

Policy on the Application of Administrative Overheads in Erasmus+ Projects

1. Purpose

This Policy establishes the rules governing the application of administrative overheads in Erasmus+ projects for which no provision for indirect costs exists, ensuring the Organisation's ability to cover essential administrative and management expenses.

2. Background

The Executive Committee examined the absence of overhead provisions in Erasmus+ project funding schemes and reviewed the policy adopted by the Cyprus University of Technology (CUT) on this matter (see Annex 32).

The President, Professor Diofantos Hadjimitsis, informed the Committee that CUT had adopted a formal policy whereby, due to the lack of eligible indirect costs in Erasmus+ projects, a percentage of 20% is withheld from the Project Management and Implementation (PMI) category to cover administrative expenses.

3. Decision of the Executive Committee

On 26 January 2026, the Executive Committee unanimously approved the adoption of a similar policy for all Erasmus+ projects implemented by the Organisation.

4. Scope of Application

This Policy applies to:

- all ongoing Erasmus+ projects, including lump sum projects, and
- all future Erasmus+ projects to be undertaken by the Organisation.

5. Policy Provisions

5.1 Administrative Overhead Rate

A **20% administrative overhead charge** shall be applied to the eligible costs of all Erasmus+ projects that do not include a provision for indirect costs.

5.2 Source of Withholding

The 20% overhead shall be withheld from:

- the **Project Management and Implementation (PMI)** budget category, or
- the corresponding **Management Work Package** in the case of lump sum projects.

5.3 Application to Lump Sum Projects

For Erasmus+ projects funded under the lump sum model, the same 20% overhead shall be deducted from the Work Package dedicated to Project Management.

5.4 Retroactive Effect

This Policy applies retroactively to:

- all Erasmus+ projects already awarded to the Organisation, and
- all Erasmus+ lump sum projects already in implementation.

6. Entry into Force

This Policy enters into force on the date of its approval by the Executive Committee and remains in effect until amended or repealed.