Co-funded by the European Union

Eligibility of Expenditures

Call supporting document

EIT Culture & Creativity

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https://eit-culture-creativity.eu/

Contents

Document History

Version 1.0 (2026)

Changelog

Version	Date	Changes
1.0	03/06/2026	Initial version

1. Scope and forms of funding

This document sets out the general principles governing the eligibility of expenditures included in proposals submitted to EIT Culture & Creativity calls and/or financed through financial support awarded by EIT Culture & Creativity.

The specific form of funding applicable to each call, project or programme will be defined in the relevant call guidelines and subgrant Agreement. Depending on the call, financial support may be provided through reimbursement of eligible actual costs, unit costs, flat-rate costs, lump sums, prizes or other forms allowed under the applicable Horizon Europe and EIT rules.

Where financial support is provided on the basis of actual, unit or flat-rate costs, the cost eligibility rules described in this document apply to the costs declared by the beneficiary.

Where financial support is provided in the form of lump sums, beneficiaries are not reimbursed on the basis of costs incurred. However, applicants must still submit a budget proposal based on reasonable and eligible cost estimations, in line with the activities, work packages, deliverables, milestones and objectives of the project. In such cases, payments and financial support validation will be linked to the completion and approval of the work packages, milestones and/or deliverables defined in the call guidelines and the subgrant Agreement, rather than to the reimbursement of eligible cost items.

In case of inconsistency between this document and the call guidelines, the call guidelines and the subgrant Agreement shall prevail.

2. General financial principles

Grants are subject to the principles laid down in the Financial Regulation (Regulation (EU, Euratom) 2018/1046), outlined in Art. 188-193:

Equal treatment: the general principle of equal treatment and non-discrimination requires that comparable situations are not treated differently unless differentiation is objectively justified.

Transparency: Grants shall be awarded following a publication of calls for proposals, except in the cases referred to in Article 195 of the same regulation.

Grant reimbursement rate and non-reimbursed costs: EIT Culture & Creativity financial support may reimburse up to [X]% of the total eligible project costs, as defined in the relevant call guidelines. The remaining share of the total eligible project costs must be covered by the applicant or consortium members through their own resources or other eligible sources, in accordance with the applicable Horizon Europe funding and double-funding rules. The EIT Culture & Creativity contribution may not exceed the maximum reimbursement rate defined for the call. Applicants must therefore ensure that they have sufficient financial resources to cover the part of the project costs that is not reimbursed by EIT Culture & Creativity.

In-kind contributions are discouraged and will not be accepted as eligible expenditure unless explicitly allowed in the relevant call guidelines. Where in-kind contributions are exceptionally allowed, they must be duly justified, clearly described in the project proposal and budget, and assessed by EIT Culture & Creativity before being accepted.

Non-cumulative award and no double funding: Each action may give rise to the award of only one grant, there can be no duplicate European Union funding of the same expenditure. The applicant must indicate the sources and amounts of any other funding received or applied for in the same financial year for the same action or for any other action and for routine activities (running costs).

Non-retroactivity: Unless otherwise provided in the subgrant Agreement grants shall not be awarded retroactively. A grant may be awarded for an action that has already begun provided that the applicant can demonstrate the need for starting the action prior to the signature of the subgrant Agreement. In such cases, costs incurred prior to the date of submission of the grant application shall not be eligible, except: (a) in duly justified exceptional cases as provided for in the basic act; or (b) in the event of extreme urgency for measures referred to in point (a) or (b) of the first paragraph of Article 195 whereby an early intervention by the Union would be of major importance.

No-profit rule: The EU grant may not have the purpose or effect of producing a profit for the recipient of the grant. Profit is defined as a surplus of the receipts over the eligible costs incurred by the recipient of the grant when the request is made for payment of the balance. The receipts referred to above shall be limited to income generated by the action as well as financial contributions specifically assigned by donors to the financing of the eligible costs. Any income of the action must be indicated in the estimated budget and the final financial statement. If the final amount results in a profit for the applicants, the amount of the grant will be reduced by the percentage of the profit corresponding to the Union contribution to the eligible costs of the action actually incurred by the applicants.

