

Simplified Cost Options (SCO) : what's new for 2021-2027?

Options

1. unit costs;
2. lump sums;
3. flat-rate :

Without calculation:

flat rate of up to **7 % of eligible direct costs** (new),

flat rate of up to **15 % of eligible direct staff costs**,

Direct staff costs of an operation may be calculated at a flat rate of **up to 20 % of the direct costs** other than the direct staff costs of that operation (new)

With calculation:

flat rate of up to 25 % of eligible direct costs.

Application

Obligation to apply unit costs, lump sums or flat rates, except for operations for which the support constitutes State aid, for operation of less than 200 000€. **Threshold at total cost of the operation level (not public participation)**

By way of derogation, the managing authority may agree to exempt some operations in the area of research and innovation from this obligation, provided the monitoring committee has given prior approval for such an exemption.

Calculation

1. statistical data, other objective information or an expert judgement;
2. the verified historical data of individual beneficiaries;
3. the application of the usual cost accounting practices of individual beneficiaries;
4. **draft budget established on a case-by-case basis** and agreed ex ante by the body selecting the operation, where the total cost of the operation does not exceed EUR 200 000;

Approval

First, in the Commission decision approving the programme (appendix 1) with a specific attention paid to **the methods for adjustment of the amounts and related indicators**. Then by delegated act following the template for submitting SCO. For both cases, a specific dialogue with Audit Authority.

Verification and audit

Commission or Member States audits and management verifications carried out by Member States shall exclusively aim at verifying that the conditions for reimbursement by the Commission have been fulfilled : so not control at operation level about the reality of costs and records to be kept for the payment conditions (related to the indicator) not for all individual costs. Special risks in case of State aid (including De minimis) and Public procurement.

Template for submitting SCO as Appendix 1 of the OP in the annexes of CPR.