

Info session


“H2020-no financial errors.be”

- Mrs Simona Staicu, RTD.J1 - Common Legal Support Service
- Mr Gheorghe Bancos , RTD.J2 - Common Audit Service
- Mr Peter Haertwich, RTD.J3 - Common service for H2020 business processes
- Mr Adrian Cigan and Mrs Louise Byrne, REA

NCP in Belgium






NCP in Belgium

	Organisations	Target stakeholders	NCP Legal&Finance
EUROFED	BELSPPO	Federal research organisations	VAN DINTER Pascale pascale.vandinter@belspo.be
	Hub.Brussels	Organisations and private companies in Brussels Capital region	VAN LOON Tania tvanloon@hub.brussels
	Union Wallonne des entreprises - UWE	Companies in Wallonia	FIASSE Pierre pierre.fiasse@ncpwallonie.be
	Fund for Scientific Research - FNRS	Universities and research institutes in Fédération Wallonie-Bruxelles	WITTORSKI Natacha natacha.wittorski@frs-fnrs.be
NCP Flanders	Research Foundation Flanders (FWO) and Flanders Innovation and Entrepreneurship	All stakeholders based in Flanders	VAN HAUWAERT Ann ann.vanhauwaert@fwo.be

Practical info

- Session from 10.00 till 16.30
- Lunch break from 12.30 – 13.30 on the other side of the corridor; toilets in the beginning of the hallway
- Mrs Simona Staicu and Mr Gheorghe Bancos: whole day
- Mr Peter Haertwich and Mr Adrian Cigan and Mrs Louise Byrne: after lunch break; each 15 min.
- Presentations will be made available at event website

NCP events in Belgium

	Organisations	Website	
EUROFED	BELSPO	http://eurofed.belspo.be/eurofed_intro.asp	News page
	Hub.Brussels	http://www.ncpbrussels.be/events.html	Upcoming events
	Union Wallonne des entreprises - UWE	http://www.ncpwallonie.be/fr/news/cat2_agenda	Agenda
	Fund for Scientific Research - FNRS	http://www.ncp.frs-fnrs.be/index.php/28-news-agenda	Events NCP
NCP Flanders	Research Foundation Flanders (FWO) and Flanders Innovation and Entrepreneurship	https://www.ncpflanders.be/events	Events



HORIZON 2020

Model Grant Agreement FINANCIAL ISSUES

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 - d. Third parties**
 - e. Subcontracting**
 - f. Synergies with other grants**
- 4. Q&A**

H2020 Information Campaign

⇒ ***Built on the experience of FP7***

⇒ ***Part of the ex-ante advice to be provided by the Commission services***

⇒ ***Targets the same main objective:
→ error free financial statements***

⇒ ***Started at the earliest possible stage of H2020***

Background: FP7 10 most common errors

1. Costs claimed are not substantiated or not linked to the project

2. Third parties and subcontracting costs not properly reported

3. Depreciation costs not correctly charged to the project

4. Indirect costs model not properly reflecting the entity's reality

5. Indirect costs – ineligible costs included

Background: FP7 10 most common errors

6. Personnel costs – calculation of productive hours

7. Personnel costs – charging of hours worked on the project

8. Personnel costs – use of average personnel costs

9. Payment of salaries to owner/managers of SME

10. VAT

Auditor's advice: Consequences of errors

Identified errors may lead to

- Extension of audit findings (systemic or recurrent errors)
- Recovery of the ineligible amount
- Penalties
- Suspension of payments or termination of the contract
- Reputational damage
- Financial losses
-



I, the undersigned Director-General, declare that the information contained in this report gives a true and fair view [1].

I state that I have reasonable assurance [...] which is based on my own judgement and on the information at my disposal [...]

However the following reservation should be noted:

Reservation concerning the rate of residual errors with regard to the accuracy of financial statements in the Eighth Framework Programme (H2020) grants.

Brussels, 31 March 2014

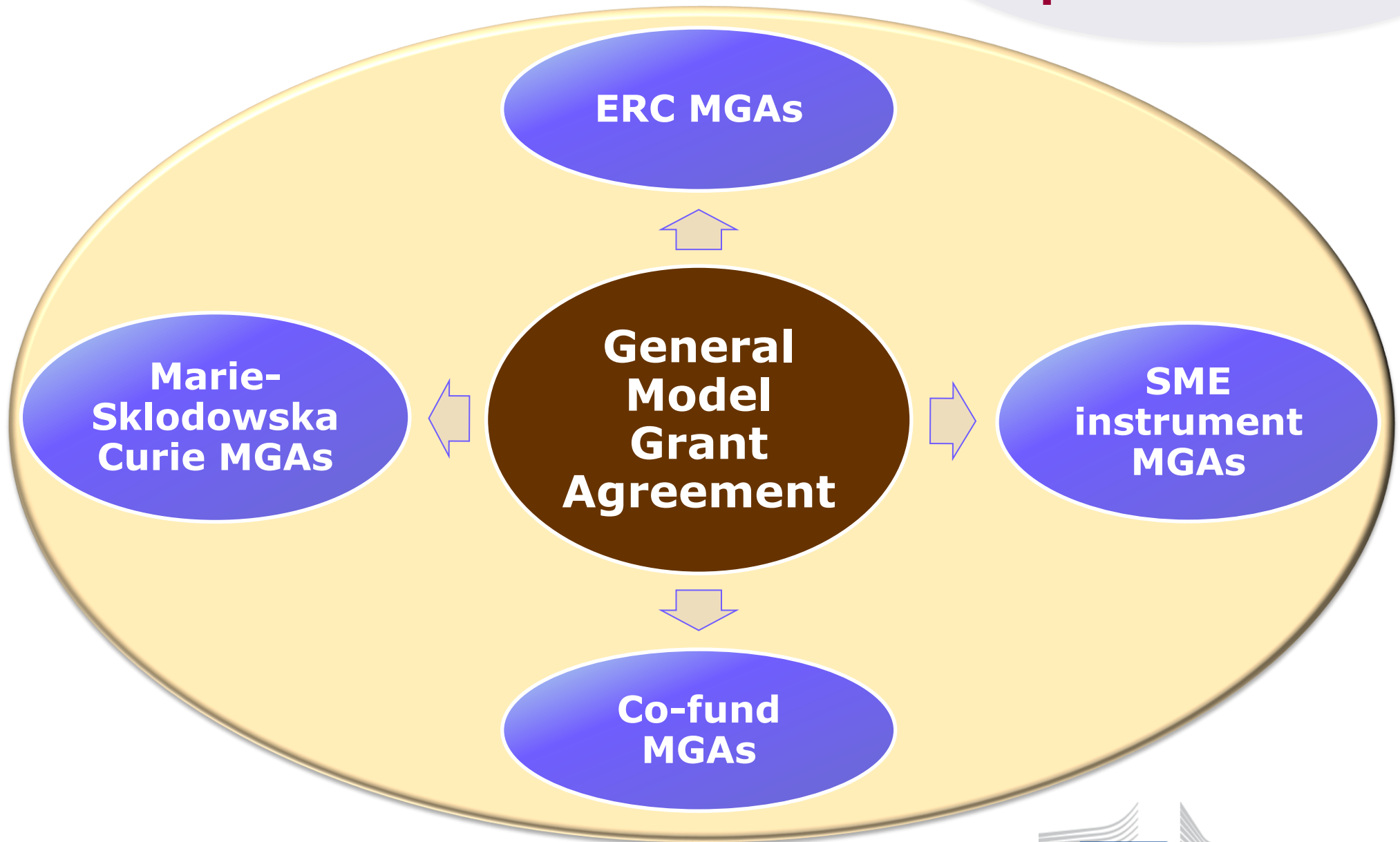
"Signed"

The Director-General

[1]→ True and fair in this context means a reliable, complete and correct view on the state of affairs in the service.

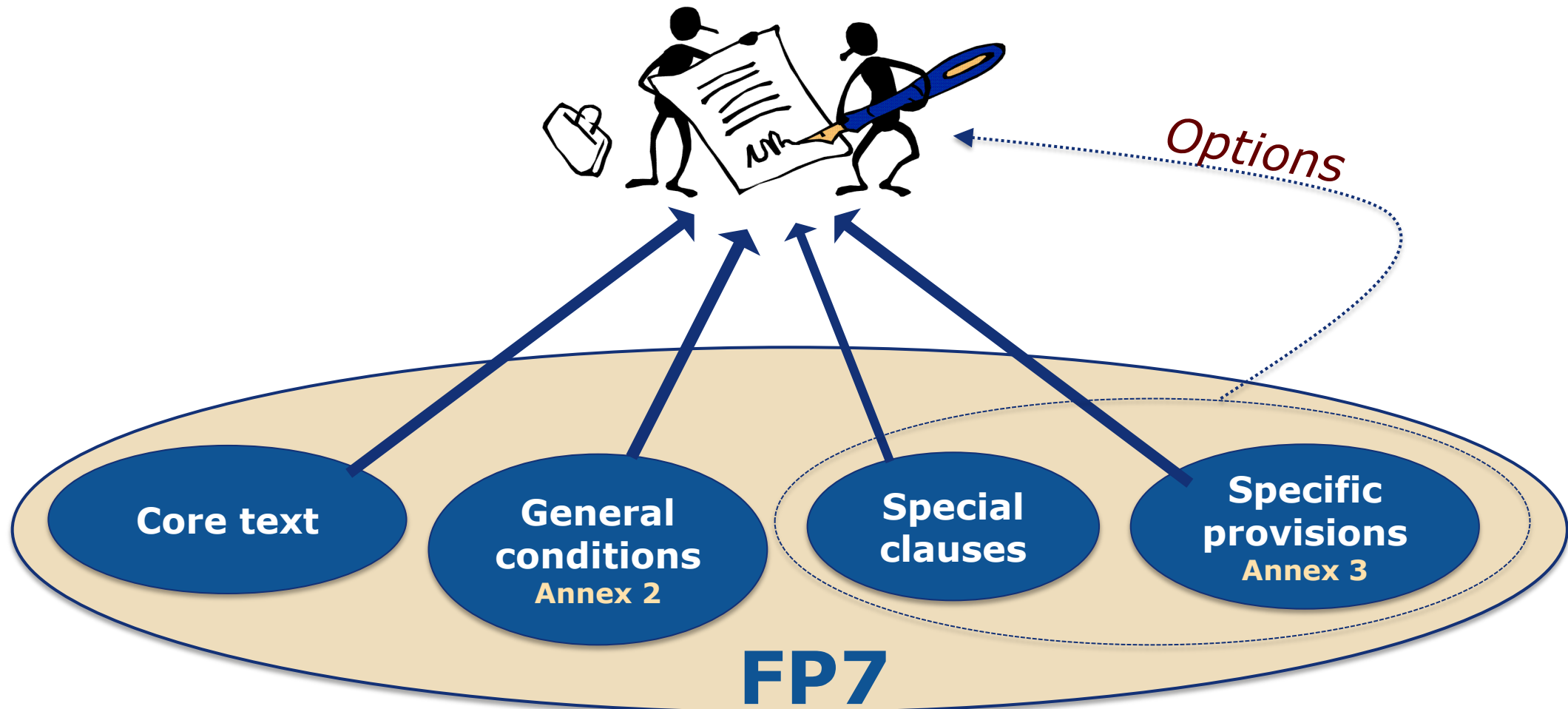
Horizon 2020 Model Grant Agreement

Specific models



Horizon 2020 Model Grant Agreement

A single document with all provisions



Horizon 2020 Model Grant Agreement

Annexes to the grant

Annex 1: **Description of the action**

Annex 2: **Estimated budget**

Annex 3: **Accession Forms, 3a & 3b**

Annex 4: **Financial statements**

Annex 5: **Certificate on the financial statements**

Annex 6: **Certificate on the methodology**

Forms of costs

Actual costs

- Costs actually incurred, identifiable and verifiable, recorded in the accounts, etc.



NEW: non-deductible VAT paid is also eligible

Unit costs

- A fixed amount per unit determined by the Commission
Example: SME owners' unit cost
- For average personnel cost (based on the usual accounting practices – with or without Certificate)

Lump sum

- A global amount to cover one or several cost categories
Example: Phase 1 of the SME instrument

Flat rate

- A percentage to be calculated on the eligible costs
Example: 25 % flat rate for indirect costs

Budget categories and Forms of costs

FORMS OF COSTS	BUDGET CATEGORIES					
	DIRECT COSTS				INDIRECT COSTS	SPECIFIC CATEGORIES OF COSTS
	Personnel	Subcontracting	Financial support to 3rd parties	Other		
Actual costs	✓	✓	✓	✓	✗	✗
Unit costs	Yes for - Average personnel costs - SME owners & natural persons without a salary	✗	✗	NEW! (2017) Yes for Internal Invoices	✗	Yes if foreseen by Comm. Decision
Flat-rate costs	✗	✗	✗	✗	✓	✗
Lump sum costs	✗	✗	✗	✗	✗	Yes if foreseen by Comm. Decision

Budget categories: budget transfers

Budget transfers and re-allocation	Amendment needed?
From one beneficiary to another	NO
From one budget category to another	NO
Re-allocation of Annex 1 tasks	YES
Transfers between forms of costs (actual costs, unit costs, etc.)	YES if the 'form' receiving the transfer was not included in the budget (a new unit cost under column F)
↪ Transfers within <i>personnel costs</i>	NO
↪ Transfers to costs of internally invoiced goods and services	NO
New subcontracts	YES (strongly advised)

**NEW !
(2017)**

Budget categories: budget transfers (example)

Estimated budget for the action											
A. Direct personnel costs				B. Direct costs of subcontracting	[C. Direct costs of fin. support]	D. Other direct costs		E. Indirect costs	[F. Costs of...]		
Form of costs	A.1 Personnel		A.4 SME owners without salary		Actual	Actual	D.1 Travel		Flat rate 25 %	[F.1. Cost of...]	
	Actual	Unit	Unit				Actual	Unit		D.2 Equipment	
	(a)	Total (b)	No hours	(c)	(d)	(e)	(f)	(g)	(g)	(j1)	(j2)
Beneficiary 1	500.000	0	100	3.213	150.000	0	325.000	0	207.053	0	0
Beneficiary 2	0	300.000	0	0	0	0	125.000	0	106.250	0	0

Classifying workforce contracts

Is it an employment contract or another type of contract?

