



4 DECEMBER 2019

DIGITALEUROPE views on personnel costs in Horizon Europe



DIGITALEUROPE welcomes the continued efforts from the European Union to improve the functioning of the next Framework Programme (FP), Horizon Europe. While we understand the need to make the FP more efficient and simplify its functioning, **we caution against the proposed calculation change on personnel costs**, from hourly rates to daily rates:

- ▶ **Companies, like many other FP beneficiaries, use timesheets.** Switching to daily rates would complicate their reporting obligations and increase workloads, as they would likely keep timesheets and need to convert them into day equivalents. Using a daily rate instead of the prevailing hourly rates represents a further step away from the usual accounting principles of the beneficiaries.
- ▶ **Converting hours to days may increase the error rate.** The proposed converting options is again a step away from companies' usual cost accounting practices and would require manual conversion of hours into days, adding a new source of errors.
- ▶ **Daily rates are generally not used in companies' accounting systems.** It may complicate the calculation of other costs using working hours as allocation key, e.g. internally invoiced goods and services, such as technology infrastructures costs.

For the above reasons, we believe that the Horizon 2020 approach to personnel costs calculations should be kept.

We understand that the change in the calculation is proposed to reduce the error rate regarding personnel costs. We believe that **the best way to decrease the error rate would be to organise trainings for FP beneficiaries** on personnel costs reporting.

DIGITALEUROPE looks forward to working with the EU institutions and Member States representatives to discuss this issue and ensure that Horizon Europe will work for all its beneficiaries.

FOR MORE INFORMATION, PLEASE CONTACT:



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About DIGITALEUROPE

DIGITALEUROPE represents the digital technology industry in Europe. Our members include some of the world's largest IT, telecoms and consumer electronics companies and national associations from every part of Europe. DIGITALEUROPE wants European businesses and citizens to benefit fully from digital technologies and for Europe to grow, attract and sustain the world's best digital technology companies. DIGITALEUROPE ensures industry participation in the development and implementation of EU policies.

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