**Question:**

Can the Commission clarify what types of expenditure are included in the scope of administrative costs under Art. 31, para. 3 (d)?

**Answer:**

According to Article 31 paragraph 3(d) of Commission Regulation No 651/2014 "trainees' personnel costs and general indirect costs (administrative costs, rent, overheads) for the hours during which the trainees participate in the training are eligible training costs for training aid exempted from notification requirement".

Within general indirect costs, administrative expenses include expenses associated with the general administration of the business and generally cover functions relating to the organisation as a whole, rather than a particular area. Many of these are treated as “overhead” or “indirect costs” because they are not directly connected with any particular function of the organisation but rather support the organisation as a whole.

Administrative costs can include items such as office costs, back-office functions, and strategic planning (including compensation/salaries for senior executives). Back-office functions include the costs of human resource personnel, accounting, information technology, the depreciation expense for equipment and space used in administration, as well as various supplies.

In practical terms, for the application of training aid, typically the cost of a trainee for an organisation consists of "direct" personnel costs on the one hand and general indirect costs on the other hand. These personnel costs and general indirect costs of a trainee (for the hours during which the trainees participate in the training) can be taken into account as eligible costs under Article 31 paragraph 3(d). In addition, all the operating costs directly relating to the training project can be considered eligible under Article 31 paragraph 3(b).

Therefore, the organisations which aim to benefit from training aid should determine the direct personnel costs and general indirect costs of their trainees per hour. For the determination of the indirect costs they can take into account the administrative costs, which the organisation incurs.

Disclaimer: This reply does not represent a formal and definite position of the European Commission but is only an informal guidance provided by the services of DG Competition to facilitate the application of the GBER. It is therefore not binding and cannot create legal certainty or legitimate expectations.