Is it the only contract with the person or are there several contracts?



Is the contract concluded with a person or with a company?

Does the contract establish the working time conditions?

And what about 'consultants'?

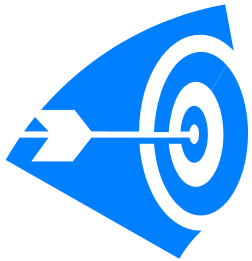
What contract under what budget category

A. Direct personnel costs		B. Direct costs of subcontracting	C. Direct costs of fin. support]	D. Other direct costs	E. Indirect costs ²
A.1 Employees (or equivalent)	A.4 SME owners without salary			D.1 Travel	
A.2 Natural persons under direct contract	A.5 Beneficiaries that are natural persons without salary			D.2 Equipment	
A.3 Seconded persons				D.3 Other goods and services	
[A.6 Personnel for providing access to research infrastructure]				[D.4 Costs of large research infrastructure]	
Actual	Unit ⁷	Unit ⁸	Actual	Actual	Flat-rate ⁹

Workforce costs

What contract under what budget category

What workforce contracts can you declare under personnel costs?



Standard case: persons hired by the beneficiary via an *employment contract*

(qualified as such under national law; and for whom the entity pays social security contributions)

Other cases:

→ Natural persons hired directly via a contract other than an employment contract

if:

- the person works under conditions similar to those of an employee organisation or work, premises, etc.)
- The result of the work belongs to the beneficiary (exceptions may apply)
- The costs are not significantly different from those of an employee of the beneficiary doing similar tasks

**NEW !
(2017)**

→ Employees of a third party seconded to the beneficiary (must be set in Annex 1!)

What contract under what budget category

What you can **NOT** declare under personnel costs?

- ❌ Contracts with companies (e.g. temporary work agencies) to provide staff
- ❌ Natural persons (e.g. consultants) not fulfilling any of the conditions mentioned in the previous slide.
 - e.g. working systematically off-site while employees have to work in the premises of the beneficiary
- ❌ Natural persons (e.g. consultants) paid *for deliverables* rather than for *working time*



In the cases above the costs may be eligible under 'Other goods and services' or under 'Subcontracting' but not as personnel costs

Personnel costs: Calculation



Hours worked



Hourly rate

EUR/hour



Additional remuneration



Time records



Formula for actual costs & specific unit costs

Applies only to beneficiaries with project-based remuneration schemes

Only the hours actually worked on the action can be charged.

➤ Think of how you follow different projects

You cannot declare:

- Budgeted time (what you indicated for the budget)
- Estimated time (e.g. person 'guessing' at the end of the year)
- Time allocation (e.g. x % of the contractual time of the person)



Hours declared to the action must be supported by reliable records and documentation !



Time records: supporting documents

⇒ **Depends if the person works exclusively on a H2020 action**

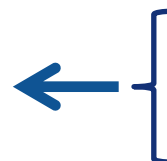
↳ For this purpose, "*working exclusively*" refers to an uninterrupted period of at least one full calendar month during which all the hours worked by the employee for the beneficiary were dedicated to the H2020 action.

Working exclusively	Records	Conditions (full details available in the AGA; page 160)
YES	Declaration on exclusive work for the action	<ul style="list-style-type: none">→ only one per reporting period (per person)→ covering one uninterrupted period of exclusive dedication of at least one calendar month
NO	Time records (i.e. timesheets)	<ul style="list-style-type: none">→ dated and signed at least monthly by the person and his/her supervisor→ minimum conditions and information needed are detailed in the AGA

Declaration for persons working exclusively on the action:

Model available in the AGA (version 19/12/2014)

- the whole reporting period
- from/...../.....³ until/...../.....⁴
(This period must cover at least one full natural month)⁵



Declaration on a person working exclusively on a H2020 action

Action			
Title of the action (acronym)		Grant Agreement number	
Beneficiary's/linked third party's name			
Reporting period covered by this declaration ¹			
Reporting period number	from (date)	to (date)	

This document certifies that² has worked for the beneficiary/linked third party exclusively on the above-mentioned H2020 action during (chose one below):

- the whole reporting period
- from³ until⁴
(This period must cover at least one full natural month)⁵

Short description of the activities carried out during the period covered by this declaration	
Reference (e.g. work package)	Activities

SIGNATURES

For the beneficiary/linked third party (supervisor)

Name:

Date:/...../.....

Signature:

For the person working exclusively on the action

Date:/...../.....

Signature:



Only one declaration can be made per reporting period for each person

¹ Only one declaration can be made per reporting period for each person working in the action.

² Insert name of the person.

³ Insert date.

⁴ Insert date.

⁵ The person must keep timesheets for any hours worked for the action outside the period indicated herein.

Exercise

TIMESHEET

Monday	4 hours
Tuesday	4 hours
Thursday.....	
Friday.....	2 hours
Monday	8 hours
Tuesday	8 hours
Friday.....	4 hours
Monday	4 hours
Tuesday	3 hours
Wednesday.....	8 hours
Thursday.....	8 hours
Friday.....	2 hours
Total month	57 hours

What information is missing in this timesheet?

Time recording: common errors

- ✘ Inconsistency with HR records
- ✘ Time sheets not properly dated or signed
- ✘ More than full time employment charged among different projects → double funding!
- ✘ Poor or limited information captured

How to determine the Hourly Rate

1. Actual Costs

(standard case)

Hourly rate calculated as defined in the model GA

ACTUAL COSTS

2. if you use average personnel costs

Hourly rate calculated by the beneficiary according to its usual accounting practices

UNIT COSTS

3. if you are a **SME owner without a salary or a natural person without a salary**

Hourly rate formula fixed by the Commission

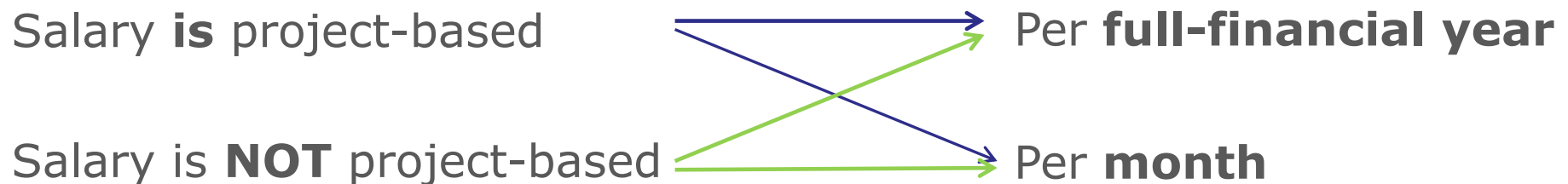
SME owner without a salary

- Fixed hourly rate (unit cost) determined in the grant

Average personnel costs

- Average hourly rate (unit cost) calculate in accordance with the beneficiary's practices

Actual costs



Personnel costs: hourly rate



3: if you are a SME owner without a salary or a natural person without a salary

Costs must be declared on the basis of the unit cost (hourly rate) fixed by Commission Decision C(2013) 8197 and indicated in Annexes 2 and 2a of the GA.

WP

In practice: SYGMA calculates the hourly rate for you by using the formula:

$$\frac{\text{Monthly living allowance for experienced researchers under the IF actions}}{143} \times \text{Country correction coefficient}$$



The SME owner or natural person may be remunerated by dividends, service contracts between the company and the owner, etc. **Still, unit costs must be declared**

2: if you use average personnel costs

You calculate the hourly rate according to your usual practice provided that:

- ↪ *You applied it in a consistent manner, based on objective criteria, and regardless of the source of funding*
- ↪ *You calculate the hourly rate using the actual personnel costs recorded in your accounts, excluding ineligible cost or costs included in other budget categories*
- ↪ *You use one of the options of the Grant Agreement to determine the annual productive hours*

Personnel costs: hourly rate

1: ACTUAL COSTS

1A - General case: the salary does not depend on specific projects

$$\text{Hourly rate} = \frac{\text{Total personnel costs}}{\text{Total productive hours}}$$

1B - Specific case: project-based remuneration

$$\text{Hourly rate} = \frac{\text{Personnel costs for the H2020 action}}{\text{Hours worked for the H2020 action}}$$



Subject to the provisions on **additional remuneration**

ACTUAL personnel costs: hourly rate

How do I know if I am in the general case 1A or in the specific case 1B?

If your remuneration for time worked in some projects is different from your remuneration for your other duties: you are in the **specific case (1B)**

For example:

- ↳ You get a supplementary employment contract for the work in the project
- ↳ You get a bonus or premium for the time worked in the project
- ↳ Your contract fixes a specific hourly rate for work in specific projects

Otherwise, you are in the **general case (1A)**

ACTUAL personnel costs: hourly rate

$$\text{Hourly rate} = \frac{\text{Personnel costs}}{\text{Productive hours}}$$

NEW !
(2016)

Annual hourly rate

Hourly rates calculated per full financial year

$$\frac{\text{Annual personnel costs}}{\text{Annual productive hours}}$$

Two options

Monthly hourly rate

Hourly rates calculated per month

$$\frac{\text{Monthly personnel costs}}{\text{Monthly productive hours}}$$



If you are a beneficiary **with project-based remuneration (1B)**, you will only take into account personnel costs and hours corresponding to the H2020 action

ACTUAL personnel costs: hourly rate

Eligible personnel costs

$$\text{Hourly rate} = \frac{\text{Personnel costs}}{\text{Productive hours}}$$

➤ **Include:**

- ✓ Salaries
- ✓ Social security contributions (employers' and employees')
- ✓ Taxes and other costs included in the remuneration if they arise from national law or the employment contract

➤ **Do not include:**

- ✗ Any ineligible item (article 6.5)
- ✗ Any costs included in other budget categories (e.g. indirect costs)
- ✗ For **beneficiaries with project-based remuneration (1B)**: any part of the personnel costs that qualifies as additional remuneration

ACTUAL personnel costs: hourly rate

$$\text{Hourly rate} = \frac{\text{Personnel costs}}{\text{Productive hours}}$$

Annual productive hours

Advice

1720 hours

! you must use this option if the employment contract does not specify the working time conditions or if the "annual workable hours" cannot be determined

Individual annual productive hours

• Formula: annual workable hours + overtime - absences

Standard annual productive hours

• According to the beneficiary's usual accounting practices. Minimum threshold: annual productive hours \geq 90 % of the standard annual workable hours

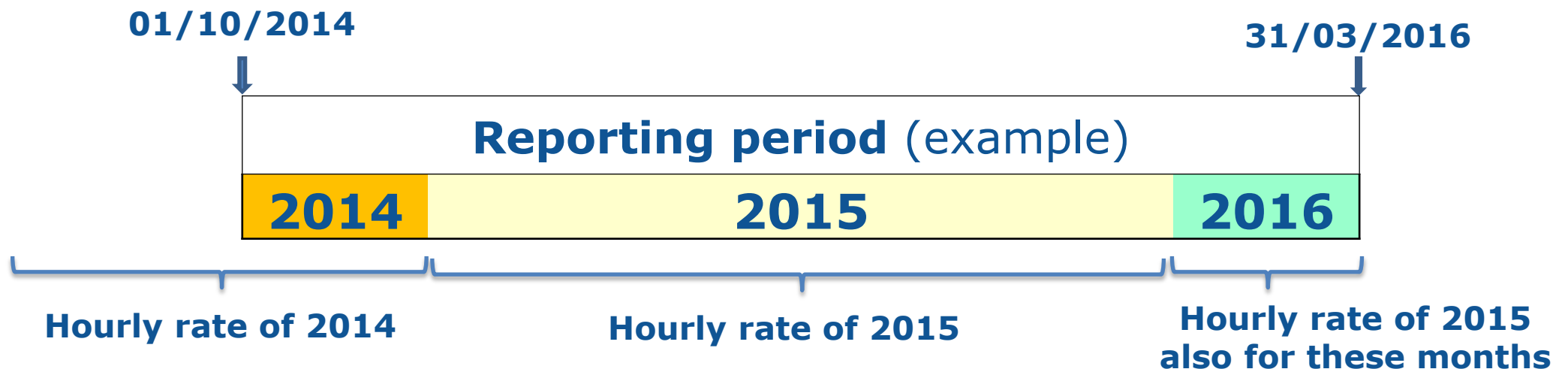
ACTUAL personnel costs: hourly rate

Annual hourly rate specificities

$$\frac{\text{Annual personnel costs}}{\text{Annual productive hours}}$$

⚠ The annual hourly rate is to be calculated **per full financial year**

If the financial year is not closed at the time of reporting, the beneficiary must use the hourly rate of the *last closed financial year available*.



ACTUAL personnel costs: hourly rate

Monthly hourly rate specificities

$$\frac{\text{Monthly personnel costs}}{\text{Monthly productive hours}}$$

One hourly rate **per each month the person works in the action**

↪ **Monthly productive hours** = 1/12 of the annual productive hours

⚠ Only options 1 (1720) and 3 (standard) are allowed. Option 2 (individual) is NOT allowed for monthly hourly rates.

↪ **Thirteen salary** (and similar) included in each month "pro-rata"; not in full in the month when they are paid.

↪ **Time spent in parental leave** cannot be deducted from the monthly productive hours. However, personnel costs incurred during parental leave may be charged in proportion to the time the person worked for the action.

