 7.5 hours per day.*
- *Example 1: Train leaves at 6:15, meeting from 9:00 to 12:00, return trip 13:00–16:30. Total worked hours: 7,5*
- *Example 2: Travel to meeting from 9:00 to 10:00, meeting until 11:30, back at 12:30. You continue working at the office until 15:30. Total worked hours: 6*

- *Example 3: You attend a 2-day workshop. Each day includes a session from 9:00 to 15:00. You travel 1st day from 7:45 to 8:45 and return 2nd day after 15:30. Total worked hours for 2 days: 15*

Recording Time During Absences (holidays, sick leave)

- *During any type of absence (Weekend [WE], Sick Leave [SL], Public Holiday [PH], Annual Holiday [AH], Other Absence [OA]), employees do not enter any hours in the timesheet column for that day. Even if the payslip shows holidays, sick leave or other compensated absences, employees do not record these hours in the timesheet as these hours are not considered as actual hours worked.*

Doctor's Appointment Recording

- *If an employee attended a doctor's appointment but was not absent the entire day, the time spent away from work should be recorded under the absence code "OA" (Other Absence).
 - *The exact duration of the absence (e.g. 1 hour and 36 minutes) should be converted into decimal format – in this case, 1.5 hours – and deducted from the working time that day.**

Overtime Recording

- *Employees may record "overtime" worked on specific days in the timesheet—provided that their total recorded hours for the month do not exceed their contractual working time (working fund).*
- *If no overtime compensation is shown on the payslip (i.e. no overtime has been approved and paid in accordance with Slovak Labour Code – Act No. 311/2001 Coll.), such time is not considered payable and may only be used to balance out fewer hours on other working days.*
 - *Example:
If one day you worked 9:45, round down (excluding lunch) to 9 hours. You can record this only if, on another day, you worked fewer hours (e.g. 6 hours), ensuring the total monthly hours remain within the working fund.*

Annex 3 Project preparation and planning processes

	Process	Process ID	Principal Investigator (PI)	Researcher (R)	Local Project Administrator for International Projects (LPA)	Management of the organizational unit (VOS) / Department management (VUR)	Economic department at the STU rectorate level (EO)	Personnel department at the level of the STU Rectorate (PO)	Public procurement at the level of the STU Rectorate (VO)	CEP	CEPSIT	University management (VU)
PROJECT PREPARATION AND PLANNING	Pre-project activities (partnerships, definition of needs, basic objectives, conferences, publications)	PP1	3. The PI seeks opportunities for involvement in international projects (cooperates with ERAdiate+, CEP, National Contact Points for Horizon Europe (NCP), foreign partners) 4. Accounts for the costs related to pre-project activities, if relevant		2. Supports and guides the researcher (e.g. participation in events, contact database, general profile of the unit), keeps a record of support opportunities for STU areas of interest.	1. Ensures the necessary time capacity of the investigator (e.g. attendance at events to support project preparation).	5. Process the reimbursement of costs related to pre-project activities. (if relevant)		2. Supports and guides researcher (e.g. participation in events, contact database, general profile of the unit), keeps a record of support opportunities for STU areas of interest. 6. Monitors calls for reimbursement of costs associated with project preparation and prepares requests for reimbursement of these costs in liaison with the PI and the EO.			0. Provides funds for pre-project activities (support for project activities).
	Definition of the project concept if coordinator (project concept on 1 A4, basic parameters of the plan)	PP2	1. The PI defines the project intent and the possible need for co-financing, pre-financing and advance payment (SPaZ) in accordance with the Project Management Directive.	1a. R participates in the preparation of the Project intent								2. The VU representatives take note of the project intent, in case of a call with only one possible participation they decide on the submitted project.

