



Eligibility of expenditure

EIT Urban Mobility - Mobility for more liveable urban spaces

EIT Urban Mobility

Barcelona | 07 October 2025

eiturbanmobility.eu

Co-funded by the
European Union



History of changes

Version	Publication Date	Change
1.0	28 February 2022	Initial version
2.0	2 March 2022	Revision of the definition of Section 2. Eligible budget categories
2.1	2 November 2022	Minor revision of the definition of the cost category <i>D.1 Financial support to third parties</i>
2.2	18 January 2023	Addition of Annex I Temporary eligibility requirements for Hungarian universities
2.3	20 April 2023	Minor correction on Section 2.2. in the list of non-eligible costs
2.4	02 October 2024	Chapter 3. Removal of the paragraph about “In-kind contributions provided by third parties free of charge”
2.5	19 May 2025	Clarification on personnel costs definition
2.6	21 July 2025	Chapter 3. Clarification about non eligibility of in-kind contributions in EIT UM calls
2.7	7 October 2025	Annex 1: update to the list of ineligible entities

Contents

Eligibility of costs.....	3
1. General financial principles.....	3
2. Eligible budget categories	4
2.1 <i>Eligible costs</i>	4
2.2 <i>Ineligible costs</i>	5
3. General conditions for eligibility of costs	6
Annex 1.....	7
Temporary eligibility requirements for Hungarian Universities	7

Eligibility of costs

The information contained in this document refers to the Regulation (EU, Euratom) 2018/1046 and to of the Horizon Europe Model Grant Agreement (HE MGA) document.

This document aims at providing the applicants with short guidance on the eligibility of costs of the projects co-funded by EIT Urban Mobility. All applicants must get familiar with the HE MGA to ensure their expenditures are eligible and incurred following the HE rules and requirements in the event their proposals are successful.

Additional information can be found in the Annotated Model Grant Agreement (AGA)¹ that guides the recipients of the projects to better understand and interpret the rules.

1. General financial principles

Grants are subject to the principles laid down in the Financial Regulation (Regulation (EU, Euratom) 2018/1046), outlined in Art. 188-193:

- **Equal treatment:** the general principle of equal treatment and non-discrimination requires that comparable situations are not treated differently unless differentiation is objectively justified.
- **Transparency:** Grants shall be awarded following a publication of calls for proposals, except in the cases referred to in Article 195 of the same regulation.
- **Co-financing:** Grants shall involve co-financing (also called co-funding). As a result, the resources necessary to carry out the project or the work programme shall not be provided entirely by the grant. Co-financing may be provided in the form of the subgrantee's own resources, income generated by the project or work programme.
- **Non-cumulative award and no double financing:** Each project may give rise to the award of only one grant, there can be no duplicate European Union funding of the same expenditure. The applicant must indicate the sources and amounts of any other funding received or applied for in the same financial year for the same project or for any other project and for routine activities (running costs).
- **Non-retroactivity:** Unless otherwise provided in this article, grants shall not be awarded retroactively. A grant may be awarded for an project which has already begun provided that the applicant can demonstrate the need for starting the project prior to signature of the grant agreement. In such cases, costs incurred prior to the date of submission of the grant application shall not be eligible, except: (a) in duly justified exceptional cases as provided for in the basic act; or (b) in the event of extreme urgency for measures referred to in point (a) or (b) of the first

¹Applicants may always refer to the most updated version of the Annotated Model Grant agreement provided by the European Commission.

paragraph of Article 195 whereby an early intervention by the Union would be of major importance.

- **No-profit rule:** The EU grant may not have the purpose or effect of producing a profit for the subgrantee. Profit is defined as a surplus of the receipts over the eligible costs incurred by the subgrantee, when the request is made for payment of the balance. The receipts referred to above shall be limited to income generated by the project as well as financial contributions specifically assigned by donors to the financing of the eligible costs. Any income of the project must be indicated in the estimated budget and the final financial statement. If the final amount results in a profit for the subgrantees, the amount of the grant will be reduced by the percentage of the profit corresponding to the Union contribution to the eligible costs of the project actually incurred by the subgrantees.
- **Record—keeping:** According to the AGA, the subgrantees must — for a period of 5 years (> €K60) or 3 years (<€K60) after the payment of the balance — keep records and other supporting documentation in order to prove the proper implementation of the project and the costs they declare as eligible.