CASE 1B: beneficiaries with project-based remuneration

NEW!
(2017)



The remuneration of Ms R. is composed of:

Gross annual salary fixed by contract: 20 000 EUR + family allowance fixed in the collective labour agreement: 100 EUR/month



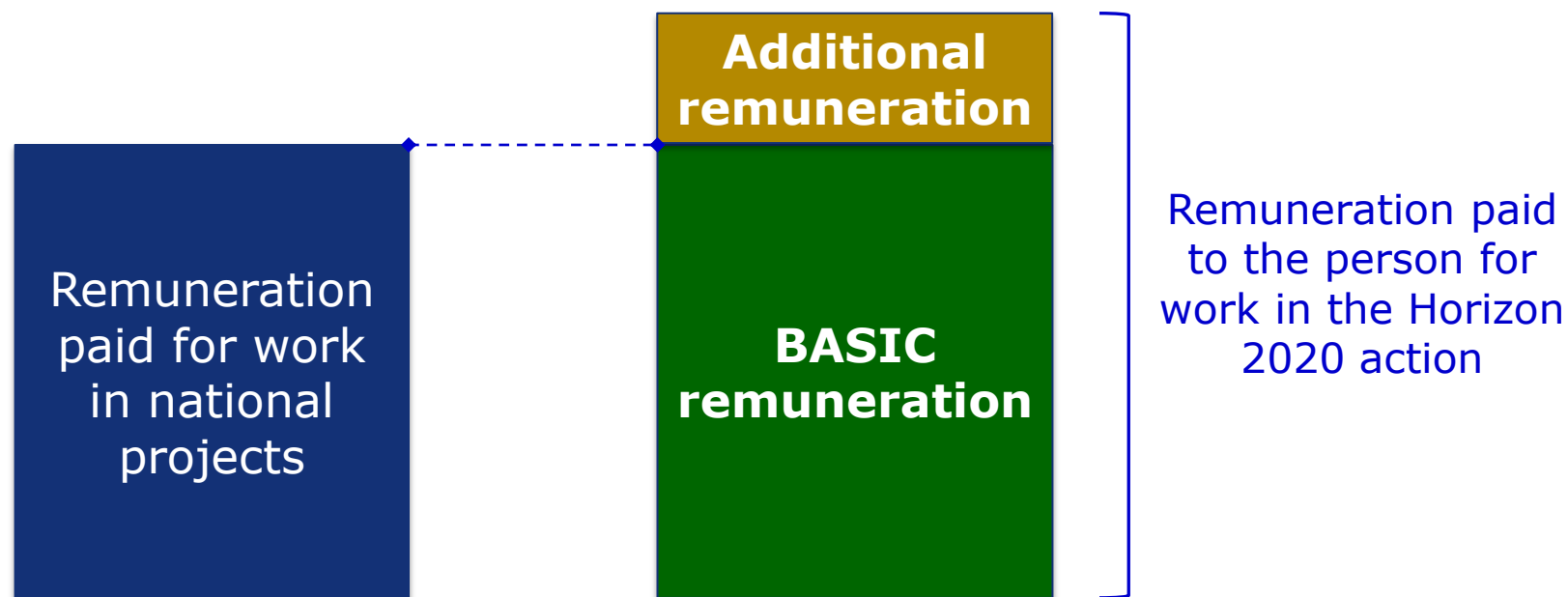
Besides, when she works in externally funded projects she gets an extra remuneration of 1 000 EUR per month of full dedication

Ms R. would be in the **specific case 1B!**
(her remuneration is project-based)

- **The specific calculation of the hourly rate applies to her**
- **And the beneficiary must check if any part of her salary qualifies as additional remuneration**

What is additional remuneration?

Article 6.2.A.1: 'Additional remuneration' means any part of the remuneration which exceeds what the person would be paid for time worked in projects funded by national schemes.



Additional remuneration may only be eligible for non-profit legal entities



- ➡ Remuneration set out in national law or internal rules for work in national projects (it must have been paid at least once before the proposal)

Only if there is no applicable national law or internal rules:

- ➡ Average of the salary of the person the previous year (excluding any part corresponding to H2020 actions)


Personnel costs: bonuses

BONUSES

Ineligible

- Arbitrary bonus
- Bonus based on commercial targets (e.g. sales target), fund raising targets or representing profit distribution (dividends)
- Bonus applied only to EU actions

Additional Remuneration

- Triggered by specific projects and resulting in a level of remuneration higher than under national projects
- Paid for additional work or expertise
- Part of the usual remuneration practices of the entity
- Based on objective criteria established in the internal rules
-  **Eligible only for non-profit legal entities**

(also) Basic Remuneration

- If not triggered by specific projects OR if triggered by projects, up to the level of remuneration paid in national projects
- Scheme authorised by law, collective agreement or contract
- Determined using objective criteria established in the internal rules

Additional remuneration ceiling



Additional remuneration

Eligible additional remuneration is subject to a eligibility ceiling fixed at EUR 8 000 for a full-time employee working exclusively for the action during the entire year.

Occupation	Contract	
	hired full time during the entire year	NOT hired full time during the entire year
working exclusively for the EU action during the entire year	EUR 8 000	pro-rata amount of EUR 8 000
NOT working exclusively for the EU action during the entire year	{8 000 / annual productive hours FTE} * hours worked for the action over the year	



The ceiling covers the additional salary + all additional taxes, costs and social security contributions triggered by the additional salary.

Exercise: Calculation of personnel costs (general case)

Ms R. has worked in 2015 and 2016 for the H2020 action whose reporting period runs from 01/10/14 to 31/03/16.

How do we calculate the personnel costs to be charged to the action?

Step 1

Calculate the hourly rate

Step 2

Identify the hours worked for the action

Step 3

Multiply the hours worked for the action by the hourly rate

Exercise: General calculation of personnel costs

$$\text{Cost} = \text{Hours worked for the action} \times \underbrace{\frac{\text{Annual personnel costs}}{\text{Annual productive hours}}}_{\text{Hourly rate}}$$

Step 1.a

Calculate the hourly rate: annual personnel costs

 As 2016 is on-going at the end of the reporting period, the 2015 hourly rate will apply also for the 2016 months of the reporting period

Ms R. has a gross monthly salary of 2 500 EUR and the employer pays 30 % on top as social security

$$\text{Annual personnel costs} = (2\,500 \times 12) + 30\% = 30\,000 + 9\,000 = 39\,000$$

Exercise: General calculation of personnel costs

$$\text{Cost} = \text{Hours worked for the action} \times \frac{\text{Annual personnel costs}}{\text{Annual productive hours}}$$

Step 1.b

Calculate the hourly rate: annual productive hours

Out of the three options offered by the H2020 grant agreement:

- i. Fixed hours**
- ii. Individual annual productive hours**
- iii. Standard annual productive hours**

The beneficiary applies option 1 for all its staff

Annual productive hours of Ms R. = 1720



What if Ms R. would be a part time employee?

Exercise: General calculation of personnel costs

$$\text{Cost} = \text{Hours worked for the action} \times \frac{\text{Annual personnel costs}}{\text{Annual productive hours}}$$

Step 2

Identify the hours worked for the action

Ms R. worked some hours in December 2015 (registered in a timesheet):

Reference e.g. work package	DAY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Total
WP 2		8	8	8				4	8	8	8	8				8	8	8															84

And in 2016 she signed a declaration of exclusive work in the action covering the period:

- from 01/01/2016³ until 15/02/2016⁴
(This period must cover at least one full natural month)⁵

Hours worked for the action in 2016 = (1720 / 12 months) x 1,5 months = 215

Exercise: General calculation of personnel costs

$$\text{Cost} = \text{Hours worked for the action} \times \frac{\text{Annual personnel costs}}{\text{Annual productive hours}}$$

Step 3 Multiply the hours worked for the action by the hourly rate

$$\text{Cost 2015} = 84 \times \frac{39\,000}{1\,720} = 84 \times 22.67 = 1\,904,28$$

 As 2016 is on-going, the 2015 hourly rate will apply also for the 2016 months of the reporting period

$$\text{Cost 2016} = 215 \times 22.67 = 4\,874.05 \text{ EUR}$$

Exercise: Individual annual productive hours

The beneficiary has chosen option 2, individual annual productive hours:

annual workable hours + overtime - absences

Ms R. contract stipulates that she works 8 hours per day from Monday to Friday (the year has 52 weeks). She has 22 working days of annual leave + eight days of public holidays.

In 2015 she worked 29 hours of overtime and was on sick leave for five days.

Annual productive hours =

Annual workable hours = 365 days
- 104 days (Saturdays and Sundays)
- 22 days (annual leave)
- 8 days (public holidays)
= 231 days x 8 hours per day = 1 848

1848 (annual workable hours) + 29 hours (overtime) – 40 hours (sick leave: 5 x 8) = **1 837**

Common Audit Service & Audit Process

- Common Audit Service
- Outsourced and In-House Audits
- Audit Selection
- Audit Planning
- On-site Audit
- Audit Reporting

Direct costs for the action

Direct costs are costs that are directly linked to the action's implementation. They must not include any indirect costs

Direct costs are:

- costs that have been caused in full by the action
- or costs that have been caused in full by several actions and the attribution to a single action can, and has been, directly measured (e.g. not allocated via cost drivers)

Direct costs for the action

- Must be justified by sufficient **persuasive evidence** showing the **direct link to the action**
- Must be **properly recorded** in order to allow direct measurement of the use for the action and to ensure auditability
- The measurement system used by the beneficiary must accurately **quantify** the cost
- Direct measurement of costs **does not mean** fair apportionment of costs through proxies, cost drivers or allocation keys. Once you use them, it's indirect cost!
- In principle, what was considered direct/indirect in FP7 remains the same in H2020 **But** → Now, it is even more important because Indirect Cost is calculated at 25% flat rate

Examples (1)

A beneficiary uses a x-ray machine **for the action** for few hours and for the rest of the time the x-ray machine is used **for other activities**. The beneficiary charges the **full** depreciation costs for the period in the cost statement of the action.

NOT ALLOWED!

The allocation of the part of the annual depreciation to the H2020 action must be calculated based on the number of hours/days/months of actual use of equipment for the action. The **actual** use should be **directly measured** (logbook, etc.).

Examples (2)

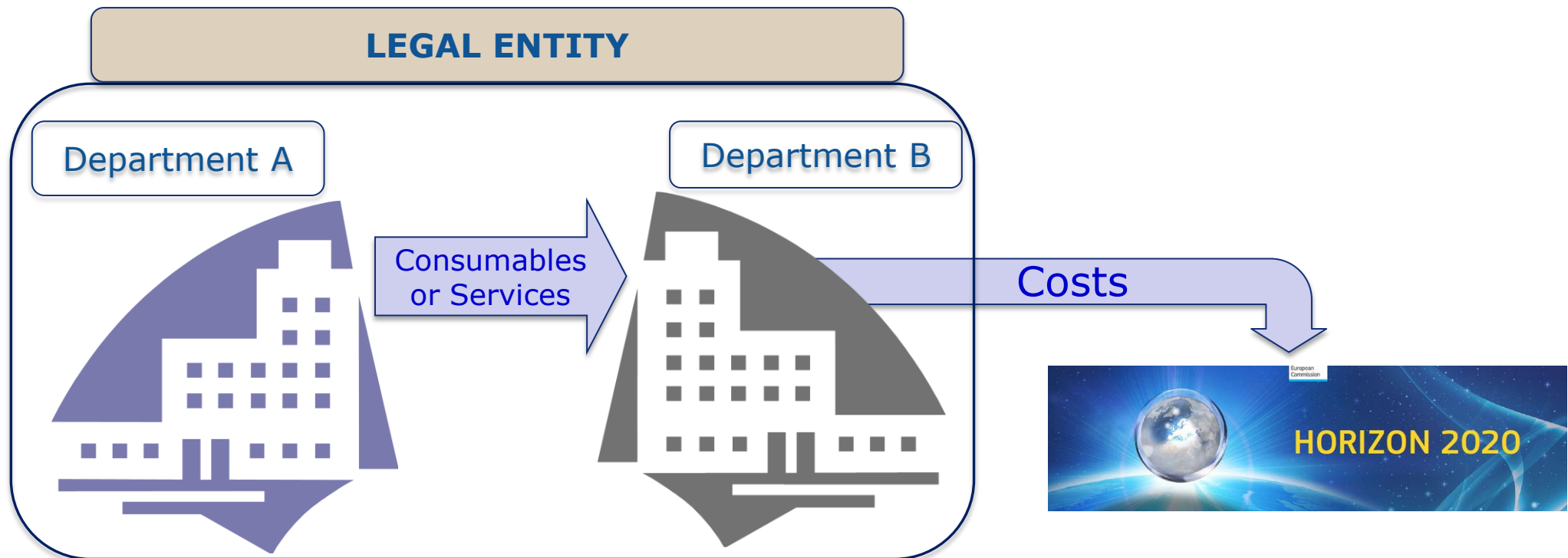
The **total consumables costs** are charged as **direct costs** on the H2020 action as a **proportion** of the action hours to total worked hours in the laboratory.

NOT ALLOWED!

Even if the usual accounting practice of a beneficiary is to consider laboratory consumables as direct costs.

The costs of other goods and services should be declared as **actual** costs e.g. direct consumption for the action should be **measured**.

Internal invoices refer to costs of goods or services produced by the same beneficiary who uses them directly for the H2020 action and calculated in accordance with its usual cost accounting practices



EXAMPLES

Self-produced consumables

- e.g. electronic wafers, chemicals, etc.

Use of devices or facilities

- e.g. clean room, wind tunnel, supercomputer, etc.

Specialised premises

- e.g. animal house, aquarium, etc.

