



# Financial Management

## *COFUND Beneficiaries Meeting*

**Jozsef MIKITA**  
**Project Adviser**

*Unit A4 - Marie Skłodowska-Curie  
COFUND, Researchers'  
Night and Individual  
Fellowships: Global*

Research  
Executive  
Agency

Brussels, October 26 2016

## **Content**

***The EU contribution & payment lifecycle***

***The unit cost***

***Financial reporting***



European  
Commission

# *The EU contribution & payment lifecycle*

Research  
Executive  
Agency





# Maximum EU Financial Contribution

## *Recorded in the Grant Agreement*

- Article 4.1. Estimated budget - set out in Annex 2.
- Article 5.1. Maximum grant amount = Max EU contribution
- Article 5.2 Form of grant, reimbursement rate and form of costs

The grant reimburses 50 % of the action's eligible costs (see Annex 2).

- Article 5.3. Final grant amount:

depends on the actual extent to which the action is implemented in accordance with the Agreement's terms and conditions.



# Eligibility of costs I.

*Based on unit costs – predefined in the MSCA WP,  
Commission Decision No C(2013)8194:*

Costs for researchers ('living allowance')

ESR: **3710 EUR** – 1855 EUR

ER: **5250 EUR** – 2625 EUR

Management costs: 650 EUR – **325 EUR**

Fixed amounts that must be multiplied by the number of months the recruited researchers spent on research training activities ('person-months'); they cannot be changed.

# Eligibility of costs II.

- ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS

## General conditions

- the units must be actually used or produced in the period set out in Article 3 (duration of the grant);
- the units must be necessary for implementing the action or produced by it, and the number of units must be identifiable and verifiable, in particular supported by records and documentation (see Article 18).

## Specific conditions

- type of programme; ESR/ER; selection procedure;
- total remuneration threshold: ESR - 2597 EUR; ER – 3675 EUR

## Example of Budget:

### Example (Fellowship programme – ER)

In this example, the amount proposed for [living allowance + mobility allowance] for ER complies with the minimum requirement:

**[€ 4800 + € 500 = € 5300] > € 3675**

As a reminder, required minimum amounts :

ER: € 3675

ESR: € 2597

Other cost items than the living allowance and the management costs must be funded through other resources (including ESIF funds)

Cost item	Total cost [€ per person-month]	EU contribution [€ per person-month]
Living allowance	4800	2625
Mobility allowance	500	
Research costs	500	
Management costs	600	225
Indirect costs	600	
Total	7000	2950

# Payments Lifecycle

## 1 Prefinancing

- Includes Guarantee Fund payment

1

## 1 or more Interim Payment(s)

- At time of periodic report(s)

2

## Payment of balance

- Includes return of the Guarantee Fund

3



# 1. Prefinancing

## *Article 21.2 of the Grant Agreement*

- Amount of pre-financing – 1 payment
- Payment date: within 30 days, either from the entry into force of the Agreement or from 10 days before the starting date of the action, whichever is the latest.
- Amount for the Guarantee fund: 5% of the maximum grant amount
- Amount for call 2015: 55%

*Prefinancing owned by EC until the payment of balance*



# Payment Lifecycle – example

*EU Contribution: €5,000,000*

*Duration: 60 months*

*→ 55%*

*Prefinancing amount: €2,750,000 (55% of maximum EU grant amount)*

***Of which***

*Guarantee fund amount: € 250,000 (5% of maximum grant amount)*

*Payment to beneficiary = €2,500,000*

## 2. Interim Payment

### *Article 21.3 of the Grant Agreement*

eligible costs incurred for the implementation of the action during the period.

Number of reporting periods: 2

RP1: from month 1 to X

RP2: from month X+1 to end of the project



# Interim Payment continued

- Payment amount: up to the ***accepted*** amount of cost claim
- Limit to 90% of the maximum grant amount
  - ie 10% of the maximum grant amount must be retained until end of grant
- Payment deadline: 90 days after receipt of full report.
  - 'stop-the-clock' for any missing/unclear information and any missing deliverables (Researcher declaration)



# Payment Lifecycle – example

*EU Contribution: €5,000,000; Duration: 60 months;  
Prefinancing: €2,750,000*

*60 months → 2 reporting periods*

*1<sup>st</sup> Reporting Period: months 1-24*

*2<sup>nd</sup> Reporting Period: months 25-end of project*

*90% of EU contribution: €4,500,000*

*Max payable = €4,500,000 – prefinancing amount  
= €1,750,000*



## Payment Lifecycle – example continued

*EU Contribution: €5,000,000; Duration: 60 months;  
Prefinancing: €2,750,000*

*Reporting Period 1: cost claim submitted for **€3,500,000**. All costs accepted.*

*Payment amount = €1,750,000*



## 3. Payment of balance

*Article 21.4 of the Grant Agreement:* the payment of the balance reimburses the remaining part of the eligible costs incurred by the beneficiary for the implementation of the action.