2. Eligible budget categories

2.1 Eligible costs

All ‘eligible costs’ must be broken down according to the following budget categories, as defined in Art. 6 of the Horizon Europe Model Grant Agreement:

- A. **Personnel costs:** the proposal must contain a calculation of the time that a person working for the subgrantee will likely spend on the project. This estimated working time has to be stated in the proposal as the so-called “person-month”.
- B. **Subcontracting:** cost of services to implement a specific task described in the proposal. Only a limited part of the project may be subcontracted and included in the project budget. Subgrantees must choose subcontractors on “best value for money” competitive selection procedures, requesting several offers.
- C. **Purchase costs**
 - *C.1 Travel, accommodation, and subsistence costs:* all these costs may be incurred for project staff (participation in project meetings, presentation of project results at conferences, etc.) or for external experts (such as a guest speaker).
 - *C.2 Depreciation for purchase of equipment:* if equipment, research infrastructure or other assets are acquired or used in a project, only the portion of the depreciation costs allocable to the project is eligible for funding, not the purchase price.
 - *C.2 Other goods and services:* mainly including consumables, catering, printing, graphics and translations, open access publications as well as license and patent fees.

D. Other costs

- *D.1 Financial support to third parties:* costs for providing financial support to third parties (in the form of grants, prizes or similar forms of support) are eligible, if and as declared eligible in the call conditions, if they fulfil the general eligibility conditions, are calculated on the basis of the costs actually incurred with a maximum of 500,000€ per subgrantee per project and a maximum of 6M€ overall per subgrantee per BP.
- *D.2 Internally invoiced goods and services:* costs for internally invoiced goods and services' means goods or services which are provided within the subgrantee's organisation directly for the project and which the subgrantee values on the basis of its usual cost accounting practices. The goods or services must directly be used for the project and may be declared as unit cost according to usual cost accounting practices. This is usually the case in large organisation where specific departments have their own internal invoicing system.

E. **Indirect costs (overheads)** are charged at a flat-rate of 25 % of the eligible direct costs (categories A-D mentioned above, except internally invoiced goods and services, subcontracting costs, financial support to third parties)

2.2 Ineligible costs

The following costs are ineligible:

- costs related to return on capital and dividends paid by a subgrantee
- debt and debt service charges
- provisions for future losses or debts
- interest owed
- currency exchange losses
- bank costs charged by the subgrantee's bank for transfers from the granting authority
- excessive or reckless expenditure
- deductible or refundable VAT (including VAT paid by public bodies acting as public authority)]
- costs incurred or contributions for activities implemented during Grant Agreement suspension
- costs or contributions declared under other EU grants (or grants awarded by an EU Member State, non-EU country or other body implementing the EU budget)
- costs or contributions for staff of a national (or regional/local) administration, for activities that are part of the administration's normal activities (i.e. not undertaken only because of the grant)
- costs or contributions (especially travel and subsistence) for staff or representatives of EU institutions, bodies or agencies

3. General conditions for eligibility of costs

All costs must meet the following criteria to be considered eligible costs:

- be actually incurred by the subgrantee (no estimated/imputed/budgeted costs),
- be incurred in the project period (exception: travel costs for kick-off meeting; costs of final report submitted within 30 days of the end of the project),
- be included in the budget (indicated in the estimated budget of the GA; for more information see budget transfers set out in Art. 5.5 of the HE MGA),
- be incurred in connection with the project and necessary for its implementation,
- be identifiable and verifiable and recorded in the subgrantee's accounts in accordance with the applicable accounting standards and usual cost accounting practices,
- comply with the applicable national laws on taxes, labour, and social security, and
- be reasonable and justified and must comply with the principle of sound financial management (in particular regarding economy and efficiency).

In addition, for direct cost categories (e.g., personnel, travel & subsistence, subcontracting and other direct costs) only costs that are *directly* linked to the project implementation and can therefore be attributed to it *directly* are eligible. They must not include any *indirect* costs (i.e., costs that are only indirectly linked to the project, e.g., via cost drivers).