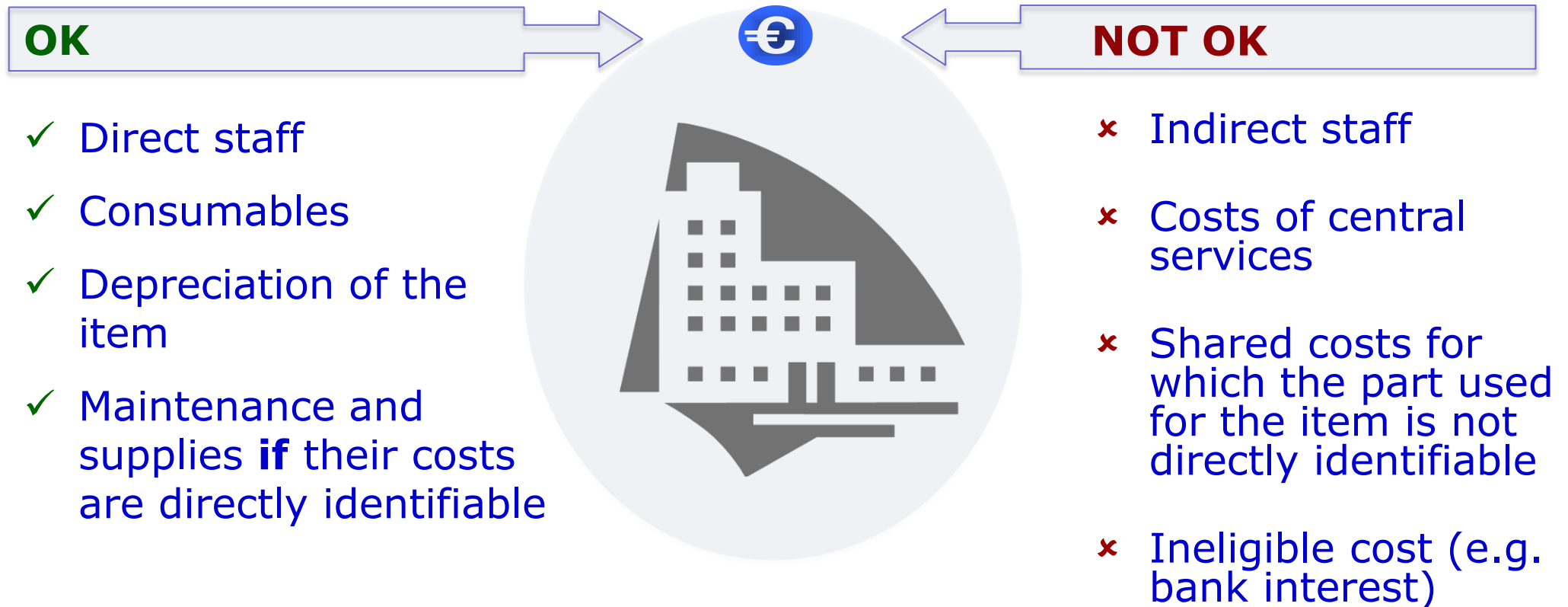
Standardised processes

- e.g. genomic test, mass spectrometry analysis, etc.

Hosting services for researchers

- e.g. housing and canteen costs for visiting researchers

Internal invoices must be calculated in accordance with the usual cost accounting practice of the beneficiary, but adjusted if needed to comply with the cost eligibility conditions



Article 23.3
H2020 Rules for
Participation

They [the participants] shall have the appropriate resources as and when needed for carrying out the action.

However, where it is necessary for the action, the participants may:

- award subcontracts for carrying out certain elements of the action
- call upon linked third parties to carry out work under the action
- use resources made available by third parties

... according to the conditions set out in the grant agreement.

Third parties: basics

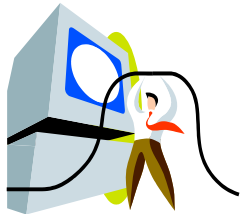
⇒ What is a third party?

↳ A legal entity which carries out work of the action, supplies goods or provide services for the action, but which did not sign the grant agreement

⇒ What types of third parties?



1. Third parties directly carrying out part of the work described in Annex 1



2. Other third parties: providing resources, goods or services to the beneficiaries for them to carry out the work described in Annex 1



3. Third parties receiving financial support (money) from the beneficiary as part of the action. Only when authorised in the call

1. Third parties carrying out work in the action

Beneficiary

Linked third parties

Affiliated entities

Third parties with a legal link

Affiliated entity

- Under the direct or indirect control of the beneficiary
- Under the same direct or indirect control as the beneficiary
- Directly or indirectly controlling the beneficiary

'control' = >50 % shares or majority voting rights or decision-making powers


1. Third parties carrying out work in the action

Beneficiary

Linked third parties

Affiliated entities

Third parties with a legal link

- Similar to FP7 Special Clause 10
- Must be identified in the GA
- Same cost eligibility criteria than for beneficiaries
-  **NEW:** COM or Agency may request them to accept joint and several liability for their EU contribution

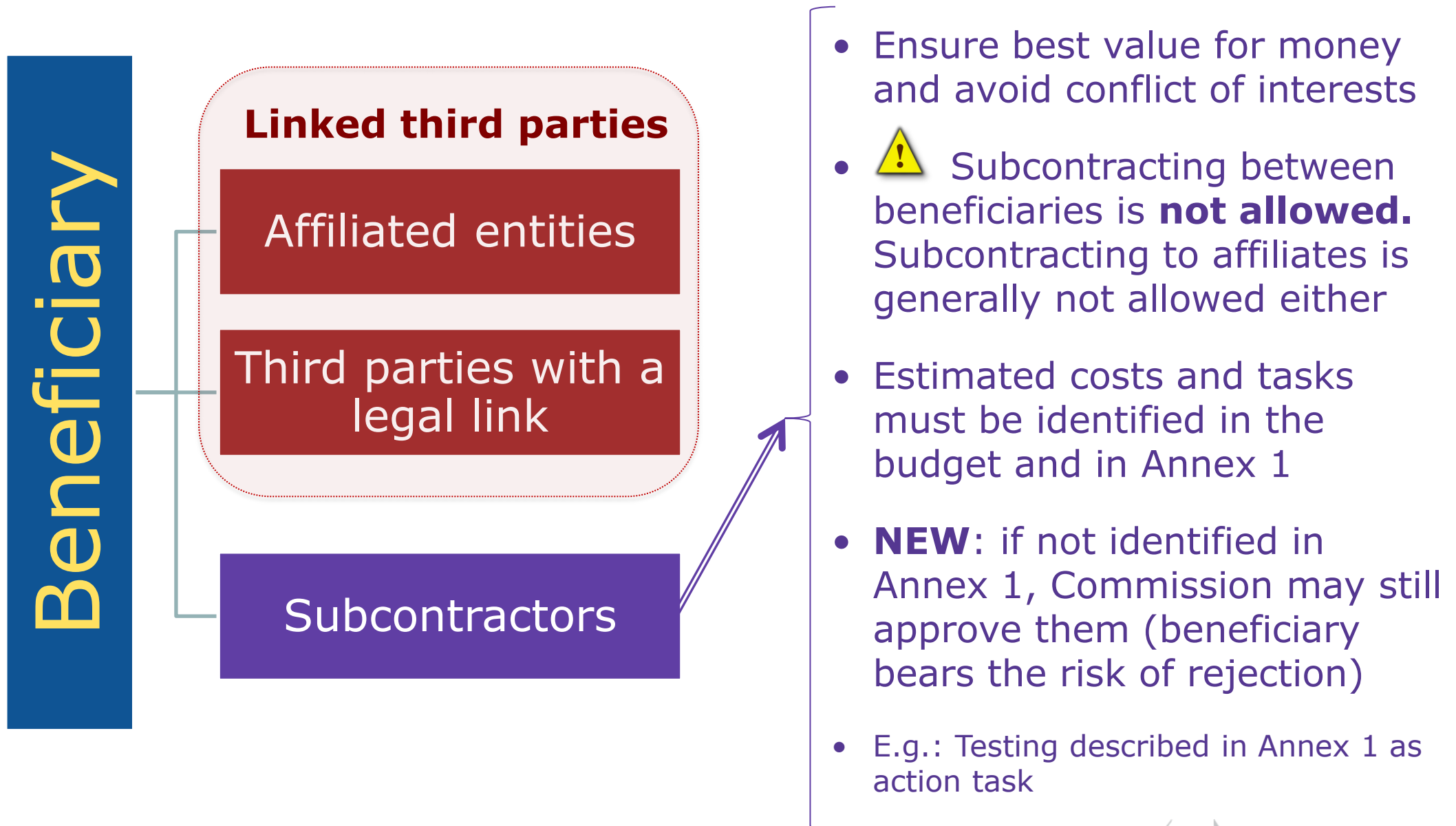
Affiliated entity

Legal link

A legally established relationship **not** specifically created for the Grant Agreement.

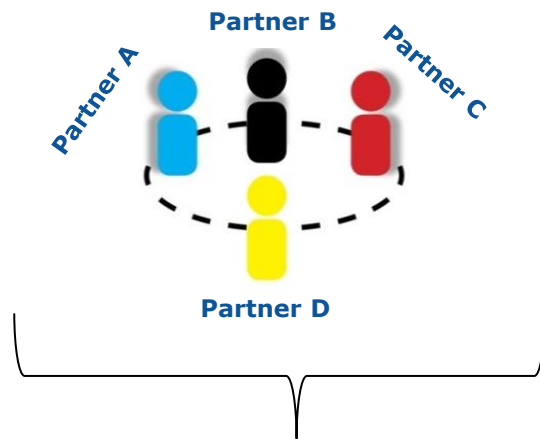
It may be in the framework of a legal structure (e.g. the relationship between an association and its members) or through an agreement or contract (not limited to the action).

1. Third parties carrying out work in the action

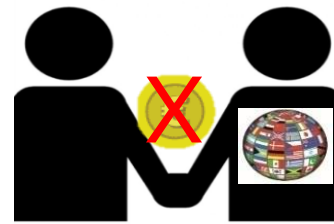


"INTERNATIONAL PARTNERS"

H2020 project



- Signatories of the GA
- May receive EU funding
- **Partner B** has one **International Partner**



International Partner:

- Linked to Partner B
- Participant Identification Code (PIC number)
- Not Signatory of the GA
- No EU funding
- Own (non EU) Budget
- Action Tasks in the Project
- No financial reporting

2. Other third parties

Beneficiary

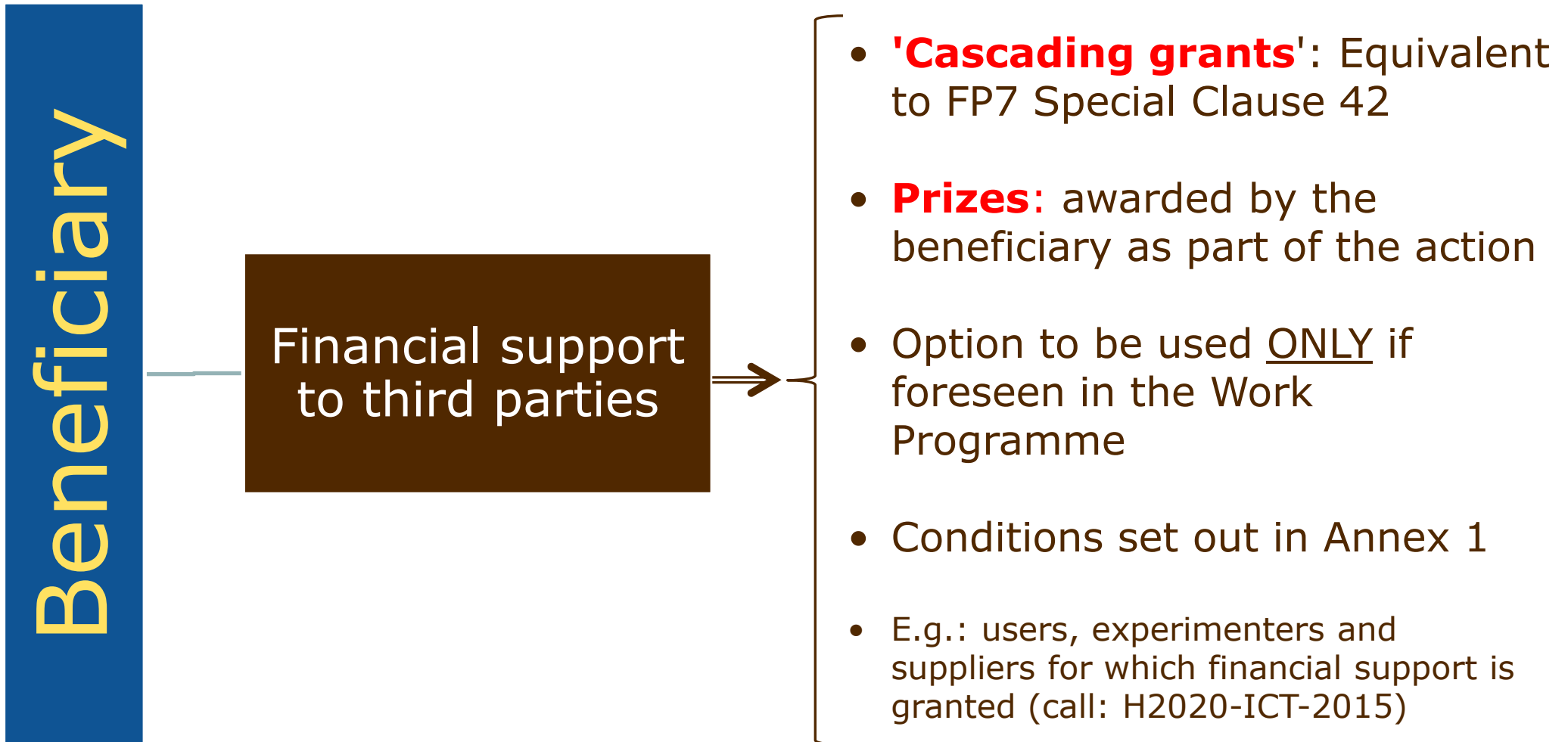
Contracts
necessary for the
implementation

In- kind
contributions

- For the purchase of goods, works or services
- Ensure **best value for money** and avoid any **conflict of interests**
- E.g.: CFS, supply of consumables, etc.