	Process	Process ID	Principal Investigator (PI)	Researcher (R)	Local Project Administrator for International Projects (LPA)	Management of the organizational unit (VOS) / Department management (VUT)	Economic department at the STU rectorate level (EO)	Personnel department at the level of the STU Rectorate (PO)	Public procurement at the level of the STU Rectorate (vo)	CEP	CEPSIT	University management (vu)
Work methodology of project preparation (timely delivery of inputs and submission of project proposal)	PP3		2. The PI writes the project; The PI communicates with project partners; The PI coordinates the project preparation at the workplace, synergizing with other organizational units of the STU;	2.a R contributes to the project proposal as required by the PI.		-	-		1. Provides methodological guidance to the PI. (Process of preparation and submission of projects, Part A, work with the F&T portal)	3b. CEPSIT approves budget of project intent and submit to the Vice-Rector for approval.	3c. Vice-rector approves the project intent including budget.	
Personnel costs budgeting (inputs to the budget for the coordinator)	PP3.1		1. Defines the needs and negotiates the number of person-months (PM) at project level. 3. Enters the planned personnel costs in the project proposal or determines the number of PM based on a pre-defined amount		1. Provides methodological guidance to the PI. Assistance with: 2b. Based on inputs from the PI on the number of PM and the expected structure of the list of project team members, prepares the personnel cost budget or determines the labour cost per person-month for each project team member. 4b. Performs a check of the personnel cost in budget.	-		2a. Provides CEP with the data necessary to determine the amount of personnel costs (e.g. payroll sheets.)	1. Provides methodological guidance to the PI 2a. Based on inputs from the PI on the number of PM and the expected structure of the list of project team members, prepares the personnel cost budget or determines the labour cost per person-month for each project team member. 4a. Performs a check of the personnel cost budget.			

	Process	Proce ss ID	Principal Investigator (PI)	Researcher (R)	Local Project Administrator for International Projects (LPA)	Management of the organizational unit (VOS) / Department management (VUT)	Economic department at the STU rectorate level (EO)	Personnel department at the level of the STU Rectorate (PO)	Public procurement at the level of the STU Rectorate (vo)	CEP	CEPSIT	University management (vu)
Budgeting of other direct costs, including subcontracting (inputs to the budget for the coordinator)	PP3.2		1. Define the needs. 3. Enters the planned other direct costs in the project proposal budget, define the necessary cost breakdown in accordance with the grant provider's requirements, with support from CEP.		1. Provides methodological guidance to the PI. Assistance with: 2b. identification of inputs and proposed optimal structure of other direct costs. 4b. Performs a check of the other direct cost in budget.		2a. Provides supporting documents CEP, e.g., amount depreciation costs of equipment; internal invoices (in-house produced consumables, use of specific research equipment or research facilities, e.g. supercomputing equipment); prices of materials, services, etc.		1. Provides methodological guidance to the PI. 2b. In line with the PI's needs, the programme rules and inputs from the EO, proposes the optimal cost structure. 3a. Supports PI. 4a. Performs a budget check, check the eligibility of costs.			

Annex 4 Processes after project approval

	Process	Process ID	Principal Investigator (PI)	Researcher (R)	Local Project Administrator for International Projects (LPA)	Management of the organizational unit (VOS) / Department management (VUR)	Economic department at the STU rectorate level (EO)	Personnel department at the level of the STU Rectorate (PO)	Public procurement at the level of the STU Rectorate (vo)	CEP	CEPSIT	University management (VU)
POST-APPROVAL OF THE PROJECT	Project cash-flow management (pre-financing, financial management of the project portfolio)	SP1	1a. Enters the planned annual project budget expenditure in accordance with the project management directive and, in cooperation with CEPSIT, identifies the period in which payments from the grant provider are expected.	-		4b. Approves financial coverage SPaZ for the relevant department	2. Keeps records of cost expenditure and account balances of ongoing projects 3b. Cooperates with CEPSIT on proposal of solution if needed SPaZ for rectorate units.				1b. On the basis of the Grant Agreement, determines the expected dates of payments from the grant provider. 3a. Proposes solutions to the VU and the PI in cases where SPaZ is required.	4a. Approves financial coverage SPaZ for the rectorate departments
	Definition of project roles and job positions	SP2	1a. Defines personnel project matrix (job positions) 2b. Prepares and deliver supporting documents for the change of job description to PO.	-		4b. approves amendment of job description for relevant department. 5b. Signs amendments of job description for relevant department.		3. Prepares amendment of job description.			1b. Assigns PLSign and Fsign roles (project roles). in F&T portal 2a. Prepares and deliver supporting documents for the change of job description PO. 5a. Signs amendments of job description for relevant department.	4a. Approves amendments of job descriptions for relevant department.