Record-keeping: According to the AGA, the applicants must — for a period of 5 years (> EUR 60 000) or 3 years (< EUR 60 000) after the payment of the balance — keep records and other supporting documentation to prove the proper implementation of the action and the costs they declare as eligible.

3. Eligible budget categories

For calls based on reimbursement of actual, unit or flat-rate costs, eligible costs must be broken down according to the applicable budget categories, as defined in Article 6 of the Horizon Europe Model Grant Agreement (HE MGA).

For calls based on lump sums, the same budget categories may be used, where relevant, to structure and assess the budget estimations submitted at proposal stage. In such cases, the budget is used to assess whether the proposed lump sum is reasonable, proportionate and aligned with the planned activities, but beneficiaries are not required to declare incurred costs for reimbursement purposes.

A. Personnel costs: the proposal must contain a calculation of the time that a person working for the recipient of the grant will likely spend on the activity. The cost must be limited to salaries (including net payments during parental leave), social security contributions, taxes, and other costs linked to the remuneration, if they arise from national law or the employment contract (or equivalent appointing act) and be calculated based on the costs actually incurred, in accordance with the following method:

{daily rate for the person multiplied by the number of day-equivalents worked on the action (rounded up or down to the nearest half-day)}. The daily rate must be calculated as {annual personnel costs for the person divided by 215} The number of day-equivalents declared for a person must be identifiable and verifiable (see Article 20 of the HE MGA).

B. Subcontracting: cost of services to implement a specific task described in the proposal. Subcontracting costs are limited to a maximum of 30% of the total costs at participant level and 15% of the total costs at project level.~~Only a limited part of the action may be subcontracted and included in the activity budget.~~ The consortium must choose subcontractors on "best value for money" competitive selection procedures, requesting several offers.

C. Purchase costs

Travel, accommodation, and subsistence costs: all these costs may be incurred by activity staff (participation in activity meetings, presentation of activity results at conferences, etc.) or external experts (such as a guest speaker).

Depreciation for purchase of equipment: if equipment, research infrastructure, or other assets are acquired or used in an activity, only the portion of the depreciation costs allocable to the activity is eligible for funding, not the purchase price. The depreciation costs eligible should be calculated in accordance with the local accounting rules in place.

Other goods and services: mainly including consumables, catering, printing, graphics and translations, open access publications, as well as license and patent fees.

D. Other costs

Unless explicitly authorised in the relevant call guidelines and subgrant Agreement, the following cost categories are not eligible under EIT Culture & Creativity financial support:

Financial support to third parties by recipients of EIT Culture & Creativity financial support: recipients may not use EIT Culture & Creativity financial support to provide further financial support to third parties, including grants, prizes, cascaded funding or similar forms of support, unless this is expressly allowed in the call conditions.

Internally invoiced goods and services: costs for goods or services provided within the applicant's own organisation and valued on the basis of the applicant's usual cost accounting practices are not eligible, unless expressly allowed in the call conditions.

This restriction does not affect the award of financial support by EIT Culture & Creativity to the selected applicants under the relevant call.

E. Indirect costs are charged at a flat rate of 25% of the eligible direct costs, excluding subcontracting costs, financial support to third parties, internally invoiced goods and services, and any other cost categories excluded under the applicable Horizon Europe rules or call conditions.

4. Non-eligible costs

- Costs arising between the organisation of the consortium (selling/purchasing goods or services within the consortium)
- Costs related to return on capital and dividends paid by a recipient of the grant
- Debt and debt service charges
- Provisions for future losses or debts
- Interest owed
- Currency exchange losses
- Bank costs charged by the recipient of the grant's bank for transfers from the granting authority
- Excessive or reckless expenditure
- Deductible VAT (non-deductible VAT is eligible)
- Costs incurred or contributions for activities implemented during grant agreement suspension
- Costs incurred during the suspension of the implementation of the action
- Costs declared under another EU/Euratom grant/local funding (double funding is not allowed)

5. General conditions for eligibility of costs

All costs must meet the following criteria:

- be **incurred by the recipient of the grant** (no estimated/imputed/budgeted costs),
- be **incurred in the activity period**,
- be **included in the budget** submitted at the proposal stage,
- be incurred in **connection with the action** and **necessary for its implementation**,
- be **identifiable and verifiable and recorded** in the recipient of the grant's accounts in accordance with the applicable accounting standards and **usual cost accounting practices**,
- **comply with the applicable national laws** on taxes, labour, and social security, and
- be **reasonable** and **justified** and must comply with the principle of **sound good financial management** (in particular regarding economy and efficiency).