- Free of charge or against payment
- ⚠ Only the actual eligible costs of the third party may be charged
- Must be set out in Annex 1
- **NEW**: if not identified in Annex 1, Commission may still approve them (beneficiary bears the risk of rejection)
- E.g.: seconded staff, use of equipment

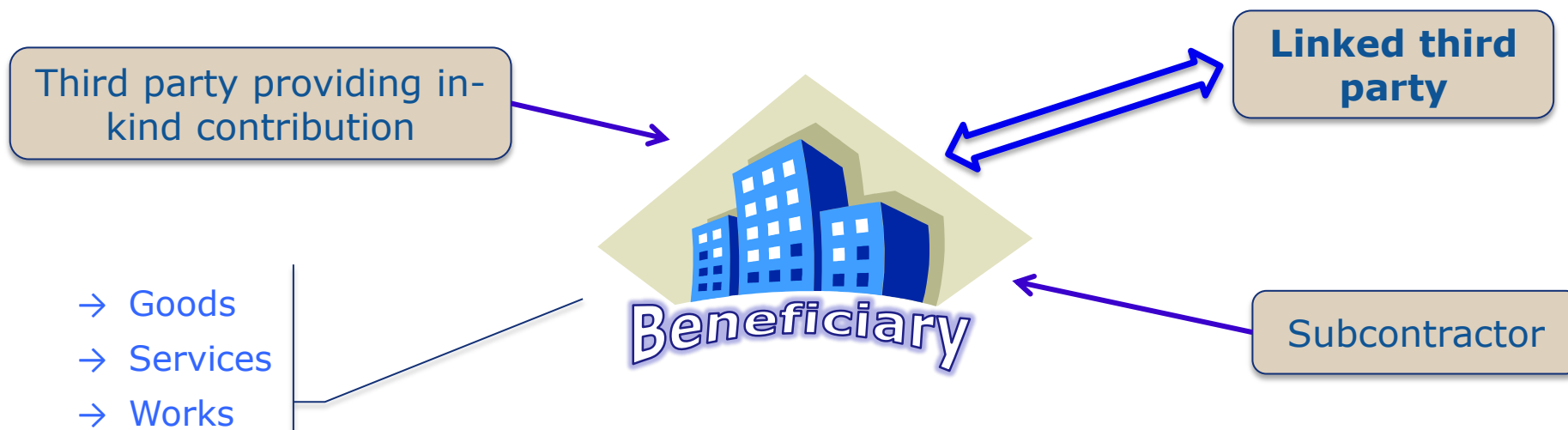
3. Financial support to third parties



Third parties: summary

Types of third parties	CHARACTERISTICS						
	Does work of the action	Provides resources or services	What is eligible?	Must be indicated in Annex 1	Indirect costs	Selecting the third party	Articles
Linked third party	YES	NO	Costs	YES	YES	Must be affiliated or have a legal link	Article 14
Subcontractors	YES	NO	Price	YES	NO	Best value for money, avoid conflict of interest	Article 13
Third party providing in-kind contributions	NO	YES	Costs	YES	YES	Not used to circumvent the rules	Articles 11 and 12
Contractors	NO	YES	Price	NO	YES	Best value for money, avoid conflict of interest	Article 10
Financial support to third parties	Only if allowed in the call The beneficiaries' activity consists in providing financial support to the target population			YES	NO	According to the conditions in Annex 1	Article 15

Third parties: Warnings !



The beneficiary retains the sole responsibility for the work and the costs declared !

If something goes wrong with the third party, the beneficiary will be responsible



The beneficiary must ensure that Commission, OLAF and European Court of Auditors can audit its third parties including subcontractors and providers



In case of an audit of a 3rd party, the beneficiary is also in copy of all relevant communications (announcement of the audit, audit report, etc.)

Subcontracts vs. Contracts

<p align="center">Article 10</p> <p align="center">Contracts to purchase goods, works or services</p>	<p align="center">Article 13</p> <p align="center">Subcontracts</p>
<p>These contracts do not cover the implementation of action tasks, but they are necessary to implement action tasks by beneficiaries.</p>	<p>Subcontracts concern the implementation of action tasks; they imply the implementation of specific tasks which are part of the action and are described in Annex 1.</p>
<p>Do not have to be indicated in Annex 1.</p>	<p>Must be indicated in Annex 1.</p>
<p>The price for these contracts will be declared as ‘other direct costs’ — column D in Annex 2 — in the financial statement; they will be taken into account for the application of the flat-rate for indirect costs.</p>	<p>The price for the subcontracts will be declared as ‘direct costs of subcontracting’ — column B in Annex 2 — in the financial statement; they will not be taken into account for the application of the flat-rate for indirect costs.</p>

Subcontracting: characteristics

- Based on business conditions (includes profit)
- No hierarchical subordination, no direct supervision
- Responsibilities lie with the beneficiary
- No rights and obligations vs. the Commission/Agency or the other beneficiaries
- **BUT** the beneficiary must ensure that its subcontractors can be audited by the Commission/Agency, OLAF and the ECA
- Beneficiaries that are 'contracting authorities' must comply with applicable national law on public procurement

Subcontracting: additional eligibility conditions

- Tasks and estimated costs should be set in Annex 1 for each subcontract
- Total costs per beneficiary should be set in Annex 2
- The need for a subcontract should be clearly justified in Annex 1
- Existing framework subcontracts are acceptable: in such cases the name of the subcontractor may be indicated in Annex 1



These conditions do not change the obligation to ensure best value for money!

Subcontracting in H2020 vs. FP7: what changed?

Subcontracts not set out in Annexes 1 & 2 are not eligible but the Commission/Agency **may** approve these costs without an amendment:

- On its own discretion
- If costs are duly justified in the periodic technical report
- If there is no breach of principle of equal treatment of applicants
- If this does not entail changes to the Grant Agreement which would call into question the decision awarding the grant

Note: The following are now considered as contracts and should be reported as Other Direct Costs:

- Catering for meetings
- Translation services
- Setting up and maintenance of a project website

- Do not wait for an audit!
- At grant signature:
Foresee and justify all subcontracts in Annexes 1 & 2
- During the grant execution:
 - Ask for amendment to include subcontracts
 - Justify subcontracts in the technical reports
 - Communicate clearly and in writing with the project officers



Example (1)

Beneficiary A lacks resources and subcontracts action tasks to **Beneficiary B**. The subcontracting costs are declared by **Beneficiary A**.

NOT ALLOWED!

The subcontracting between beneficiaries in the same grant agreement is not allowed under any circumstances. In the above case, the tasks should be allocated to **Beneficiary B** and the costs should be declared by **Beneficiary B** (at cost basis).

Example (2)

Beneficiary A is the consortium's coordinator and subcontracts coordinator's tasks.

NOT ALLOWED!

The coordinator's tasks listed in Article 41.2.b cannot be subcontracted.

(e.g. monitor proper implementation, act as intermediary for communication, request and review documents, submit deliverables, ensure payments, produce funds distribution report).

Conflict of interests

Avoid **conflict of interests** (Art.35 of the MGA)

*'The beneficiaries must take all measures to prevent any situation where the impartial and objective implementation of the action is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest ('**conflict of interests**').'*

Conflict of interests

Avoid conflict of interests

(Art.35 of the MGA)

The beneficiaries must formally notify the EC/Agency without delay any situation constituting or likely to lead to a conflict of interests and immediately take all the necessary steps to rectify this situation.

Non-compliance may have consequences (reduction of grant, termination).

Best Value for Money

You must demonstrate '**best value for money**' both, in sub-contracting and in purchases of goods

- Some level of tendering to demonstrate 'best value' – e.g. tender, three offers, market survey, etc.
- Naming the supplier in the grant does not mean that you do not have to demonstrate best value.
- We will normally accept your standard practices, when properly used

BUT



Your accounting practices are not necessarily acceptable!

(e.g. cash basis depreciation is not automatically accepted even if it is in line with your accounting practices)

Common errors

- 'Best value' not demonstrated
 - no tender, no offers, no market survey
- Participants' own usual practices and procedures not applied
- Subcontracting between participants
- No documentation kept
- Public entities not applying public procurement rules
- Too high thresholds foreseen in the rules of the participant

Synergies: Objective

The EC aims at ensuring **coordination, synergies and complementarities between actions** funded by the European Structural and Investment Funds (ESIFs), Horizon 2020 and other EU directly managed programmes in the area of research, innovation and competitiveness.

ESIFs are:

ERDF – European Regional Development Fund, Cohesion Fund

ESF – European Social Fund

EAFRD – European Agricultural Fund for Rural Development

EMFF – European Maritime and Fisheries Fund

Article 37, H2020 Rules for Participation:

*"Cumulative funding: An **action** for which a **grant** from the Union budget has been awarded may also give rise to the award of a grant on the basis of H2020 provided that the grant does not cover the same **cost items**."*

A **cost item** is the amount declared as eligible for Union funding under a **budget category** which may be defined by activity (training, work package) or by nature (personnel costs, consumables, etc.) or by combination of activity and nature.

Example

A beneficiary can be entitled to receive H2020 funding for the reimbursement of personnel costs (if they fulfil the cost eligibility conditions under H2020 rules) and to receive at the same time ESIF funding for the other costs (if they fulfil the cost eligibility conditions under ESIF rules), provided that personnel costs are not declared as eligible under the ESIF grant and that the other costs are not declared as eligible under the H2020 grant.

Other issues

Consortium Agreement

Controls and audits

Exchange rates

Final grant amount

Payments

Receipts

Participant Portal

At: <http://ec.europa.eu/research/participants/portal/desktop/en/home.html>



Horizon 2020 Annotated Grant Agreement

http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf



Horizon 2020 On-line Manual

<http://ec.europa.eu/research/participants/portal/desktop/en/funding/guide.html#>



Questions? *Research Enquiry Service*

<http://ec.europa.eu/research/enquiries>



HORIZON 2020

**Thank you
for your attention!**

Find out more:

<http://ec.europa.eu/programmes/horizon2020/>

*Research and
Innovation*

- **CA is mandatory unless otherwise specified in the work programme**

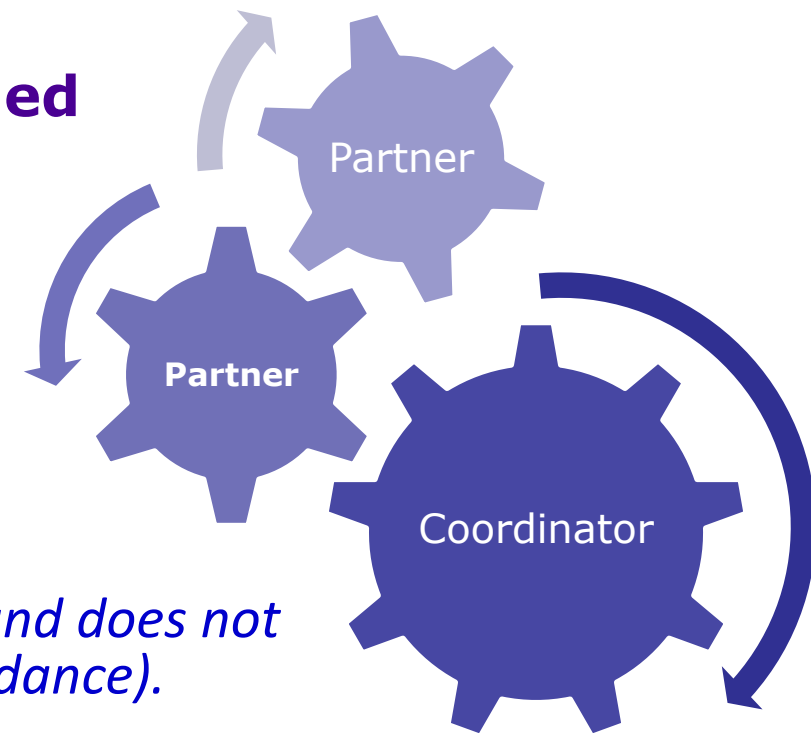
Article 41.3 of the H2020 Model Grant Agreement

- **Characteristics**

- *It is a private agreement between the beneficiaries and does not involve the EC/Agency (which, however, provides guidance).*
- *Deals with the rights and obligations of the beneficiaries amongst themselves.*

Examples: internal organisation, distribution of EU funding, additional rules on IPR, settlement of disputes, etc.

- *In principle to be concluded before signing the Grant Agreement*



Financial viability check

- ⇒ Most beneficiaries exempt from detailed analysis; only systematic check for coordinators when requested EU funding for the project is \geq EUR 500 000

Certificates

- ⇒ **Certificate on the financial statements:** Only for final payments when total EU contribution claimed by the beneficiary on the basis of actual costs + unit costs calculated in accordance with the beneficiary usual cost accounting practices \geq EUR 325.000 (⚠ excluding e.g. flat rates !)
- ⇒ **Certificate on the methodology:** Optional for average personnel costs (now under unit costs)



Ex-post audits

- ⇒ Audits of the Commission limited to **two years** after the payment of the balance
... but documents must be kept for 5 years

Extension of audit findings

- ⇒ Former 'extrapolation' (FP7) now included in the MGA
- ⇒ In the case of systemic or recurrent errors, irregularities, fraud or breach of obligations

➤ **Beneficiary's accounts in Euro**

For purchases in other currencies ⇒ conversion into Euro according to its usual accounting practice

➤ **Beneficiary's accounts in other currencies**

Average of the daily exchange rates published in the Official Journal of the EU calculated over the reporting period

Calculation shortcut: you may use the editable charts on the website of the European Central Bank at:

<http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>



Final grant amount: Calculation



Step 1 — Application of reimbursement rates to eligible costs

Total approved eligible costs (*actual costs, unit costs, flat rate and lump sum costs, if any*) X reimbursement rate (*100 % for research actions, 70% for innovation actions*)

Step 2 — Limit to the maximum grant amount

The grant amount obtained in Step 1 is capped at the maximum grant amount set out in the GA

The grant amount following Steps 1 and 2 is the lower of the two amounts.

