

Statutory holidays	-15
Illness/Others	-15
Workable days in a year	210

The above will vary depending on the personnel category, industry sector, unions, contracts and national legislation which must all be taken into account.

Some beneficiaries use the (much lower) number of "billable" hours instead of the number of productive hours, with a higher hourly rate as a result. This is not acceptable. Productive hours are not the same concept as "billable" hours. Productive hours include all working activities of the personnel of the beneficiary; they include also activities such as:

- Sales and Marketing
- Preparation of proposals
- Administrative time
- "Unsold time"/ "non billable" hours
- Non-project related, general research activities
- In the case of universities or similar bodies: teaching, training or similar hours.

This time is considered productive and usually would not be recovered via the indirect costs. If an employee of a beneficiary is working directly in a project and the beneficiary is charging the employee's time as a direct cost, it could only charge also part of the employee's time as indirect costs if the beneficiary can prove that these indirect costs are linked to the project and are eligible. In this case:

- the beneficiary's accounting system must be able to exclude from the overheads charged any ineligible costs according to the GA
 - the overheads charged must exclude costs already charged to the project as direct costs.
- Some activities may be considered not to be part of the productive hours of personnel:

- General training (not project related)
- General internal meetings (not project related)

These activities together with the sickness days should not exceed 15 days a year (unless duly justified). The beneficiary must substantiate these hours/days. In addition, this calculation must be consistent with the internal regulations and/or practice of the organisation (e.g. minimum number of training days specified in the organisation's HR policy) and/or the time recording system of the beneficiary. (e.g. if internal meetings hours are deducted from the productive hours, the time recording system must keep track of the hours spent on meetings).

Productive hours have to be clearly justified and must match the underlying time records. If hours actually spent in productive tasks (as supported by time records) exceed the standard productive hours, the first shall be used for the calculation of the personnel costs.

The beneficiary cannot claim more hours than the ones he used for the computation of the personnel hourly rates. Otherwise, it would charge more than its actual personnel costs. If the



beneficiary uses the standard productive hours, it cannot claim more hours than the standard productive hours, even if the actual time spent exceeds them.

If the beneficiary uses the actual productive hours, it cannot claim more hours than the individual actual productive hours.

Further details about the timesheets generation are available in the EC Financial Guide.