

Calculating Staff Costs

Calculating the Annual Total Cost to Employer

BEST grants fund a share of the total cost to the organisation (beneficiary or co-beneficiary of the BEST grant) of staff based on the actual time (recorded in timesheets) spent working on the BEST project.

Eligible costs that can be included:

- Salary or wages (gross incl. income taxes)
- Social security
- Other mandatory costs included in remuneration or included as a standard Human Resources policy of the organization (*and can be proved by supporting documents*)

For example: medical insurance; repatriation; relocation; visa costs, housing allowance, salary adjustments, other benefits etc. **may only be eligible if they respect all applicable legislation, constitute a standard practice of the organization (which is documented) and are actually paid.**

Example calculation:

Employee X - 2017	
Gross salary (annual 2017)	84,000
Social security	3,500
Pension contribution	2,500
TOTAL	90,000

Productive hours = the time actually worked (it will normally result in a different number of annual working time units for each employee).

It shouldn't include holidays actually taken, public holidays, flexitime compensation, weekends, sick leave, other paid absences (maternity leave etc.)

Calculating Staff Costs

Calculation of the Time Unit Rate

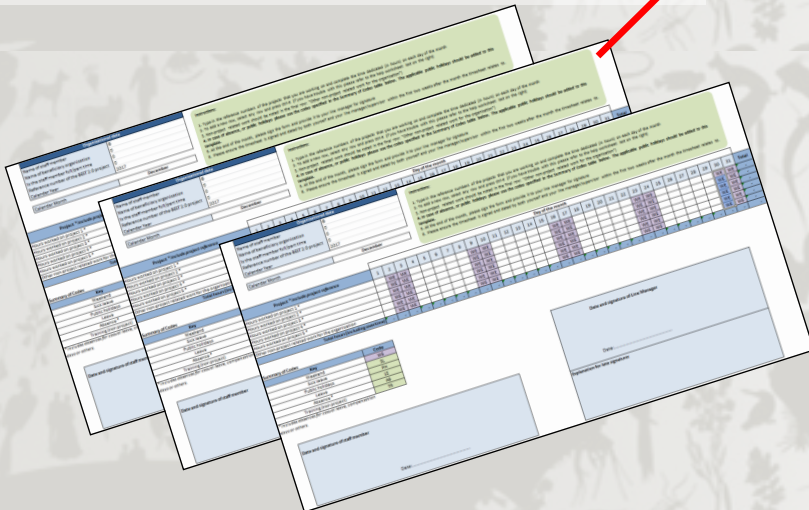
The time unit rate (hourly/daily/monthly) is calculated using the formula below:

Total cost of the individual to the employer

Total number of units (hours/days/months) worked

Use the figures from the individual's timesheets

(The total will only be known at the end of the year or reporting period)



Example monthly rate:

$$\frac{90,000 \text{ €}}{12 \text{ months}} = 7,500 \text{ € per month}$$

Example hourly rate:

$$\frac{90,000 \text{ €}}{1,600 \text{ hours}} = 56.25 \text{ € per hour}$$

Calculating Staff Costs

Example 1

2017

2018

Employee X: with an indefinite term contract

Start date of project/reporting period : **1st March 2017**

End date of project/reporting period : **28th February 2018**



The calculation has to be done for each calendar year

	Year 2017	Year 2018
Step 1: Calculate the total productive working hours	(For 12 months Jan-Dec) 1,600	(For 2 months Jan-Feb) 320
Step 2: Calculate the total hours worked on the BEST project	750	200
Step 3: Calculate the average number of productive hours per month <i>(Total productive hours (Step 1) / Number of months)</i>	1,600 / 12 months = 133.33	320 / 2 months = 160
Step 4: Convert hours worked on the BEST project to months <i>(Number of hours worked on the project (Step 2) / Average number of productive working hours per month (Step 3))</i>	750 / 133.33 = 5.63	200 / 160 = 1.25
Step 5: Calculate the total annual cost employer (see slide 1)	90,000 €	15,000 €
Step 6: Calculate the monthly rate <i>(total annual cost employer (Step 5) / Number of months)</i>	90,000 € / 12 months = 7,500 €	15,000 € / 2 months = 7,500 €
Total cost to report = Months worked on the BEST project (Step 4) x Monthly rate (Step 6)	5.63 x 7,500 € = € 42,225	1.25 x 7,500 € = € 9,375

These figures must be taken from the completed timesheets. Forecasts, percentage or extrapolation is not acceptable.

