



MGA Article 6.2.A Personnel costs

215 days method

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Technical instructions

- Please use the *question and answer* panel to post your questions
- The webinar is recorded
- The recording will be accessible via streaming on the [DG ECHO Helpdesk website](#)

Reference documents

- [DG ECHO PARTNERS' WEBSITE – Reference Documents page](#)
- [DG ECHO WEBSITE](#)
- We suggest bookmarking these webpages in your browser
- Take a look at the upcoming learning opportunities [available here](#) and register to the [DG ECHO Humanitarian Aid learning community](#)

Personnel costs in HUMA grants

- New under the 2021 MGA framework
- Applicable Commission-wide to all grants
- Aiming the simplification/harmonisation for entities applying for grants under different EU programmes
- Sources of information: AGA – most relevant parts: art. 6.2.A (cost eligibility) page 46 and art. 20 (record-keeping) page 197
- FAQ and other reference documents on DG ECHO Partners' Website

Two options available:

Standard method as provided by the MGA/AGA:

- Based on the 215 workable days
- Daily rate based on the actual costs
- Number of days worked must be supported by the reliable time recording system
- Applicable to all Commission's grants (under the MGA)

Average personnel costs (unit cost according to usual cost accounting practices - UCAP):

Daily or hourly rates (units)

Based on the actual costs

Number of days worked must be supported by the reliable time recording system

Applicable to all donors

Must comply with the DG ECHO Decision of 21/09/2021



Important points:

- Applicable also to the IPs – up to the ECHO certified partners to make sure the costs are correctly reported
- Reliable time recording systems – recording of hours or days worked on the projects
- Pro rata method expressing the time worked in % - i.e. 50% - is not considered as UCAP
- All employees, including those working at 100% or not full year or on the projects, need to fill in the timesheet and have daily rates calculated
- 215-days method can include the costs of maternity leaves for employees working for the project

Staff costs calculation under the HUMA MGA

Current situation

- Many NGOs continue to declare real cost without choosing any of the possible options

Possible consequence

- Internal control or systemic finding
- Ineligible expenditure

Way out for ongoing projects/grants

- Use **option 1** method to calculate and declare the personnel cost in the final report (*costs calculated in accordance with the methodology provided in the MGA, based on the 215 yearly workable days*)

Method 215 days – input

	Month	Total salary cost for month (EUR)	ECHO number of days worked	Monthly charge to ECHO (EUR)
1	202108	6,898.29	11.50	3,449.14
2	202109	6,898.29	22.00	6,898.29
3	202110	3,791.51	14.70	2,654.06
4	202111	4,480.18	6.60	1,344.05
5	202112	8,382.63	19.58	7,460.54
6	202201	8,342.32	13.20	5,005.39
7	202202	8,342.36	12.00	5,005.42
8	202203	8,382.63	13.80	5,029.58
9	202204	8,369.21	12.00	5,021.53
10	202205	8,507.01	23.00	8,507.01
		72,394.43	148.38	50,375.01

Method 215 days – calculation

	Month	Total salary cost (EUR)	ECHO number of days worked
10 months		72,394.43	148.38

1. Calculate days equivalent for 10 months (maximum declarable days)
2. Calculate daily rate
3. Calculate eligible personnel costs (per person for each reporting period)

Method 215 days – calculation of days equivalent

	Month	Total salary cost (EUR)	ECHO number of days worked
10 months		72,394.43	148.38

$$= 215 / 12 \times 10 = 179.17 \text{ days}$$

rounded to nearest half-day = **179** days

Method 215 days – calculation of daily rate

	Month	Total salary cost (EUR)	ECHO number of days worked
10 months		72,394.43	148.38

= total salary / days equivalent

= 72,394.43 EUR / 179 days

= **404.44** EUR per day

Method 215 days – calculation eligible personnel cost

	Month	Total salary cost (EUR)	ECHO number of days worked
10 months		72,394.43	148.38

First, we must round to nearest half days worked on ECHO project – **148.5** days

$$= 148.5 \text{ days} \times 404.44 \text{ EUR}$$

$$= \mathbf{60,059.34 \text{ EUR}}$$

Summary of main conditions

1. The costs must comply with the eligibility conditions for each personnel cost category
2. The number of day-equivalents declared (max 215 per 12 months period) for a person must be identifiable and verifiable
3. The monthly declaration of days worked in the project correctly signed (see Article 20) OR reliable time records will normally be sufficient proof of the assignment to the action
4. You may not declare more than 100% of your personnel cost

What to expect from auditors

1. Auditors have to selected all transactions related to 5-10 employees
2. Select at least two month for each person from the sample for detail testing (contract, payslip, bank account, proof of payment, activities, timesheet etc) –

see **List of standard supporting evidence in financial audits of ECHO partners** <https://www.dgecho-partners-helpdesk.eu/reference-documents-ngo>
3. Calculate the declarable personnel cost per selected employee (or equivalent) as set out in Article 6.2.A of the HUMA MGA.

Possible outcome from audit testing

Method used is correct?	Ineligible expenses (overclaimed)?*		Control finding	Financial finding
YES	NO	⇒	NO	NO
YES	YES	⇒	?	YES
NO	NO	⇒	YES	NO
NO	YES	⇒	YES	YES

* (In)eligible expenses are calculated at the individual level, not at the project level!!!

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Thank you



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