In-kind contributions are not eligible for reporting under the framework of EIT UM calls; only costs directly incurred by the beneficiaries are considered eligible.

Annex 1

Temporary eligibility requirements for Hungarian Universities

Following the Council's Decision on measures for the protection of the Union budget against breaches of the principles of the rule of law in Hungary that entered into force on 15 December 2022 (*COUNCIL IMPLEMENTING DECISION (EU) 2022/2506*), pursuant to Article 2 (2) of the Decision "**no legal commitments shall be entered into with any public interest trust established on the basis of the Hungarian Act IX of 2021 or any entity maintained by such a public interest trust**".

The above requirement is applicable to the budget categories of financial support third parties (sub-grants and prizes), but also to subcontracts.

For the time being, the following public interest trusts and their linked universities are addressed by this requirement.

1. Budapesti Gazdasági Egyetemért Alapítvány (Budapest University of Economics)
2. Dunaújvárosi Egyetemért Alapítvány (Dunaújváros University of Economics)
3. ÉLVONAL Csúcskutatási és Tehetséggondozó Alapítvány
4. Gróf Tisza István Debreceni Egyetemért Alapítvány (University of Debrecen)
5. Hauszmann Alapítvány (Alajos Hauszmann foundation)
6. Jövő Nemzedék Földje Alapítvány (National stud farm conglomerate foundation)
7. Közép- és Kelet-európai Történelem és Társadalom Kutatásáért Alapítvány (Central and Eastern European History and Society Research Foundation)
8. Közép-európai Épített Örökség Megőrző Alapítvány (Central European Cultural and Monumental Heritage Preservation Foundation)
9. Közép-európai Oktatási Alapítvány (Central Europe Educational foundation)
10. Maecenas Universitatis Corvini Alapítvány (Corvinus University of Economics)
11. Magyar Agrár- és Élettudományi Egyetemért Alapítvány (Hungarian University of Agricultural and Life Sciences)
12. Magyar Kultúráért Alapítvány (Petőfi Literary Agency Nonprofit Kft.)
13. Magyar Táncművészeti Egyetemért Alapítvány (Hungarian University of Dance)
14. Makovecz Campus Alapítvány (Makovecz Campus foundation)
15. Marek József Alapítvány (University of Veterinary Medicine)
16. Millenáris Tudományos Kulturális Alapítvány (Millenáris Park foundation)
17. Moholy-Nagy Művészeti Egyetemért Alapítvány (Moholy-Nagy University of Arts)
18. MOL - Új Európa Alapítvány (MOL – New Europe foundation)

19. Nemzeti Egészségügyi és Orvosképzésért Alapítvány (**Semmelweis University**)
20. Neumann János Egyetemért Alapítvány (**Neumann János University**)
21. Nyíregyházi Egyetemért Alapítvány (**University of Nyíregyháza**)
22. Pannon Egyetemért Alapítvány (**Pannon University**)
23. Polgári Művelődésért Oktatási, Kulturális és Tudományos Alapítvány (**Educational, Cultural and Scientific Foundation for Civic Culture**)
24. Rudolf Kalman Óbudai Egyetemért Alapítvány (**Óbudai University**)
25. Soproni Egyetemért Alapítvány (**University of Sopron**)
26. Széchenyi István Egyetemért Alapítvány (**Széchenyi István University**)
27. Szegedi Tudományegyetemért Alapítvány (**University of Szeged**)
28. Színház- és Filmművészetért Alapítvány (**University of Theatre and Film Arts**)
29. Testnevelési Egyetemért Alapítvány (**University of Physical Education**)
30. Tokaj-Hegyalja Egyetemért Alapítvány (**Tokaj-Hegyalja University**)
31. Universitas Miskolcensis Alapítvány (**University of Miskolc**)
32. Universitas Quinqueecclesiensis Alapítvány (**University of Pécs**)
33. Batthyány Lajos Alapítvány (**Batthyány Lajos foundation**)
34. Mathias Corvinus Collegium Alapítvány (**Mathias Corvinus Collegium**)
35. Kék Bolygó Klímavédelmi Alapítvány (**Blue Planet Climate Protection foundation**)