Step 3 — Reduction due to the no-profit rule

Profit of the action = Grant amount obtained in Step 2 + Receipts – Total eligible costs of the action

If Profit > 0 → grant amount obtained in Step 2 is reduced

If Profit < or = 0 → grant amount obtained in Step 2 is not reduced

Step 4 — Reduction due to improper implementation or breach of other obligations under the GA at the payment of the balance

Final grant amount is the lower of the following two amounts:

Amount obtained following Steps 1 to 3 ⇔ Amount obtained in Step 4

Final grant amount: Example



EXAMPLE

Maximum grant amount	Approved eligible costs	Funding rate	If Receipts	If Reduction
200	220	100%	30	20

Step 1

Total approved eligible costs X reimbursement rate

$$220 * 100 \% = 220$$

Step 2

The lower between Step 1 and the maximum amount of the grant

$$\text{Lower between } (220; 200) = 200$$

Step 3

Step 2 - profit of the action (Profit *only if positive*) = Step 2 + receipts - Eligible cost)

$$200 - (200 + 30 - 220) \Rightarrow 200 - 10 = 190$$

Step 4

The lower between Step 3 and the reduced maximum grant amount (if any reduction)

$$\text{Lower between } (190; (200 - 20)) \Rightarrow \text{Lower between } (190; 180) = \mathbf{180}$$

	Time-to-Pay	From
One Pre-financing	30 days	From: entry into force or 10 days before the starting date (whichever is the latest)
→ Retention 5 % of maximum grant for the Guarantee Fund		
Interim Payments	90 days	From reception of periodic report
→ Based on financial statements (EU contribution = eligible costs approved * reimbursement rate)		
→ Limit = 90 % of the maximum grant (Retention 10%)		
Payment of the Balance	90 days	From reception of final reports

Income generated by the action
(except for action's results)

Income generated from the sale
of assets purchased in the GA

Receipts

In-kind contributions:
-specifically for the action
-received free of charge

Financial contributions
specifically assigned by
the donors to finance
the eligible costs

 **No-profit rule applied at project level, not per beneficiary!**



HORIZON 2020

**Thank you
for your attention!**

Find out more:

<http://ec.europa.eu/programmes/horizon2020/>

*Research and
Innovation*



eGrants

The Participant Portal – paperless grant management

BELSPO event
Brussels, 22 February 2018

Peter HÄRTWICH
Common Support Centre (CSC)
CSC J3 – Common service for business processes



Principles

- Single gateway for all exchanges: **Participant Portal**
- **Single sign-on:** One user name and password (EU Login) gives access to all designated functions. It gives a personalised and secure access to the different services of the Participant Portal.
- **Identity and Access Management:** allows to define and manage changes of access rights of users of the Participant Portal. Ensures that only correctly authorised users can make the respective transactions
- **Personalised web space and service:** after login you see all your assets related to your proposals, grants, expert account...

Roles - Nomenclature

Organisation roles



**Legal Entity
Appointed
Representative**



Account
Administrator



**Legal
Signatory**



**Financial
Signatory**



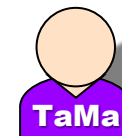
**Primary
Coordinator
Contact**



Coordinator
Contact



**Participant
Contact**



Task
Manager



Team
Member

Project roles

Definition of roles

Assigned to an **organisation**:

- **Legal Entity Appointed Representative [LEAR]**
- **Account Administrator [AcAd]**
- **Legal Signatory [LSIGN]**
- **Financial Signatory [FSIGN]**

Assigned to a **project**:

- **Coordinator Contact [CoCo]; Participant Contact [PaCo]**
- **Project Legal Signatory [PLSIGN]**
- **Project Financial Signatory (PFSIGN)**
- Task manager (TaMa); Team Member (TeMe)

Roles >> rights management - principles

Chain of trust:

- **LEAR** is formally nominated by the legal representative of the organisation
- LEAR appoints on PP a list of persons authorised to **sign legal documents (LSIGN)** and **financial statements (FSIGN)**
- Only these persons get access to sign relevant documents on PP after Project contacts (PaCos and CoCos) have appointed them to a given project
- "Sign and submit" triggers creation of **digitally signed pdf documents**
- All persons that need to know about signature are **notified** and have **access** to the signed documents
- Full **audit trail** of all electronic transactions

Roles and access rights – organisation data

Role	Read	Write	Assign/ Revoke AcAd role	Assign/ Revoke LSIGNs and FSIGNs
LEAR	✓	✓	✓	✓
AcAd	✓	✓	✗	✓
LSIGN	✓	✗	✗	✗
FSIGN	✓	✗	✗	✗

Roles and access rights – project data

Role	Read	Write/ Save	Submit to Coordinator	Submit to EU service	SIGN GA	SIGN FS financial statement	Assign revoke access to project
CoCo	✓	✓	✓	✓	✗	✗	✓
PaCo	✓	✓	✓	✗	✗	✗	✓
TaMa	✓	✓	✗	✗	✗	✗	✗
TeMe	✓	✗	✗	✗	✗	✗	✗
PLSIGN	✓	✓	✗	✗	✓	✗	✗
PFSIGN	✓	✓	✗	✗	✗	✓	✗

How to acquire roles?

Access rights **managed by the organisations and consortia themselves** save **two exceptions** →

→ **LEAR**: paper process [soon we move to e-validation], **appointed by the legal representative of the organisation, approval by the EU services**

Account Administrator [AcAd]: by LEAR

LSIGN, FSIGN: by LEAR or AcAd

→ **PCoCo**: inherited from the proposal, change via the EC PO

Coordinator Contact [CoCo]: from proposal or by other CoCo

Participant Contact [PaCo], Team Member [TeMe]:

from proposal or by CoCo, other PaCo

Task Manager [TaMa]: by CoCo or PaCo

PLSIGN, PFSIGN: from list of LSIGNs and FSIGNs; by CoCo or PaCo

I have EU Login but no access to any proposals, projects or organisation data – what should I do?

Ask persons having access to the respective data for granting you access:

- **Proposals** – person who created the proposal on PP
- **Projects** – any Participant Contact or Coordinator Contact [PaCo] or [CoCo]
- **Organisation data** – the **LEAR** of your organisation

Minimum configuration of access rights for running a project

- ✓ 1 Primary Coordinator Contact (CoCo)
- ✓ 1 Participant Contact (PaCo) per beneficiary
- ✓ 1 LEAR per organisation
- ✓ 1 Legal Signatory (LSIGN) per organisation
- ✓ 1 Financial Signatory (FSIGN) per organisation

One person (= one EU Login account) can cumulate unlimited number of roles

(e.g. owner of a one-person SME can be PaCo, LEAR, LSIGN and FSIGN at the same time)

Example: *Consortium with 10 partners: minimum 40 roles for minimum 10 persons*



Roles for Organisations

European Commission > Research & Innovation > Participant Portal > My Organisations

- MY AREA
- HOME
- FUNDING OPPORTUNITIES
- HOW TO PARTICIPATE
- EXPERTS
- SUPPORT
- Search
- ATTILA BERCIK
- My Organisation(s)**
- My Proposal(s)
- My Project(s)
- My Notification(s)
- My Formal Notification(s)
- My Expert Area

My Organisations

H2020 ONLINE MANUAL **HOW TO**

To access and manage your organisation data online, you must have registered the data initially or been nominated as a Legal Entity Appointed Representative (LEAR) or an Account Administrator (appointed by the LEAR). As a Financial Statement Authorised Signatory (FSIGN), you can have a view of your organisation data. LEARs and Account Administrators can view all the roles of their organisation, nominate and revoke roles, as well as access the list of projects and proposals.

My Registered Organisations

Legend

- VO View Organisation
- MO Modify Organisation
- OR View Roles**
- OP Organisation Proposals
- VP Organisation Projects
- CO Contact Organisation
- MR Manage Roles
- PS Partner Search Profile

Show 10 entries Search

LEGAL NAME	PIC	VAT	STATUS	ACTION
European Commission Research Directorate-General Framework Program Logistics	998993495	EU12345687	DECLARED	VO MO MR PS
NCP Test Company E	934187892		VALIDATED	CO

Showing 1 to 2 of 2 entries. ← PREVIOUS 1 NEXT →

Do you want to continue the registration of your organisation to receive a PIC?

Functions for LEARs:

View or modify your organisation's data.

View all roles linked to the PIC.

View list of proposals and projects.

Functions for self-registrants:

View or modify your organisation's data.



Roles for Organisations

- My Organisation(s)**
- My Proposal(s)
- My Project(s)
- My Notification(s)
- My Expert Area

My Organisations

H2020 ONLINE MANUAL

To access and manage your organisation data online, you must have registered the data initially or been nominated as a Legal Entity Appointed Representative (LEAR) or an Account Administrator (appointed by the LEAR). As a Financial Statement Authorised Signatory (FSIGN), you can have a view of your organisation data. LEARs and Account Administrators can view all the roles of their organisation, nominate and revoke roles, as well as access the list of projects and proposals.

My Registered Organisations

LEGEND



View Organisations



Modify Organisations



View Proposals



View Roles



View Projects

Show 10 entries

Search

NAME	PIC	VAT	STATUS	ACTIONS
TEST ORGANISATION	999999999	BE123456789	VALIDATED	VO MO OP OR VP

Showing 1 to 1 of 1 entries.

← PREVIOUS 1 NEXT →

Do you want to continue the registration of your organisation to receive a PIC?

If you started the registration of your organisation in the Commission register some time ago, but did not finalise it - your organisation has not received a PIC number yet - you will not be able to see it above in the section My Organisations. Please continue its registration by clicking on the button that leads you to the registration tool. You may check the information that will be necessary for the registration in the [user manual](#).

LEARs can grant/revoke Organisation roles in the "My Organisations" section, through the blue "OR (Organisation Roles)" icon

Roles for Organisations



- My Organisation(s)
- My Proposal(s)
- My Project(s)
- My Notification(s)
- My Expert Area

Organisation File

Details Roles Projects Proposals

Organisation: NAME Pic: 99999999

Show 10 entries Search

ROLE	NAME	EMAIL	PROJECT
Account Admin.	Petr		
Account Admin.	Ver		
Account Admin.	Stej		
Account Admin.	Pire		
Account Admin.			
Financial Signatory	Fra		
Financial Signatory	Petr		
Financial Signatory	Noe		
Financial Signatory	Oliv		
Lear	Ag		

Showing 1 to 10 of 10 entries. ← PREVIOUS 1 NEXT →

List of names and e-mails of contacts linked to the PIC number of the organisation.

Edit roles:

Add roles or revoke existing rights by identifying the e-mail/name of a person.

EDIT ROLES



My Organisation(s)

My Proposal(s)

My Project(s)

My Notification(s)

My Formal Notification(s)

My Expert Area

My projects

FP7 REF. DOCS

H2020 ONLINE MANUAL



This page enables you to access all your EU projects managed via the Participant Portal that have been selected and approved for funding.

Depending on your roles, you can view or manage the following project-related tasks:




- [Prepare and sign your grant agreement](#)
- [Submit amendments to your grant agreement](#)
- [Manage your scientific and financial reports](#)
- [View or manage roles and access rights in your projects consortia](#)

**Project roles can be granted/revoked
in the "My Projects" section,
through the orange "PC (Project Consortium)" icon**

Legend

AA	Access Amendment	GP	Grant Preparation	MP	Manage Projects	FR	Financial Reporting
PR	Periodic Reporting	RD	Reporting & Deliverables	PC	Project Consortium	VP	View Proposal

Show 10 entries Hide closed projects Search:

ACRONYM	CALL	PROGRAM	PROJECT	PHASE	ACTIONS
NCP-PLAYGROU ND-COMST	H2020-Adhoc- 2014-20	H2020	688926		  

Showing 1 to 1 of 1 entries. ← PREVIOUS 1 NEXT →



RESEARCH & INNOVATION

Participant Portal

European Commission > Research & Innovation > Participant Portal > Project Consortium

- MY AREA
- HOME
- FUNDING OPPORTUNITIES
- HOW TO
- My Organisation(s)
- My Proposal(s)
- My Project(s)**
- My Notification(s)
- My Expert Area

Edit roles - if you are Primary Coordinator Contact, Coordinator Contact or Participant Contact

Project File

Details Consortium

Project Acronym DEMO1

Project ID 200000 **Program** FP7 **RDG** RTD

> **COORDINATOR** Organisation - Test Organisation 1

EDIT ROLES

Address: Sesame Street, 1000, Brussels, BE **PIC:** 999999999

Primary Coordinator	John DOE	john.doe@test.com
Coordinator Contact	Jack DOE	jack.doe@test.com
Coordinator Contact	William DOE	william.doe@test.com
Team Member	Averell DOE	averell.doe@test.com

> **BENEFICIARY** Organisation - Test Organisation 2 EDIT ROLES

> **BENEFICIARY** Organisation - Test Organisation 3 EDIT ROLES

> **BENEFICIARY** Organisation - Test Organisation 4 EDIT ROLES

> **BENEFICIARY** Organisation - Test Organisation 5 EDIT ROLES

View the organisation's basic details and list of project roles



Organisation: NCP Test Company E **PIC:** 934187892

Street and House Number: Test Street 1

PoBox:

City: Test City

Postal Code:

Country: NO

Show 10 entries

Search

Project Roles for the Organisation

ROLE	FULL NAME	USERID	EMAIL
<input type="checkbox"/> Primary Coordinator Contact	Piret NOUKAS	noukapi	Piret.NOUKAS@ec.europa.eu
<input type="checkbox"/> Project Legal Signatory	Piret NOUKAS	noukapi	Piret.NOUKAS@ec.europa.eu
<input type="checkbox"/> Coordinator Contact	Francisco DE LA TORRE	ntofcisc	francisco.de-la-torre-francia@ec.europa.eu
<input type="checkbox"/> Coordinator Contact	Joaquin PEREZ ECHAGUE	perezjq	Joaquin.Perez-Echague@ec.europa.eu
<input type="checkbox"/> Coordinator Contact	Peter HAERTWICH	hartwpe	Peter.Haertwich@ec.europa.eu
<input type="checkbox"/> Coordinator Contact	Ulrich GENSCHEL	genscul	Ulrich.GENSCHEL@ec.europa.eu
<input type="checkbox"/> Coordinator Contact	Isabel VERGARA OGANDO	vergais	Isabel.VERGARA-OGANDO@ec.europa.eu
<input type="checkbox"/> Coordinator Contact	Maria Arrate OYARBIDE ORBE	oyarbma	Arrate.OYARBIDE@ec.europa.eu
<input type="checkbox"/> Coordinator Contact	Geert VANCRAEYNEST	vancrge	Geert.VANCRAEYNEST@ec.europa.eu
<input type="checkbox"/> Coordinator Contact	Attila BER CZIK	berczat	Attila.BERCZIK@ec.europa.eu

Showing 1 to 10 of 14 entries

← PREVIOUS 1 2 NEXT →

ADD ROLES

REVOKE



Organisation: NCP Test Company E **PIC:** 934187892

Street and House Number: Test Street 1

PoBox:

City: Test City

Postal Code:

Country: NO

Please choose the role and enter the person's name and contact details or select a person from the provided list.

