

CALCULATION OF NUMBER OF PERSON MONTHS

Calculation of person months using employee full-time equivalent (FTE) percentage:

= % effort spent on the project x no of months in the reporting period
= number of person months for the reporting period

Examples:

- Full time or 100% effort for 12 months (12-month period)
= 1.00×12
= 12 person months

- 50% effort for 12 months (12-month period)
= 0.50×12
= 6 person months

- 40% effort for 18 months (18-month period)
= 0.40×18
= 7.2 person months

Calculation of number of person months (using annual productive hours):

1. Determine the **annual** productive hours (3 options)
 - a. **Option 1 – 1,720 fixed hours**
 - b. **Option 2 – individual annual productive hours**
= annual workable hours + overtime – absences (sick leave, special leave)
***annual workable hours has to be based on the employment contract, labour agreement or national law**
 - c. **Option 3 – standard annual productive hours**
= calculated in accordance with usual cost accounting practices

2. Determine the **number of productive hours per month** by dividing the annual productive hours (pt.1) by 12

3. Calculate the **number of person months**

Example **Option 1:**

1720 divided by 12 = 143

Personnel 1 – worked 287 hours for the project for the reporting period

287 divided by 143 = 2 person months

Example **Option 2** – individual annual productive hours

Personnel 1's contract specifies full time work of 40 hours a week (8 hours per day), 20 days annual leave, 10 national holidays. During the project's reporting period, Personnel 1 worked 30 hours of overtime and was sick for 5 days.

Specifically for the EDCTP project, 287 hours was spent.

- Annual workable hours = 365 days - 104 days (Saturdays and Sundays) - 20 days (annual leave) - 10 days (public holidays) = 231 days x 8 hours per day = 1,848 hours
 - Individual annual productive hours for Researcher Personnel 1:

Annual workable hours =	1,848
+ overtime (hours) =	30
- annual sick leave (5 days x 8 hours) =	40
Individual annual productive hours =	1,837
 - Number of productive hours per month
= 1,837/12 = 153
 - Number of person months
= 287/153 = 1.88 person months

Example **Option 3**– standard annual productive hours

Personnel 1's contract specifies full time work of 40 hours a week (8 hours per day), 20 days annual leave, 10 national holidays. The standard annual workable hours would be 1,848 (365 days – 104 days (Saturdays and Sundays) - 20 days leave – 10 days national holiday = 231 days x 8 hours per day).

Personnel 1's organisation would like to use its usual cost accounting practices to calculate the hourly rates for an EDCTP project. It calculates the number of standard annual productive hours as follows:

Annual working days = 231
 - average annual sick leave (days)= 3
 - days of courses/training = 4
 - other unproductive activities (days)= 9

Standard annual productive hours = 215 Multiplied by 8 working hours per day = 1,720. This number of standard annual productive hours must be compared with 90 % of standard annual workable hours* (in this example 1,848 x 90% = 1,663). Personnel 1's organisation may apply its number of standard annual productive hours (i.e. 1,720) to EDCTP-funded actions since the number is higher than 90% of annual workable hours [must apply whichever is higher].

- Number of productive hours per month
= 1,720/12 = 143
- Number of person months if Personnel 1 worked for 287 hours for the project for the reporting period
= 287/143 = 2 person months

***annual workable hours has to be based on the employment contract, labour agreement or national law**

Required supporting documents for personnel costs:

- ***Timesheets for personnel working part-time for an EDCTP-funded project***
- ***Declaration of staff working full-time for an EDCTP-funded project for personnel working full-time (exclusively) for an EDCTP-funded project***