



## ANNEX 1.2 - Proposal Budget Guidelines



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## Table of Contents

<i>ANNEX 1.2 - Proposal Budget Guidelines</i>	1
1. <i>Available budget</i>	3
2. <i>Eligible costs</i>	3
2.1. <i>Direct costs</i>	3
2.2. <i>Indirect costs</i>	5
2.3. <i>Ineligible costs</i>	5
3. <i>Financial Proposal (ANNEX 1.3-Proposal Budget Template)</i>	5
4. <i>Payment arrangements</i>	6
5. <i>Record-keeping</i>	6
6. <i>VAT</i>	6
7. <i>Double Funding</i>	7
8. <i>Reference documents</i>	7



## 1. Available budget

The estimated available budget for the SECURE Call 1 - *ANNEX 1- Open Calls Application Guidelines* - is EUR 5,000,000.

The Consortium reserves the right not to award all available funds and to redistribute them to subsequent SECURE calls, depending on the Proposals received and the outcome of the evaluation.

Successful Applicants will receive a grant covering 50% of the total eligible costs of their Project, up to a maximum SECURE contribution of EUR 30,000. If the total Project cost exceeds EUR 60,000, the SECURE contribution will remain capped at EUR 30,000.

Applicants must complete the *ANNEX 1.3-Proposal Budget Template* in euro (EUR), providing a breakdown of estimated eligible costs by budget category.

Applicants established in countries outside the Euro area must use the European Central Bank's monthly accounting exchange rate published in the C series of the Official Journal of the European Union available at <http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>.

## 2. Eligible costs

The eligible direct costs for the Project must satisfy the criteria of eligibility set out in the Call guidelines. They must be identifiable as specific costs directly linked to the performance of the Project and be directly attributed to.

### 2.1. *Direct costs*

The general eligibility conditions for direct costs are the following

- they must be actually incurred
- they must be incurred during the period of implementation of the Project
- they must be entered as eligible costs in the estimated budget, under the relevant budget category
- they must be incurred in connection with the Project and necessary for its implementation
- they must be identifiable and verifiable, and recorded in the beneficiary's accounts in accordance with the accounting standards applicable in the country where the beneficiary is established and with the beneficiary's usual cost accounting practices
- they must comply with the applicable national law on taxes, labour and social security
- they must be reasonable, justified and must comply with the principle of sound financial management, in particular regarding economy and efficiency.

For more details see [AGA - Annotated Grant Agreement](#), article 6.1.

#### 2.1.1. **Personnel costs.**

The following categories of personnel cost are eligible:

Category	Description
Employee – Senior / Management Level	Personnel working for the beneficiary under an employment contract (or equivalent appointing act) and assigned to the action.
Employee - Junior / Staff & Operational Level	
Employee - Technical personnel	
Employee - Administrative personnel	

Employee - Other	
Natural person under direct contract	Self-employed natural persons (e.g. some types of in-house consultants) who work on the action for the beneficiary under conditions similar to those of an employee, but under a contract that is legally not an employment contract
Seconded persons	Costs for employee from a third party temporary transferred against payment
SME owner and natural person beneficiary	Persons who are directly owners or co-owners (regardless of their percentage of ownership) of the Applicant SME.

Applicants must indicate the average monthly cost for each personnel category and the number of person-months foreseen. The methodology used to calculate the monthly cost must be explained in the application. Where Applicants do not have pre-defined costs for the personnel categories included in the budget, they should calculate a monthly cost in line with the guidance provided in the [AGA - Annotated Grant Agreement](#), Article 6.2.A Personnel costs.

### 2.1.2. Subcontracting costs

This budget category covers tasks described in the Project Proposal that are not carried out by the Applicant but by third parties.

For the implementation of all activities and services eligible under this call, as described in *ANNEX 2 – CRA Scope & Eligible Activities, Services and Goods*, the Applicant Company may choose to engage a third-party supplier (e.g., service provider or consulting firm) to carry out part or all of the Project activities. The cost associated with such services is considered an eligible cost for funding purposes and may be included in the Proposal. Details about the selected provider must be specified both in *ANNEX 1.3 – Proposal Budget Template* and in *ANNEX 1.1 – Proposal Template*.

Subcontracts must be awarded based on best value for money or lowest price, and must respect the principles of transparency and equal treatment. For more details see [AGA - Annotated Grant Agreement](#), Article 6.2.B Subcontracting costs.

Subcontracting costs, including non-deductible or non-refundable VAT, are eligible if:

- They are calculated on the basis of actual costs;
- They follow the Beneficiary's usual procurement practices ensuring best value for money or lowest price;
- No conflict of interest exists;
- Subcontracted work is performed in eligible countries (EU and EFTA countries).

The Beneficiary cannot use service providers or subcontractors that:

- Are not registered in an EU or EFTA member state;
- Are directly or indirectly controlled by a country outside EU/EFTA or an entity registered in an ineligible country.

