

## Calculation Exercise

The budget for your grant contract (with a duration of 1 year) is 500,000 Euro. EU contribution = 85 % = 425,000 Euro

The prefinancing you get is 80% = 340,000 Euro

End of year: You as an NGO have spent 350,000. You need more money. So you send the following request:

“We have spent your money efficiently and effectively but could not find more money to cover the estimated budget, so we are only asking you to send us the amount for the indirect costs (7%) which is 24,500 Euro (refer Article 14.4 of General Conditions for Grant contracts)”.

What do you think the reaction will be?

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## So you submit your request for final payment

You do not make more costs and submit your request for final payment. However, it appears that your claim has ineligible costs worth of 50,000 Euros.

### ***Question:***

How much are you entitled to?

# Calculation Exercise

## ***Answer:***

Estimated budget was 500,000 Euro but the actual expenditure is 350,000. However, the total amount of eligible costs is  $350,000 - 50,000 = 300,000$  Euro.

The actual grant for the action becomes:  $85\% \text{ of } 300,000 = 255,000$  Euro.

You are also entitled to  $7\%$  of the total amount of eligible costs for indirect costs (see General Conditions for Grants art. 14.4). This equals to  $7\% * 300,000 = 21,000$  Euro.

So in total you are entitled to  $255,000 + 21,000 = 276,000$  Euro. In other words: You have to refund Euros 64,000.