- Payment is subject to the approval of the final report.
- Reports required 60 days after the end of the grant
- Payment amount: calculated by the Agency by deducting the total amount of pre-financing and interim payments (if any) already made, from the final grant amount=accepted cost
- Includes return of the Guarantee Fund amount
- Payment deadline: 90 days after receipt of full report
- 'stop-the-clock' for any missing/unclear information and any missing deliverables (Researcher Declaration)

## Payment Lifecycle – example

*EU Contribution: €5,000,000; Duration: 60 months;  
Prefinancing: €2,750,000; Interim Payment: €1,750,000*

*RP2 accepted cost claim:*  
**€1,500,000**

- Payment of outstanding amount of €500,000
- Prefinancing "cleared"
- Return of guarantee fund to beneficiary

*RP2 accepted cost claim:*  
**€100,000**

- Amount paid (€4.5m) > accepted amount (€3,6m)
- Return of guarantee fund to REA (€ 0,5m)
- REA sends beneficiary an invoice for difference. Called a "Recovery Order" (€ 0,4m)



# *The unit cost*



# Unit cost I.

Unit costs as referred to in point (b) of Article 123(1) of the *Financial Regulation* shall cover all or certain specific categories of eligible costs which are clearly identified in advance by reference to an amount per unit.

## Unit cost II.

- EU contribution = unit cost per fellow-year
- Fixed amount
  - Commission Decision C(2013) 8194

### A. **Costs for researchers:**

a monthly living allowance to cover the employment or fixed-amount fellowship (with social security coverage, including compulsory deductions under national law (i.e. gross amount)).)

## Unit cost III.

**B.** Management costs (i.e. direct costs of managing the action). The management costs should be shared with partner organisations which incurred management costs for secondments or for the implementation of programmes

Other costs (*such as mobility and family allowances, research, training and networking costs, indirect costs*) are not eligible under the grant; they may be funded through other EU funding programmes (non H2020).



European  
Commission

# *Financial reporting*



Research  
Executive  
Agency

# Electronic only

- individual financial statements (Annex 4 to the GA) for each beneficiary
- No paper copies required by REA
- Declaration of cost: beneficiary indicates the number of implemented person-months (for researchers recruited under the action) and the costs are automatically calculated by the IT-system.



European

[print format A4](#)

## MODEL ANNEX 4 FOR H2020 MSC-COFUND — MONO

### FINANCIAL STATEMENT FOR BENEFICIARY [name] FOR REPORTING PERIOD [reporting period]

			Form of costs <sup>2</sup>		Unit		Unit		Total costs	Reimbursement rate %	Maximum EU contribution	Requested EU contribution
Number of units (person-months)	A.1 Costs for researchers in programmes implemented by the beneficiary	A.2 Costs of providing financial support to costs for researchers in programmes implemented by a partner organisation	Costs per unit	Total a <sup>3</sup>	Costs per unit	Total b <sup>3</sup>	c = a+b	d				
Employment												
Fixed amount fellowship												

Checkbox for researchers recruited under an employment contract:	I confirm that the total remuneration costs for each researcher per month are equal to or higher than EUR <sup>4</sup>
Checkbox for researchers recruited under a fixed-amount fellowship agreement	I confirm that the total costs of each fixed-amount fellowship per month are equal to or higher than EUR <sup>5</sup>

The beneficiary hereby confirms that:  
 The information provided is complete, reliable and true.  
 The costs declared are eligible (see Article 6).  
 The costs can be substantiated by adequate records and supporting documentation that will be produced upon request or in the context of checks, reviews, audits and investigations (see Articles 17, 18 and 22).

<sup>①</sup> Please declare all your person-months, even if you exceed the estimated budget (see Annex 2). Only person-months that were declared in your individual financial statements can be taken into account later on, in order to replace other costs that are found to be ineligible.