In addition, for direct cost categories only costs that are ***directly* linked to the action implementation** and can therefore be attributed to it *directly* are eligible. They must not include any *indirect* costs (i.e. costs that are only indirectly linked to the action, e.g., via cost drivers).

In-kind contributions provided by third parties free of charge are discouraged and will not be accepted as eligible expenditure unless explicitly allowed in the relevant call guidelines. Where in-kind contributions are exceptionally allowed, they must be duly justified, clearly described in the project proposal and budget, and assessed by EIT Culture & Creativity before being accepted. If accepted, they may be declared as eligible direct costs by the applicants which use them (under the same conditions as if they were their own), provided that they concern only direct costs and that the third parties and their in-kind contributions are set out in the proposal.

Finally, as set out in Art. 20 of the HE MGA, each recipient of the grant must keep appropriate and sufficient evidence to prove the eligibility of all the costs declared, proper implementation of the action, and compliance with all the other obligations under the subgrant Agreement. The evidence must be verifiable, auditable, and available. It must be correctly archived for the duration of the activity indicated in the subgrant Agreement. In general, the evidence must be kept for at least 5 years after final payment or longer if there are ongoing procedures (audits, investigations, litigation, etc.).

6. Specific rules for lump-sum funded calls

Where a call applies a lump-sum funding model, the awarded amount will be linked to the completion and approval of the work packages, milestones and/or deliverables defined in the call guidelines and the subgrant Agreement.

Applicants must submit a budget at proposal stage that is reasonable, proportionate and consistent with the proposed activities. Budget estimations must be based on cost items that would be eligible under the applicable Horizon Europe cost eligibility principles, must be in line with the applicant’s normal practices, and must not be excessive.

For lump-sum funded calls, beneficiaries are not required to submit invoices, timesheets or accounting evidence of individual cost items for reimbursement purposes, unless otherwise required by the call guidelines, the subgrant Agreement, national law, internal accounting rules, or specific checks relating to the proper implementation of the project.

Beneficiaries must nevertheless retain appropriate evidence demonstrating that the funded activities were implemented as approved, including, where relevant, technical documents, deliverables, milestones, reports, outputs, proof of activity implementation and other documentation showing that the work was carried out in accordance with the approved project.

7. Call-specific ceilings, benchmarks and restrictions

The relevant call guidelines may define additional expenditure ceilings, indicative benchmarks, minimum or maximum allocations, excluded cost items, or other restrictions applicable to specific cost categories or types of activities.

Where such call-specific ceilings, benchmarks or restrictions are included in the call guidelines or in a call-specific annex, they form part of the applicable eligibility conditions for that call. These ceilings and benchmarks do not create an entitlement to funding and do not replace the general requirement that all proposed expenditure must be necessary, reasonable, proportionate and linked to the approved activities.

EIT Culture & Creativity reserves the right to assess whether the proposed and/or implemented use of funds is reasonable, proportionate and aligned with the objectives, work plan, milestones, deliverables and expected results of the funded project.

<u>Disclaimer on Cost Verification and Audits</u>

Financial support awarded by EIT Culture & Creativity may be subject to verification, checks, reviews and audits in accordance with the applicable Horizon Europe, EIT and subgrant Agreement rules.

For funding based on actual, unit or flat-rate costs, verification may include checks on the eligibility, documentation and accounting treatment of the costs declared.

For lump-sum funded calls, verification will focus on the proper implementation of the approved activities and the completion and approval of the relevant work packages, milestones, deliverables and outputs. EIT Culture & Creativity may request supporting evidence demonstrating that the funded activities were implemented as approved and that the use of funds was reasonable and aligned with the project objectives.

Costs, activities, outputs or funding claims that do not comply with the applicable call conditions, subgrant Agreement or Horizon Europe/EIT rules may be rejected, reduced, deducted from payments or subject to recovery, as applicable.