



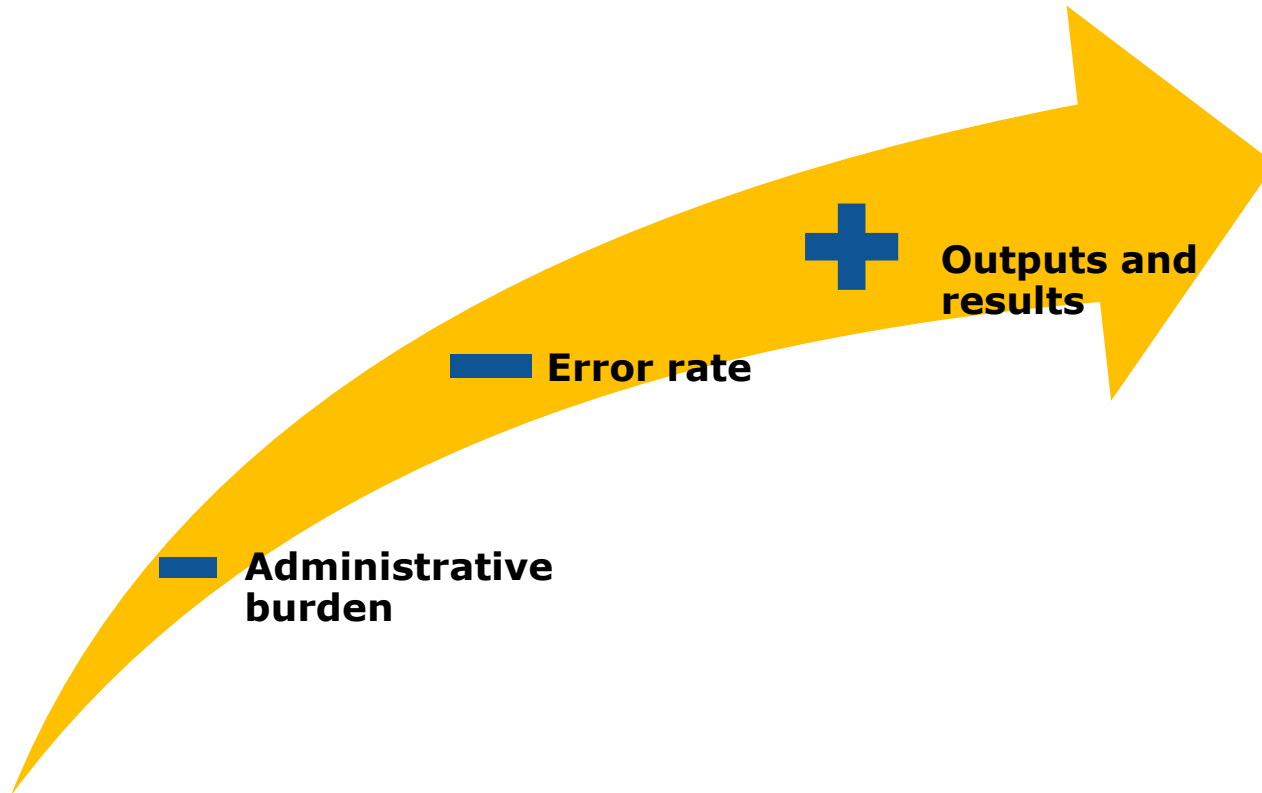
Simplified Cost Options - basics

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Why should you use SCOs?





European
Commission

Simplified Cost Options

Standard scales of unit costs

Art.67 (b) CPR

Lump sums
Art.67(c) CPR

Flat rate financing
Art. 67(d) CPR

Financing not linked to costs

to be defined in a DA

Art. 67(e) CPR

New

Advantages of Flat Rates

- *Reduce admin burden*
- *Reduce error rate*

But..

- *Need to keep records for certain categories of costs*
- *Need to strictly define your direct and indirect costs*
- *No focus on outputs or results*

Advantages of Lump Sums

- *Can cover all the costs of an operation*
- *Minimum of records to be kept (methodology and proof of output)*
- *Error rate reduced*
- *Focus on outputs/results*
- *Suited to operation with irregular or single output*

But..

- *You have to design the methodology*

Advantages of Unit Costs

- *Can cover all the costs of an operation*
- *Minimum of records to be kept (methodology and proof of output)*
- *Error rate reduced*
- *Focus on outputs/results*
- *Suited to operation with repetitive and regular outputs*

But..

- *You have to design the methodology*

Types of Standard Scale of Unit Costs

- ❑ **Process = participant training hour**
 - ❑ Participant record
 - ❑ Timesheets
 - ❑ Risk for inflation of training hours
 - ❑ Less dynamic for participant
- ❑ **Output = training module or diploma**
 - ❑ Participant record
 - ❑ Proof of obtaining module/diploma
- ❑ **Result = Gaining a job after completion of training**
 - ❑ Proof of employment (and completion of training)

Novelties with Omnibus

Ex-ante evaluation

Fair, Equitable and Verifiable method



Use of existing EU schemes

(for similar type of operation and beneficiary)



Use of existing own national schemes

(for similar type of operation and beneficiary)



Use of specific rates and methods from the CPR and Fund specific regulations



On the basis of a Draft budget <100.000 EUR of public support



Novelties with Omnibus

Lump sums: removal of the upper limit of 100.000 Euro

The fair, equitable and verifiable calculation method may be based on Art. 67(5)(a): (i) statistical data, other objective information or **on an expert judgement**

Staff costs: New Art 68a(1) added: Flat rate of **up to 20%** of the direct costs other than staff costs

“Remaining” eligible costs (other than direct staff costs): flat rate of up to 40% of eligible direct staff costs

Art 62(2) of EAFRD Reg: **No more** independent certificate required



Ex ante evaluation

Fair, Equitable and Verifiable method

- **Statistical data, other objective information or an expert judgement**
- **The verified historical data of individual beneficiaries**
- **The application of the usual cost accounting practices of individual beneficiaries**

For more information on SCOs

- Guidance Note on Simplified Cost Options – EGESIF_14-0017

ESF page: <http://www.ec.europa.eu/esf/sco>

Thank you!

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