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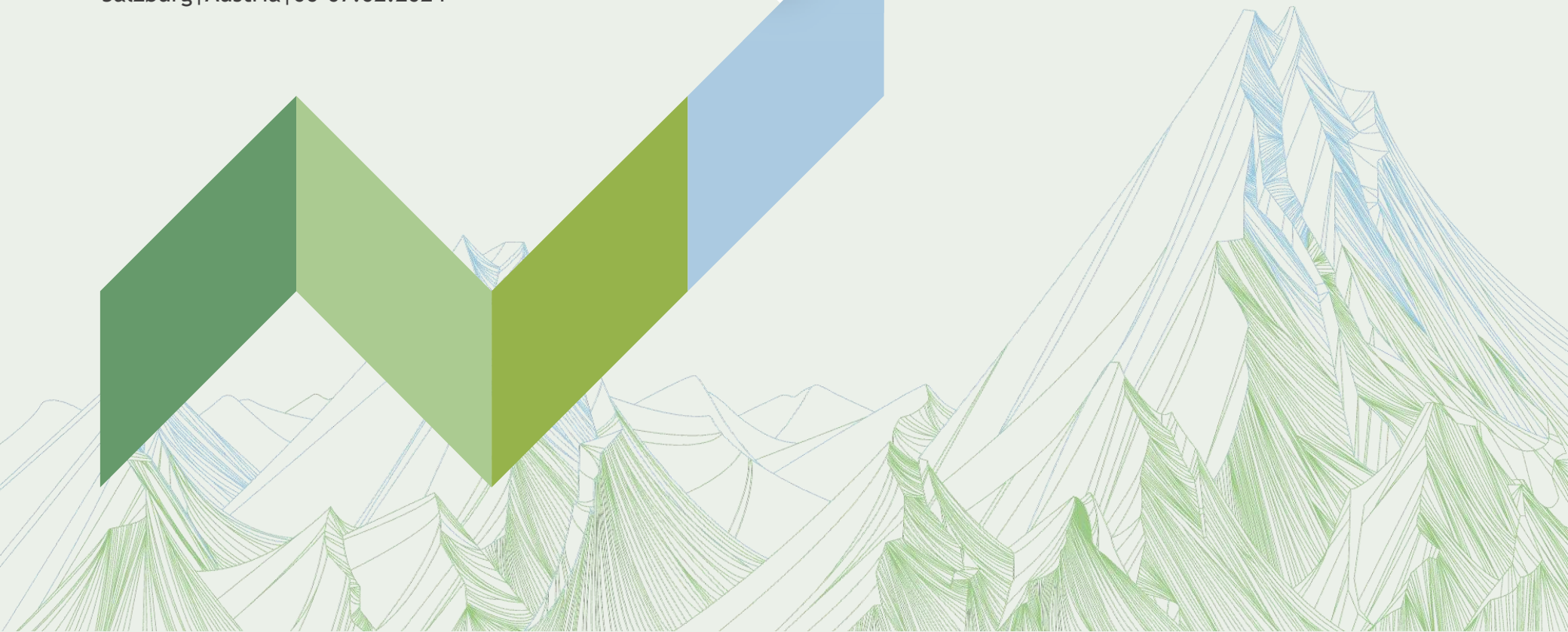
How to build a budget

Lead Applicants seminar

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21/27

Magdalena Friedwagner-Maislinger
Wolfgang Schrattenecker



How to build a budget



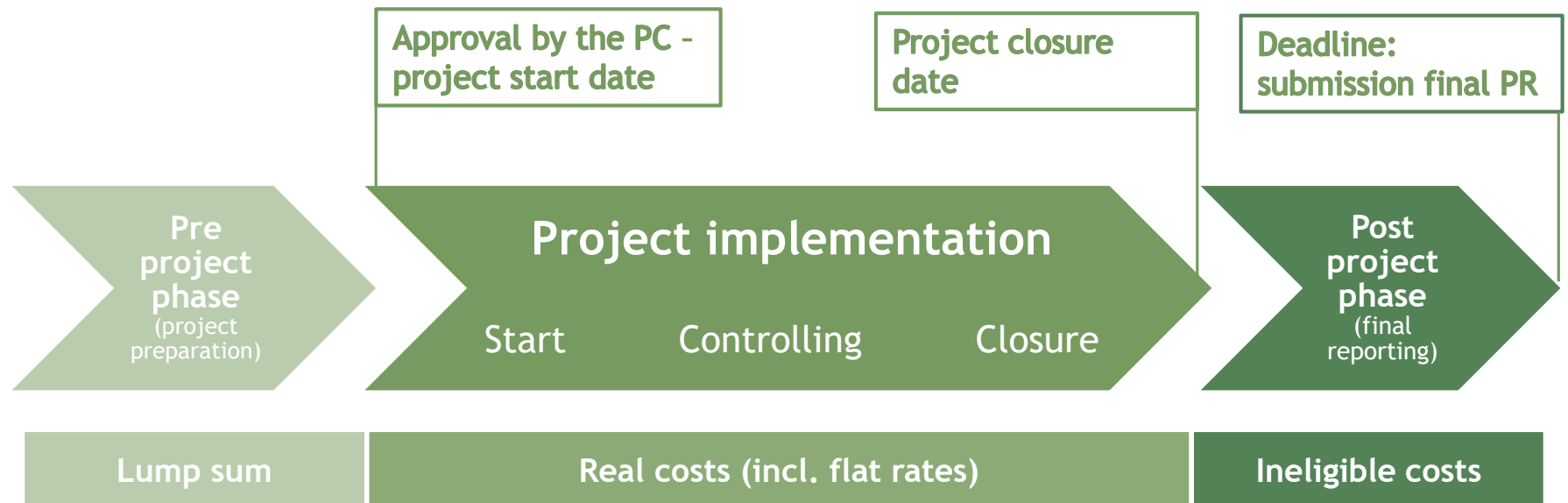
- ✔ Application form (AF) is not a budget planning tool (do the budget calculation outside the AF)
- ✔ Budget planning should be as detailed as possible - think about resources and funds needed for each cost category
- ✔ Costs must be proportionate to activities planned
- ✔ Expected real costs versus eligible project expenditure
- ✔ Decide for the most appropriate option on how to combine calculation options on cost category level (real costs, flat rates)