### **2.1.3. Equipment**

The total cost of equipment may not exceed 80% of total direct costs.

Purchases of equipment, infrastructure or other assets used for the Project must be declared as depreciation costs, calculated on the basis of the actual costs incurred and recorded in accordance with international accounting standards and the beneficiary's usual accounting practices. Only the share of the cost corresponding to the actual rate of use for the Project during its duration may be charged. If the equipment is rented or leased instead of purchased, the rental or leasing costs may be declared, provided they do not exceed the depreciation costs of comparable equipment, infrastructure or assets and do not include financing fees.

### **2.1.4. Purchase costs (other goods, works and services)**

Such goods, works and services include, for instance, consumables and supplies, promotion, dissemination, protection of results, translations, publications, certificates and financial guarantees, if required under the Agreement.

Costs of other goods, works and services must be declared as actual costs. The costs must fulfil the general conditions for actual costs to be eligible (see Art 2.1), and in particular: be incurred during the action duration, be necessary and linked to the action, be purchased specifically for the action.

## **2.2. *Indirect costs***

Indirect costs are eligible at a flat rate of 7% of total eligible direct costs (categories above). The amount is automatically calculated in the financial Proposal template.

## **2.3. *Ineligible costs***

The following costs are ineligible: return on capital, debt and debt service charges, provisions for losses or debts, interest owed, currency exchange losses, excessive or reckless expenditure, costs already funded by another EU action, alcoholic beverages, gifts or entertainment expenses.

## **3. Financial Proposal (*ANNEX 1.3-Proposal Budget Template*)**

The currency to be used in the worksheet is EURO.

Applicants must submit their budget in the official SECURE financial Proposal template. The Project Proposal may contain up to three work packages (WPs). For each WP, Applicants must detail the following:

### 1. Personnel costs

- For each work package (WP), Applicants must indicate the type of personnel involved, selecting from the drop-down menu in the financial Proposal template. Eligible personnel categories are listed in section 2.1.1 above.
- Personnel costs must be recorded using the following unit: 1 unit = 1 person-month.
- For each personnel category, Applicants must estimate the total number of person-months required for the relevant WP.

## 2. Subcontracting costs

- Applicants must indicate any planned subcontracting and provide a short description.
- The estimated subcontracting cost must be entered as a lump sum.

## 3. Equipment

- The total budget allocated to equipment must not exceed 80% of overall direct costs.
- Equipment costs should be entered in the worksheets after all other direct costs, so that the template can automatically alert Applicants if the threshold is exceeded.
- Applicants must list the equipment foreseen and provide a brief description.

## 4. Purchase costs (other goods, works and services)

- Applicants must list the planned goods or services and provide a short description. Examples include consumables, dissemination materials, translations, publications, certificates, etc.

**IMPORTANT NOTE:** The Financial Proposal (4 sheets in total) must be saved as a PDF file, digitally signed in PAdES format, and uploaded to the SECURE platform. To generate the PDF, Applicants should export or print the entire workbook (all 4 sheets) to PDF.

## 4. Payment arrangements

Payments will normally be made in two instalments:

- An **optional pre-financing** payment of 40% of the grant upon signature of the Sub-Grant Agreement. Pre-financing must be requested by companies at the time of Proposal submission. Companies that do not request pre-financing will receive only the payment of the balance upon Project completion;
- A **balance payment** after the Project implementation and the approval of the final Technical report.

## 5. Record-keeping

**Beneficiaries must keep full and accurate records of all costs declared. Supporting documents** include contracts, invoices, timesheets, payroll records and accounting extracts. These must allow reconciliation between declared costs and the beneficiary's accounts. Records must be kept for the period specified in the Sub-Grant Agreement.

## 6. VAT

VAT is an eligible cost if it cannot be recovered under the applicable national VAT legislation and is paid by a beneficiary that is not a non-taxable person. This applies in particular where, under national law, the VAT is linked to:

- exempt activities without a right of deduction;

- activities falling outside the scope of VAT;
- activities where VAT is not deductible but is refunded through specific refund schemes or compensation funds, even if such schemes or funds are established under national VAT legislation.

## 7. Double Funding

Beneficiaries must ensure that costs declared under the SECURE sub-grant are not financed by any other EU or national programme. **The same cost item cannot be funded twice.**

To avoid double funding, beneficiaries must:

- Clearly identify in their accounts the costs linked to the SECURE Project;
- Ensure that no other EU or public contribution has been received for the same costs;
- Declare in the application whether the Project or parts of it have received, or are expected to receive, support from other EU or national funding schemes.

Non-compliance with this rule will lead to the rejection of costs and may result in recovery of funds already paid, as well as other sanctions in line with the Sub-Grant Agreement.

## 8. Reference documents

[AGA - Annotated Grant Agreement](#), Digital Europe Programme, Art. 6



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