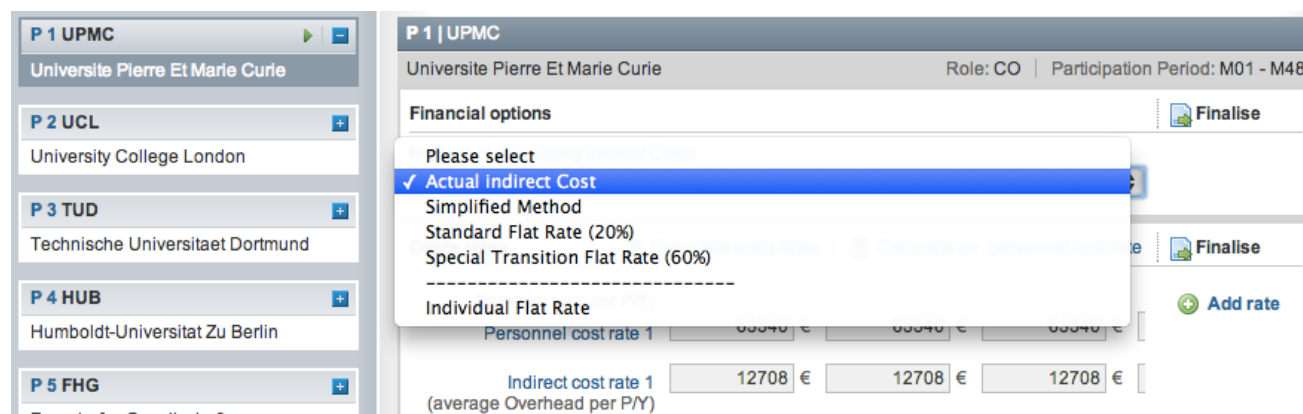


Defining the Method of Calculating Indirect Costs

Related articles: [Understanding the Budget Calculation](#)

Depending on the selected funding scheme and the contractor's organisation type, you can choose different methods for calculating the indirect cost at **Proposal > Contractor > Financial Information** or **DoW > Contractor > Financial Information** in the panel *Financial Options*.



Please verify with the funding programme guidelines to understand which methods for calculating the indirect cost apply for your organisation type. Here are some general guidelines:

You can set only one method per partner for calculating the indirects cost of the partner. There are 2 options to calculate the indirect costs:

1. Actual Indirect Costs or Simplified Method (an indirect cost rate per personnel cost category for each person-month planned)
2. Flat rate calculation e.g. 25 of all direct costs except sub-contracting

Actual Indirect Costs or Simplified Method

If your accounting system identifies the indirect costs as being incurred in direct relationship with the eligible direct costs attributed to the project, choose one of the two following methods of calculating indirect costs from the drop-down menu *Method of Calculating Indirect Costs*.

- Actual Indirect Costs (FP7 and H2020 only)
- Simplified Method (FP7 only)

For those methods, EMDESK will display additional input fields "Indirect cost rate X" per each personnel cost category X for the indication of the indirect cost rate per each personnel cost category in the panel *Cost Rates*. Enter indirect cost rates per each project year (not calendar year) in €/PY (EURO per person-year) and with dot as decimal separator e.g. 130233.42.

To understand how indirect costs are calculated using this method, please section Indirect Costs in the article [Understanding the Budget Calculation](#).

P 1 UPMC
Universite Pierre Et Marie Curie

P 2 UCL
University College London

P 3 TUD
Technische Universitaet Dortmund

P 4 HUB
Humboldt-Universitat Zu Berlin

P 5 FHG
Fraunhofer-Gesellschaft zur Foerderung der Angewandten Forschung e.V.

P 6 KCL

P 1 | UPMC
Universite Pierre Et Marie Curie
Role: CO | Participation Period: M01 - M48

Financial options Finalise

Method of calculating Indirect Costs
Actual indirect Cost

Costs rates Calculate costs rates | Calculate av. personnel cost rate Finalise

(average cost per P/Y)

Personnel cost rate 1 63540 € 63540 € 63540 € Add rate

Indirect cost rate 1 12708 € 12708 € 12708 € (average Overhead per P/Y)

Personnel cost rate 2 100000 € 100000 € 100000 € (average Overhead per P/Y)

Indirect cost rate 2 50000 € 50000 € 50000 € (average Overhead per P/Y)

Flat rate calculation

For a flat rate calculation of indirect costs, please choose one of the predefined flat rate options from the drop-down menu *Method of Calculating Indirect Costs*:

- 25% Flatrate for indirect costs (FP7 and H2020 only)
- Standard Flat Rate (20%) (FP7 only)
- Special Transition Flat Rate (FP7 only)
- Individual Flat Rate: If you want to define a specific percent flat rate, please choose *Individual Flat Rate*. An input field on the right side of the drop-down menu appears. Please enter a name and the percentage for calculating the indirect costs.

P 1 UPMC
Universite Pierre Et Marie Curie

P 2 UCL
University College London

P 3 TUD
Technische Universitaet Dortmund

P 4 HUB
Humboldt-Universitat Zu Berlin

P 1 | UPMC
Universite Pierre Et Marie Curie
Role: CO | Participation Period: M01 - M48

Please select
Actual indirect Cost
Simplified Method
Standard Flat Rate (20%)
Special Transition Flat Rate (60%)

✓ Individual Flat Rate

Rate Name Flat Rate (%)
My One Flat Rate 22.00

Costs rates Calculate costs rates | Calculate av. personnel cost rate Finalise

(average cost per P/Y)

Personnel cost rate 1 63540 € 63540 € 63540 € Add rate

For further information on how the indirect costs are calculated, please read [Understanding the Budget Calculation](#).

This entry was posted on Sunday, March 4th, 2012 at 11:18 pm and is filed under [Setup the Financial Information for Contractors](#)

You can follow any responses to this entry through the [Comments \(RSS\)](#) feed. Both comments

and pings are currently closed.