Dimensions of budget calculation



- Who?** - Project partner
- What?** - Cost category
- When?** - Reporting period

Eligibility - project phases



Eligibility - calculation options



cost categories	option a)		option b)		option c)	
	real costs	flat rate	real costs	flat rate	real costs	flat rate
staff costs	fixed percentage method			20% of external expertise/services and equipment costs	fixed percentage method	
office and administration costs		15% of staff costs		15% of staff costs		40% of staff costs
travel and accommodation costs		10% of staff costs		10% of staff costs		
external expertise and service costs	real costs		real costs			
equipment expenditure	real costs		real costs			

Eligibility - cost categories



Cost category	Actual costs	Eligible costs	
Staff costs	<ul style="list-style-type: none"> Whom (existing or new staff) to involve in project implementation? When and how long? Estimated amount of employment costs? 	Real costs or 20% flat rate	
Office and administration costs	<ul style="list-style-type: none"> Internal provisions? 	15% flat rate	40% flat rate
Travel and accommodation costs	<ul style="list-style-type: none"> How many project meetings/events etc. will take place? Who will take part? Average costs per day? 	10% flat rate	
External expertise and services costs	<ul style="list-style-type: none"> Which project activities need external support? Estimated contract value(s)? 	Real costs	
Equipment costs	<ul style="list-style-type: none"> Which equipment is needed? Estimated costs? 	Real costs - depreciation	

Budget Simulation Tool



planned eligible real expenditure

staff costs	120.000
external expertise and services costs	25.000
equipment costs	5.000

cost category	calculation method according to ASP eligibility rules								
	option a)			option b)			option c)		
	available for classical projects only!			available for classical and small scale projects			available for classical and small scale projects		
	staff, external expertise and services as well as equipment costs on real cost basis; office and administration costs as a flat rate of 15% based on eligible staff costs and travel and accommodation costs as a flat rate of 10% based on eligible staff costs			external expertise and services as well as equipment costs on real cost basis; staff costs as a flat rate of 20% based on the two afore-mentioned cost categories; office and administration costs as a flat rate of 15% based on eligible staff costs and travel and accommodation costs as a flat rate of 10% based on eligible staff costs			staff costs on real cost basis and a 40% flat rate based on eligible staff costs covering all other cost categories		
	real costs	flat rate	eligible expenditure	real costs	flat rate	eligible expenditure	real costs	flat rate	eligible expenditure
staff costs	x		120.000		x	6.000	x		120.000
office and administration		x	18.000		x	900			
travel and accommodation costs		x	12.000		x	600			
external expertise and services costs	x		25.000	x		25.000		x	48.000
equipment costs	x		5.000	x		5.000			

total eligible expenditure

180.000

37.500

168.000

Budget simulator is part of the application kit. You can find it under:
<https://www.alpine-space.eu/how-to-apply/#resources>

Example: How to build a budget



Project alpha, LP AHA

- a) Please calculate the estimated costs of LP AHA per cost category and insert the respective figure under column “estimated costs”.
- b) Please calculate the different options of the eligible budget of LP AHA according to the programme rules and insert the respective figures under “option 1”, “option 2” and “option 3”.
- c) Which calculation option on cost category level (real costs, flat rates) would you select? Please discuss and shortly justify.
- d) If you still have some time (optional): How would you split the eligible budget among reporting periods (no need to calculate in detail)?

Example: How to build a budget



Project alpha, LP AHA

Cost category	Estimated costs	Eligible budget - according to programme rules		
		option a)	option b)	option c)
Staff costs (a)	231.170,80	231.170,80	8.550,00	231.170,80
Office and administration costs (b)	46.234,16	34.675,62	1.282,50	92.468,32
Travel and accommodation costs (c)	15.360,00	23.117,08	855,00	
External expertise and services costs (d)	39.750,00	39.750,00	39.750,00	
Equipment costs (e)	4.500,00	3.000,00	3.000,00	
TOTAL (a+b+c+d+e)	337.014,96	331.713,50	53.437,50	323.639,12

Tips and hints



Prepare

- Read the programme manual carefully
- Reflect on the work plan

Draft

- Make a detailed resource and cost plan
- Set up the financial tables in the application form
- Consider potential indexation (realistic values)

Finalise

- Ensure sufficient funds for covering the gap between actual costs (including ineligible expenditure items and the post-project phase) and project budget
- Ensure consistency between work plan and budget

Remember the following...



... while preparing your budget

Staff costs

project assignments to be issued (per employee and reporting period, to be signed **ahead** of the assignment period)

External expertise and service costs

public PP have to observe procurement rules (simplified rules for private PP); consider costs for controller

Equipment costs

depreciation rules to be considered