	Process	Process ID	Principal Investigator (PI)	Researcher (R)	Local Project Administrator for International Projects (LPA)	Management of the organizational unit (VOS) / Department management (VUT)	Economic department at the STU rectorate level (EO)	Personnel department at the level of the STU Rectorate (PO)	Public procurement at the level of the STU Rectorate (vo)	CEP	CEPSIT	University management (vu)
Contractual documentation		SP3	1. It submits contractual documentation for comments to CEP.. 3. Ensures that the cover sheet to the contractual documentation is signed by management representatives. Signs the cover sheet.	-		4. Signs the cover sheet.	-		2. In cooperation with the relevant STU units (e.g. the Legal Department), ensures the review of the contractual documentation. 4. Submits the contractual documentation to the university management for signature. 6. Archives the scanned version of the contractual documentation.			5. Signs the contractual documentation on behalf of STU.

Annex 5 Processes during project implementation

	Process	Process ID	Principal Investigator (PI)	Researcher (R)	Local Project Administrator for International Projects (LPA)	Management of the organizational unit (VOS) / Department management (vut)	Economic department at the STU rectorate level (EO)	Personnel department at the level of the STU Rectorate (PO)	Public procurement at the level of the STU Rectorate (vo)	CEP	CEPSIT	University management (vu)
PROJECT IMPLEMENTATION	Supporting documents, calculation, and records of personnel costs (monthly)	RPI	1a. Prepares his/her own timesheet (TS) 2a. Checks and signs TS of researchers. 3. Submits all TS for review to LPA/CEP.	1b Prepares his/her own timesheet (TS)	4. Verifies that timesheets are consistent with attendance records.	2b. VU checks and signs TS of PI (if PI is the head of VOS, the TS is checked and signed by the direct superior of PI; in the case of Rector, the TS is checked and signed by PI.)	7. Pays the salary based on the documents from the PO.	6. Posts the costs to the project.	4. Checks the consistency of timesheets with attendance. 5. Calculates the amount of personnel costs and informs the PO. 6. Keeps records of the project's personnel costs. Records the use of funds and archives the supporting documents for the calculation of eligible costs.			
	Supporting documents, calculation, and records of personnel costs (at the end of the calendar year/reporting period)	RP2					3. Posts the cost difference to the project.	1. Provides CEP with the documentation required for the calculation of eligible personnel costs (payroll records, payslips, etc.). 2. Calculated eligible personnel costs of project. 4. Keeps records of the project's personnel costs. Records the use of funds and archives the supporting documents for the calculation of eligible costs.				

	Process	Process ID	Principal Investigator (PI)	Researcher (R)	Local Project Administrator for International Projects (LPA)	Management of the organizational unit (VOS) / Department management (VUT)	Economic department at the STU rectorate level (EO)	Personnel department at the level of the STU Rectorate (PO)	Public procurement at the level of the STU Rectorate (vo)	CEP	CEPSIT	University management (vu)
Supporting documents, calculation, and records of other costs	RP3		<p>1a. In accordance with internal directives, prepares the supporting documents for the declared costs (e.g. travel expense claim, business trip report, publication number, conference fee, purchase of consumables, etc.).</p> <p>1b. Same activities as PI.</p> <p>2 Approves the costs.</p>			-	<p>3. Carry out payments of costs and post the costs to the project.</p>		<p>1c. If needed VO supports and helps PI and R.</p>	<p>4. Keeps records of the project's other direct costs. Records the use of funds.</p> <p>5. Checks the costs eligibility (compliance with grant agreement) and the records of project costs.</p> <p>6. Inform PI about the costs incurred under the project.</p> <p>7. Archives the supporting documents (scan)</p>		-