Role : *

Coordinator Contact

- Coordinator Contact
- Project Legal Signatory
- Project Financial Signatory
- Task manager
- Team Member

First Name : *

Last Name : *

Email : *

* required field

OK

CANCEL

Where to find help?

H2020 ONLINE MANUAL

online guide divided by business processes. Provides full information on the process, reference documents

HOW TO **screens & step-by-step guidance on the tools, including videos**

FAQ database – **searchable by categories and keywords**

Terms of use

2.2.3 The means of access (i.e. the ECAS account user name and password) are strictly personal and users are responsible for safeguarding their confidentiality and security, and ensuring their appropriate use.

Users undertake to take all steps to prevent any unauthorised third party from gaining knowledge and making use thereof.

Users may not transfer or sell their means of access to any third party.

Users must notify the European Commission immediately (via the IT helpdesk under the ‘Support’ menu at <http://ec.europa.eu/research/participants/portal>) of the loss, theft, breach of confidentiality or any risk of misuse of the means of access.

The nomination process for LEARs – documents

- LEAR appointment letter:
http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/lev/h2020-lear-applet_en.doc
- LEAR role and tasks:
http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/lev/h2020-lear-roltas_en.doc
- Terms and conditions of use of the electronic exchange system:
http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/lev/h2020-lev-terms-of-use_en.pdf
- Declaration of consent to the terms and conditions of use:
http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/lev/h2020-lev-declaration-consent_en.doc



OPERATING GRANTS & MSCA

Louise BYRNE,
Belspo, H2020 Communication
Campaign, 06/03/18

COMMISSION DECISION: C(2017) 6855 FINAL

- *Operating grant → Institutional costs for Management and indirect costs reduced by 50%*
- *N/A for COFUND*

In case a beneficiary already receives an operating grant financed by the EU or Euratom budget in the same period, indirect costs are ineligible unless the beneficiary can demonstrate that the operating grant does not cover any costs of the action in question.

Financial Statement

Amount of institutional costs for Management and indirect costs not editable

Beneficiary must declare they have an operating grant "Yes/No" and the number of months covered

Conditions for full indirect costs

*Beneficiary must demonstrate that operating grant does not cover any of the costs of the action in question: additional questions in Financial Statement
→ Criteria to be met*

Criteria to be met

- the operating grant is a partial operating grant (i.e. does not cover your entire annual budget)
- you have used analytical accounting which allows for a cost accounting management with cost allocation keys and cost accounting codes
- you have recorded:
 - all costs incurred for the operating grant (i.e. personnel, general running costs and other operating costs linked to the work programme) and
 - all costs incurred for the action grants (including the indirect costs linked to the action)
- you have used allocation keys and cost accounting codes to identify and separate the recorded costs (i.e. to allocate them to either the action grant or the operating grant)
- you have done the allocation in a way that leads to a fair, objective, realistic result.



European
Commission

Thank you

Research
Executive
Agency



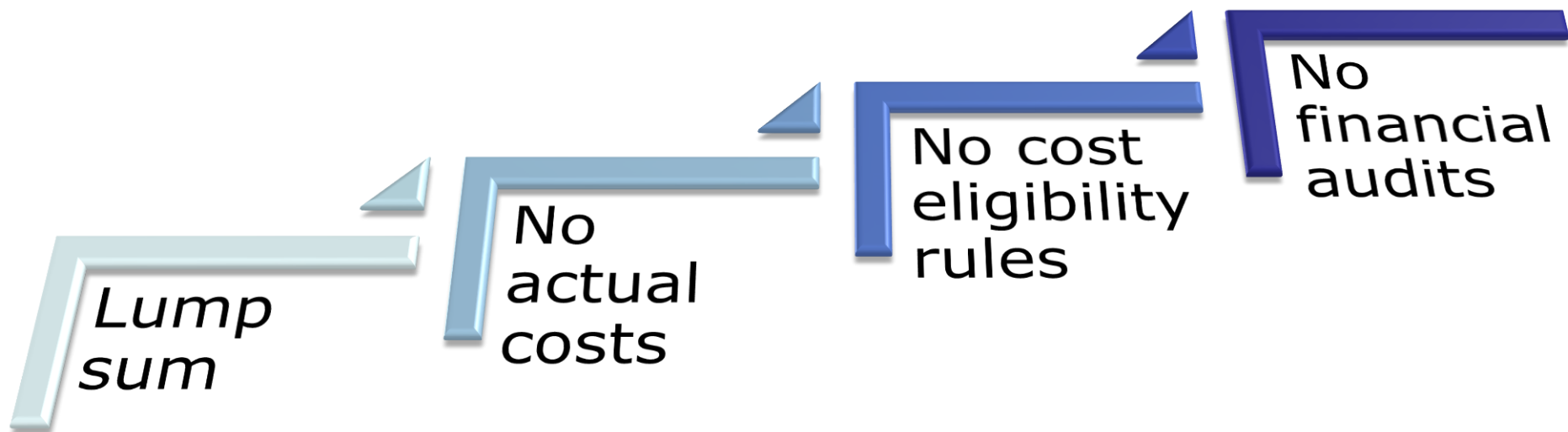
HORIZON 2020

Model Grant Agreement LUMP SUM PILOT

Lump sum grant: introduction

The grant agreement will set out the lump sum (EU funding) corresponding to the full accomplishment of the work committed in Annex 1.

The lump sum for the grant is set out at its signature, the costs actually incurred are not relevant.



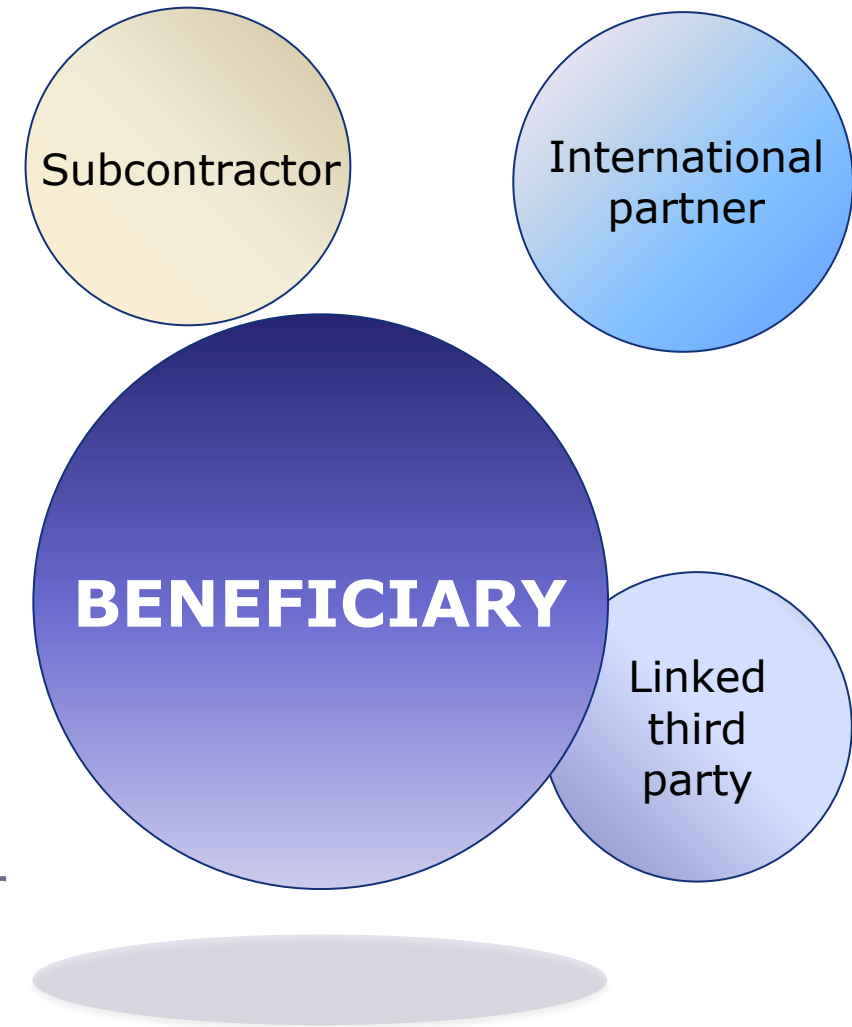
Lump sum grant: introduction (ii)

Costs actually incurred are not relevant.

Who does the work still is !

As in the General MGA:

- Linked third parties and international partners must be named in the grant agreement
- Annex 1 must detail the tasks to be:
 - ✓ Attributed to each linked third party
 - ✓ Attributed to each international partner
 - ✓ Subcontracted



Lump sum grant: two methods

Amount of the lump sum

**Fixed in the
Call**

**Per project
based on
the budget**

Lump sum grant: budget allocation

Annex 2

Lump sum = Maximum grant amount

Max. liability of the beneficiary after payment of balance

	WP1	WP2	WP3	WP4	WP5	WP6	WP7	WP8	Total
Beneficiary A	250.000			50.000	300.000	250.000		300.000	1.150.000
Beneficiary B		250.000	350.000	50.000			100.000	150.000	900.000
Beneficiary C	100.000	100.000		50.000		280.000			530.000
Beneficiary D		120.000		50.000			100.000	150.000	420.000
Total	350.000	470.000	350.000	200.000	300.000	530.000	200.000	600.000	3.000.000

Share of the lump sum per WP

Lump sum grant: how many work packages?

As many as needed but no more than what is manageable

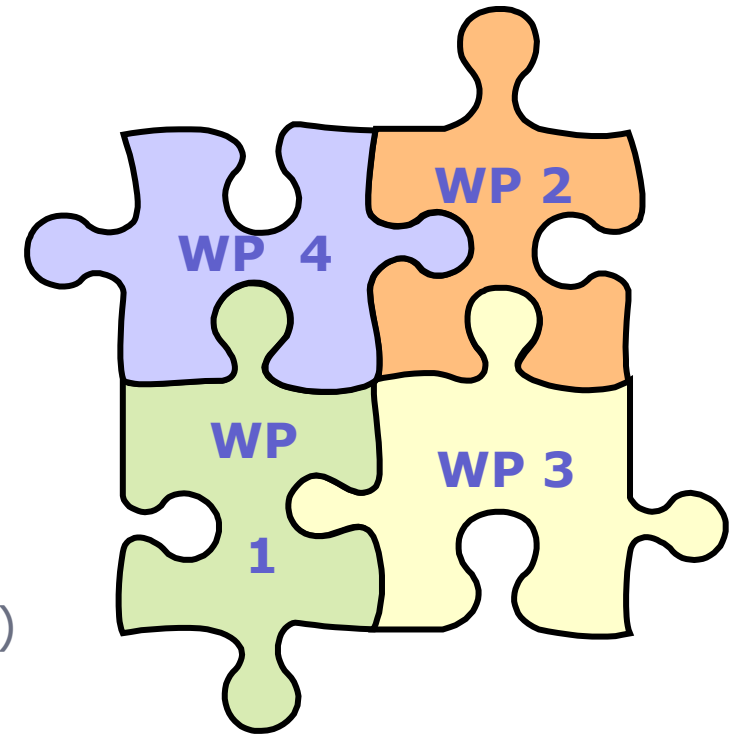
'Work package means a major sub-division of the proposed project.'

Horizon 2020 Proposal template

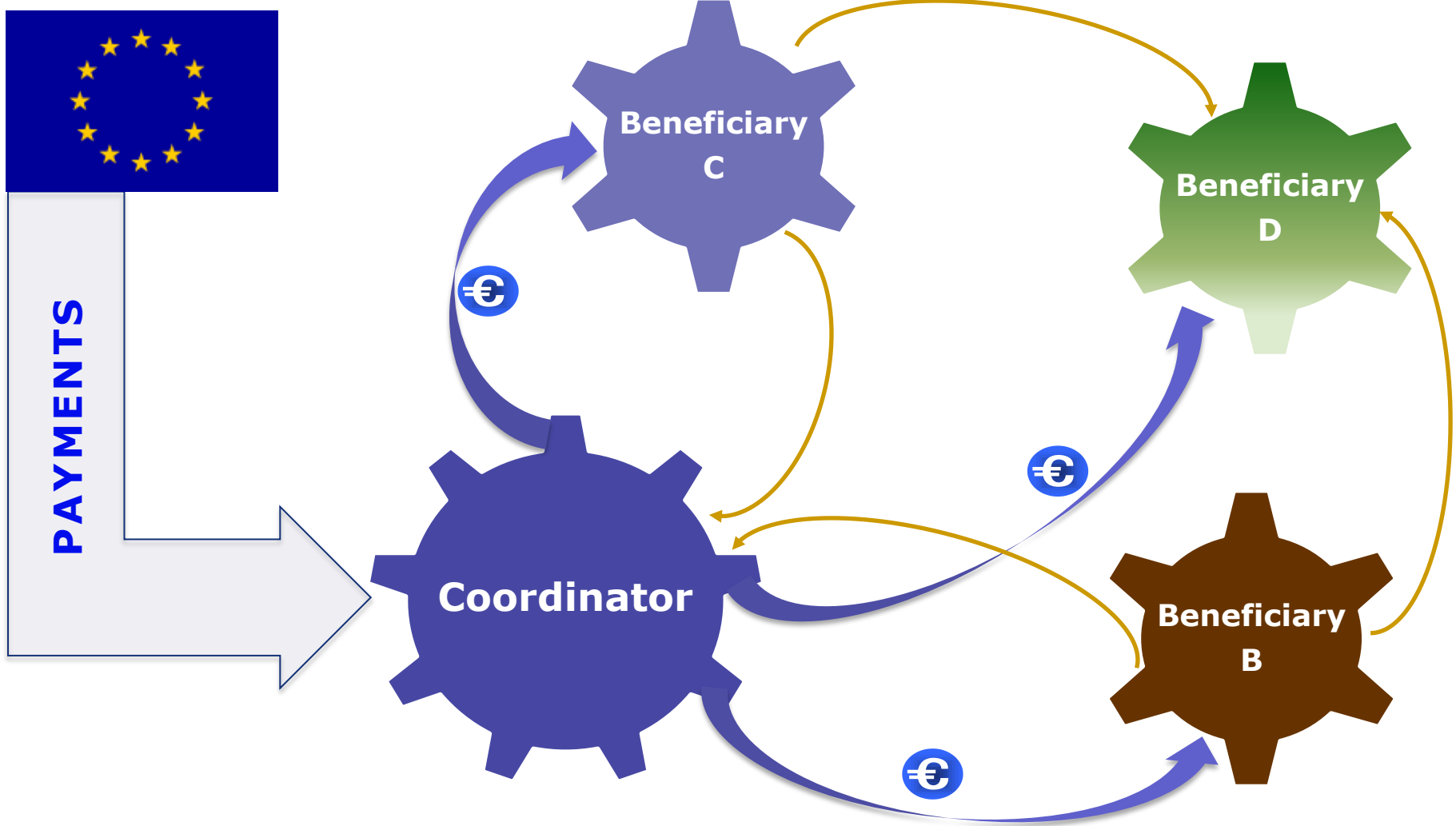
Therefore:

- ✘ A single activity is not a WP
- ✘ A single task is not a WP
- ✘ A % of progress of work is not a WP
(e.g. 50 % of the tests)
- ✘ A lapse of time is generally not a WP
(e.g. activities of year 1)

WP management may be an special case.