Calculating Staff Costs

Example 2

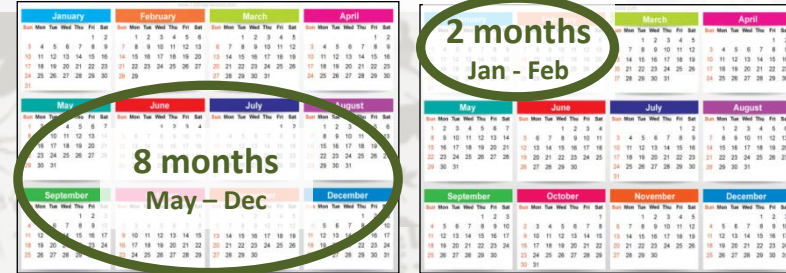
2017

2018

Employee Y: fixed term contract starting 1st May 2017

Start date of project/reporting period : 1st March 2017

End date of project/reporting period : 28th February 2018



The calculation has to be done for each calendar year

These figures must be taken from the completed timesheets. Forecasts, percentage or extrapolation is not acceptable.

	Year 2017	Year 2018
Step 1: Calculate the total productive working hours	(For 8 months May-Dec) 1,000	(For 2 months Jan-Feb) 328
Step 2: Calculate the total hours worked on the BEST project	630	204
Step 3: Calculate the average number of productive hours per month (Total productive hours (Step 1) / Number of months)	1,000 / 8 months = 125	328 / 2 months = 164
Step 4: Convert hours worked on the BEST project to months (Number of hours worked on the project (Step 2) / Average number of productive working hours per month (Step 3))	630 / 125 = 5.04	204 / 164 = 1.24
Step 5: Calculate the total annual cost employer (see slide 1)	50,000 €	13,000 €
Step 6: Calculate the monthly rate (total annual cost employer (Step 5) / Number of months)	50,000 € / 8 months = 6,250 €	13,000 € / 2 months = 6,500 €
Total cost to report = Months worked on the BEST project (Step 4) x Monthly rate (Step 6)	5.04 x 6,250 € = € 31,500	1.24 x 6,500 € = € 8,060

Calculating Staff Costs

Completing the staff cost table

Use a separate row for each calendar year

Use the unit in your BEST budget



A	B	C	D	E	F	G	H	I	J	K	L
Heading reference of the approved BEST 2.0 budget	Year	Name of person	Function / Type of employment contract	Annual total cost employer	Time unit (day or month)	Annual number of working time units	Time unit rates (Column E/G)	Number of time units assigned to the project (column Z)	Total personnel costs in national currency (H*I)	Exchange rate	Amount in € (J/K)
1.1.1. Project Manager	2017	Employee X	Project Manager/ Full Time	90,000.00	Month	12	7,500.00	5.63	42,225.00	1.00	€ 42,225.00
1.1.1. Project Manager	2018	Employee X	Project Manager/ Full Time	15,000.00	Month	2	7,500.00	1.25	9,375.00	1.00	€ 9,375.00
1.1.2. Project Assistant	2017	Employee Y	Project Assistant/ Full Time	50,000.00	Month	8	6,250.00	5.04	31,500.00	1.00	€ 31,500.00
1.1.2. Project Assistant	2018	Employee Y	Project Assistant/ Full Time	13,000.00	Month	2	6,500.00	1.24	8,060.00	1.00	€ 8,060.00
TOTAL								13.16	91,160.00		91,160.00

For partial years the real cost should be calculated for the months that fall in the reporting period.

This figure should match the staff costs in your financial report