	Process	Process ID	Principal Investigator (PI)	Researcher (R)	Local Project Administrator for International Projects (LPA)	Management of the organizational unit (VOS) / Department management (VUT)	Economic department at the STU rectorate level (EO)	Personnel department at the level of the STU Rectorate (PO)	Public procurement at the level of the STU Rectorate (vo)	CEP	CEPSIT	University management (vu)
	Calculation of indirect costs	RP4					2. OE posts the indirect costs to the project. 4. Posts the difference between the calculated eligible amount of indirect costs and the indirect costs already posted to the project			1. CEP calculated project indirect costs on the basis of the amount of direct costs incurred (with the exception of those to which indirect costs do not apply, e.g. subcontracting) 3. CEP recalculates the amount of indirect costs after the end of the reporting period and informs the OE.		
	Budget updates	RP5	2 ZR monitors the budget expenditure and updates the budget in accordance with the project management directive. Where necessary, communicates budget adjustments with the project coordinator.							1 Based on the results of processes RP1, RP2 a RP3 suggests budget updates to PI.		
	Technical (content-related) periodic and final reporting	RP6	2. Prepares the supporting documents for reporting and summarises and submits STU's project inputs to the coordinator.	1. Prepares the supporting documents for reporting for the PI.	-	-	-				-	

	Process	Proce ss ID	Principal Investigator (PI)	Researcher (R)	Local Project Administrator for International Projects (LPA)	Management of the organizational unit (VOS) / Department management (VUT)	Economic department at the STU rectorate level (EO)	Personnel department at the level of the STU Rectorate (PO)	Public procurement at the level of the STU Rectorate (vo)	CEP	CEPSIT	University management (vu)
Cost reporting to the European Commission – Financial Statement at the end of the reporting period or project	RP7	1. Notifies CEP of the obligation to perform the settlement of project costs. 3b. Provides assistance to CEP.	3c. Provides assistance to PI.		-				2. Checks the consistency between recorded and posted project costs. 3a. Prepares the financial statement.	4. Approves and signs the financial statement and submits it to the EC. (job position of the person designated as FSign)	-	

Annex 6 Post-project processes

	Process	Process ID	Principal Investigator (PI)	Researcher (R)	Local Project Administrator for International Projects (LPA)	Management of the organizational unit (VOS) / Department management (vut)	Economic department at the STU rectorate level (EO)	Personnel department at the level of the STU Rectorate (PO)	Public procurement at the level of the STU Rectorate (vo)	CEP	CEPSIT	University management (vu)
PROJECT CLOSURE	First-level audit	UPI	2b. Provides assistance to CEPSIT.	2c. Provides assistance to CEPSIT.	2d. Provides assistance to CEPSIT.	-	2e. Provides assistance to CEPSIT, and provides access to accounting documents when requested.	2f. Provides assistance to CEPSIT	0. Provides assistance in the selection of the auditor with regard to the need for a public procurement procedure.	0. Keeps records of the need to carry out an audit. 1. Acts as the primary contact for the audit – contacts the auditor and communicates with them. 2a. Provides the auditor with the supporting documents, justifies the costs where necessary and comments on the auditor's report.	-	
	Other audits and inspections	UP2	2b. Provides assistance to CEPSIT	2c. Provides assistance to CEPSIT	2d. Provides assistance to CEPSIT		2e. Provides assistance to CEPSIT. 3. Provides access to accounting documents when requested.	2f. Provides assistance to CEPSIT		1. Acts as the primary contact for the audit – contacts the auditor and communicates with them 2a. Provides access to the cost records for the purpose of carrying out the audit. 4. Comments on the auditor's report. 5. Proposes adjustments to processes and internal procedures in response to audit findings.	6. Revision and updating of processes and internal procedures.	

	<i>Process</i>	<i>Process ID</i>	<i>Principal Investigator (PI)</i>	<i>Researcher (R)</i>	<i>Local Project Administrator for International Projects (LPA)</i>	<i>Management of the organizational unit (VOS) / Department management (VUT)</i>	<i>Economic department at the STU rectorate level (EO)</i>	<i>Personnel department at the level of the STU Rectorate (PO)</i>	<i>Public procurement at the level of the STU Rectorate (vo)</i>	<i>CEP</i>	<i>CEPSIT</i>	<i>University management (vu)</i>
Archiving	UP3	2b. Provides the documents in accordance with the respective processes.	2c. Provides the documents in accordance with the respective processes.			-	2a. Archiving of accounting documentation.	2a. Archiving of personnel documentation.			1. Maintains the complete project file (scanned documents and electronic records).	-