Lump sum grant: distribution of funds






Distribution of funds does not change financial liability of Annex 2



Lump sum grant: budget transfers

 All budget transfers require an amendment

	WP1	WP2	WP3	WP4	WP5	WP6	WP7	WP8	Total
Beneficiary A	250.000			50.000	300.000	250.000		300.000	1.150.000
Beneficiary B		250.000	350.000	50.000			100.000	150.000	900.000
Beneficiary C	100.000	100.000		50.000		280.000			530.000
Beneficiary D		120.000		50.000			100.000	150.000	420.000
Total	350.000	470.000	350.000	200.000	300.000	530.000	200.000	600.000	3.000.000



Transfer amounts between Work Packages only acceptable if:

- Work Packages **not** already completed (and declared)
- Justified by the technical and scientific implementation of the action
- A review confirms that it does not call into question the decision awarding the grant or breach the principle of equal treatment

Lump sum grant: types of payments



Pre-financing payment

- Same functioning that in the general MGA
- Coordinator distributes the amount according to consortium agreement



Interim payment(s)

- One or more
- Pay the shares of the lump sum set out in Annex 2 for the WPs completed & approved in the reporting period



Payment of the balance

- Closes the financial aspects of the grant
- Uncompleted WPs will (generally) NOT be paid
- Releases the guarantee fund

Lump sum grant: periodic report

Periodic report

⇒ Submitted by coordinator max. 60 days after end of the period

Periodic Technical Report

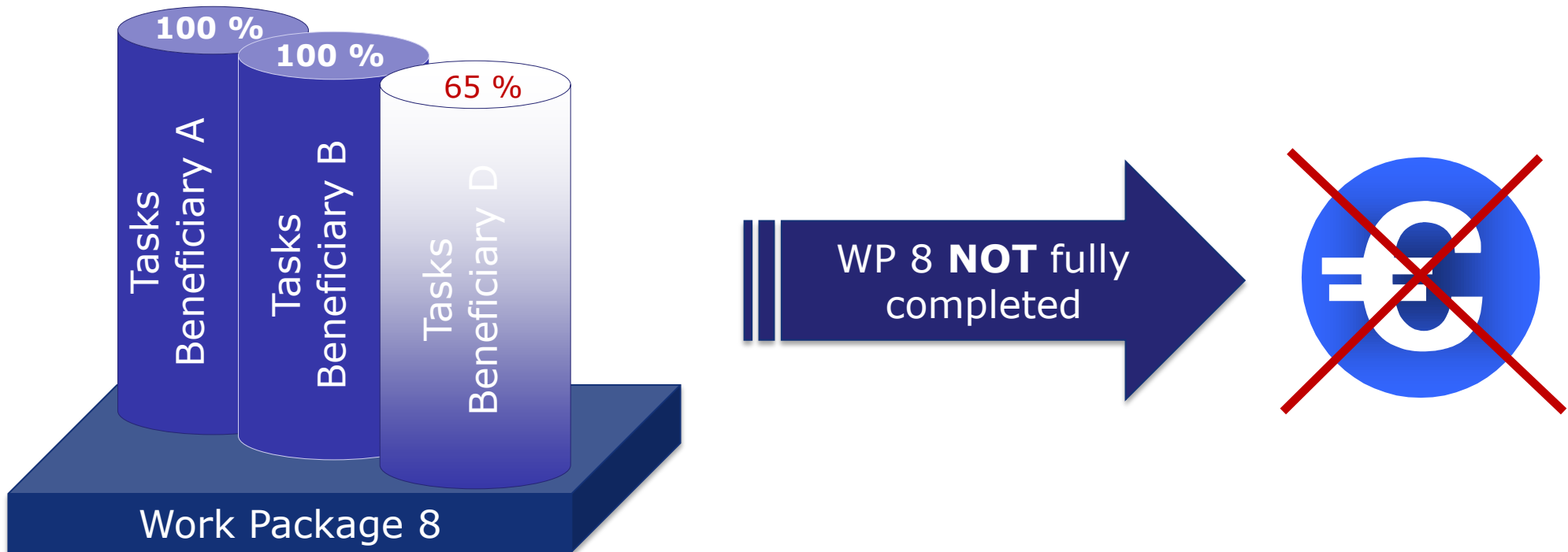
- ✓ explanation of the work carried out
- ✓ overview of progress of the work & plan for the exploitation dissemination of results
- ✓ summary for publication
- ✓ questionnaire

Periodic Financial Report

- ✓ financial statement (individual & summary): **no cost categories; only lump sum shares**
- ~~✓ use of the resources: **only to report subcontracts not in Annex 1**~~

Lump sum grant: interim financial reporting

Each beneficiary declares its share of the lump sum allocated to Work Packages **fully** completed in the reporting period



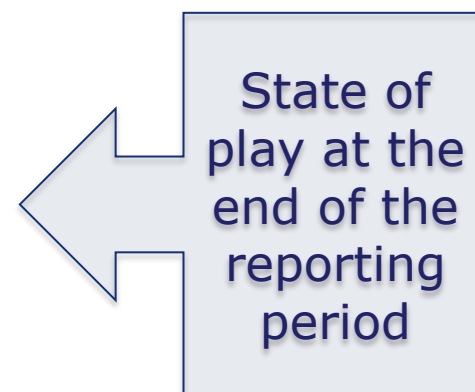
Lump sum grant: interim payment

Sum of the shares of the lump sum allocated to Work Packages fully completed in the reporting period

	WP1	WP2	WP3	WP4	WP5
Beneficiary A	250.000			50.000	300.000
Beneficiary B		250.000	350.000	50.000	
Beneficiary C	100.000	100.000		50.000	
Beneficiary D		120.000		50.000	
Total	350.000	470.000	350.000	200.000	300.000



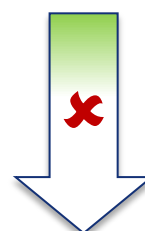
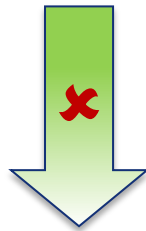
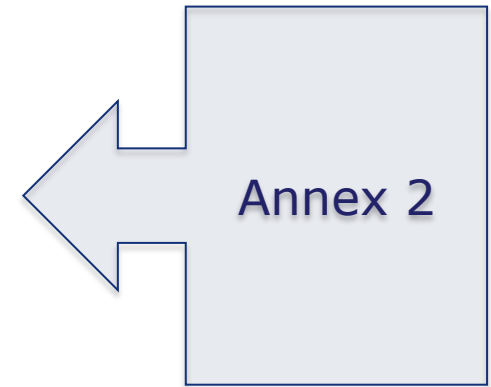
	WP1	WP2	WP3	WP4	WP5
Beneficiary A	Completed			Initiated	Initiated
Beneficiary B		Completed	Completed	Not initiated	
Beneficiary C	Completed	Not initiated		Not initiated	
Beneficiary D		Completed		Completed	



Lump sum grant: interim payment

Sum of the share of the lump sum allocated to Work Packages fully completed in the reporting period

	WP1	WP2	WP3	WP4	WP5
Beneficiary A	250.000			50.000	300.000
Beneficiary B		250.000	350.000	50.000	
Beneficiary C	100.000	100.000		50.000	
Beneficiary D		120.000		50.000	
Total	350.000	470.000	350.000	200.000	300.000



$$\text{Payment} = 350\ 000 + 0 + 350\ 000 + 0 = 700\ 000\ \text{€}$$



Limited to 90 % of the total grant

Lump sum grant: beneficiary termination

Participation of a beneficiary is terminated:

1. Contradictory procedure with the beneficiary about the shares of the lump sum approved by the Commission.

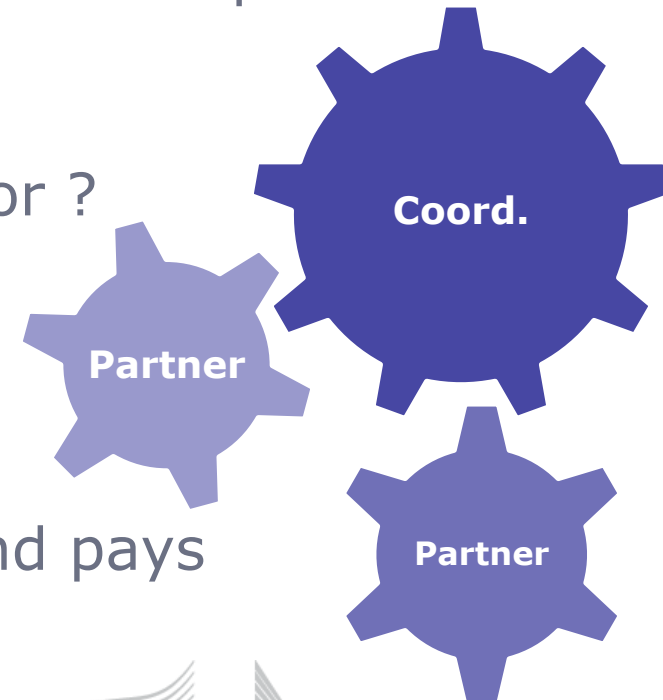
In general: only shares for WP in which it has completed its tasks may be approved.

2. Amount approved > payments from coordinator ?

If YES = coordinator pays the difference

If NOT = beneficiary repays to coordinator

If beneficiary does not repay \Rightarrow Guarantee fund pays

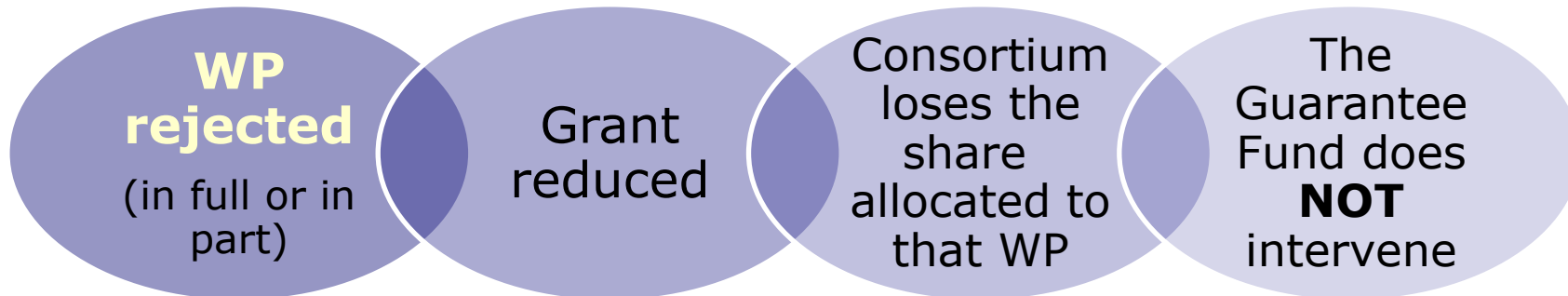


Lump sum grant: payment of the balance

All work completed as indicated in Annex 1:

The Commission pays the remaining amount up to the total lump sum (and releases the Guarantee Fund)

Some WP not completed as indicated in Annex 1:



WP rejected
(in full or in part)

Grant reduced

Consortium loses the share allocated to that WP

The Guarantee Fund does **NOT** intervene



As in General MGA, other reductions (e.g. for breach of obligations) may also apply

Lump sum grant: ex-post controls

Checks, reviews and audits for:



Proper implementation of the action (e.g. technical audit)



Compliance with the other obligations of the grant:



IPR obligations

Obligations related to third parties (e.g. financial support)

Other obligations (e.g. ethics, visibility of EU funding, etc.)



Bye, bye, financial audits

Lump sum grant: ex-post controls

You **need**



- Technical documents
- Publications, prototypes, deliverables
- Who did what?
- ...any document proving that the work was done as detailed in Annex 1

You **don't need**



- Time-sheets
- Pay-slips or contracts
- Depreciation policy
- Travel invoices
-actual costs



Already the case under the general MGA

Lump sum grant: recoveries

During the action

- Recovery only in case of termination of a beneficiary (if amount approved < amount received from the coordinator)

Payment of balance (PoB)

- Recovery if amount approved < payments already made (e.g. grant reduction due to WP not completed according to Annex 1)
- Excess will normally be recovered from beneficiaries whose amount approved < amount received from the coordinator

After PoB

- Following (e.g.) a technical audit
- Recovery only from defaulting beneficiaries
- Each partner liable up to the amount allocated to it in Annex 2



HORIZON 2020

**Thank you
for your attention!**

Find out more:

<http://ec.europa.eu/programmes/horizon2020/>