<sup>1</sup> See Article 6 for the eligibility conditions

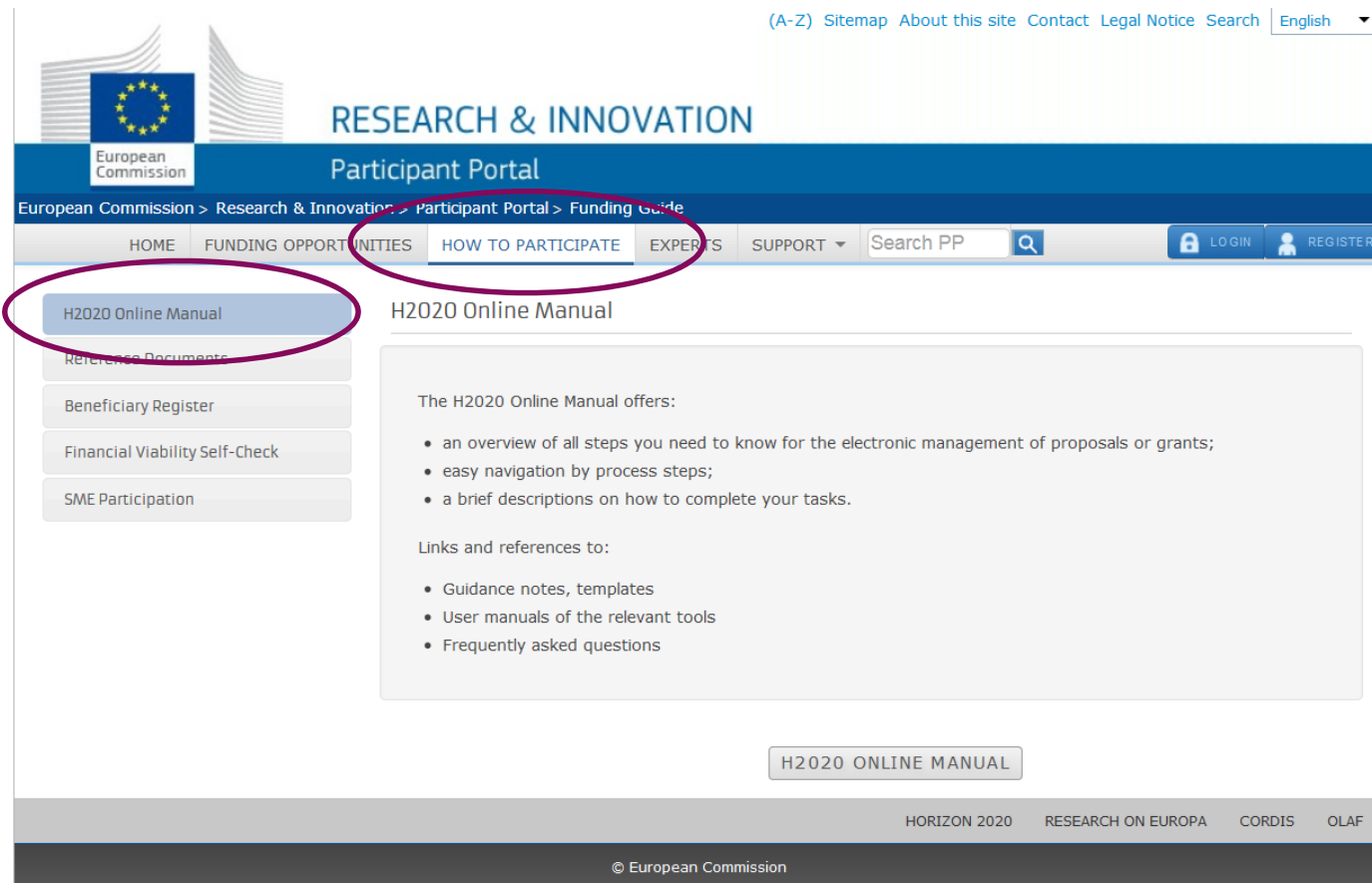
<sup>2</sup> See Article 5 for the forms of costs

<sup>3</sup> Total = Costs per unit x Number of units (person-months)

<sup>4</sup> DP: 2597,00; FP: 3675,00

<sup>5</sup> DP: 1290,50; FP: 1837,50

# H2020 Online Manual



The screenshot shows the H2020 Online Manual page on the European Commission Participant Portal. The page is titled "RESEARCH & INNOVATION Participant Portal". The breadcrumb trail is "European Commission > Research & Innovation > Participant Portal > Funding Guide". The navigation menu includes "HOME", "FUNDING OPPORTUNITIES", "HOW TO PARTICIPATE", "EXPERTS", and "SUPPORT". The "HOW TO PARTICIPATE" menu item is circled in red. Below the navigation menu, the "H2020 Online Manual" link is also circled in red. The main content area is titled "H2020 Online Manual" and contains the following text:

The H2020 Online Manual offers:

- an overview of all steps you need to know for the electronic management of proposals or grants;
- easy navigation by process steps;
- a brief descriptions on how to complete your tasks.

Links and references to:

- Guidance notes, templates
- User manuals of the relevant tools
- Frequently asked questions

At the bottom of the page, there is a button labeled "H2020 ONLINE MANUAL". The footer includes the text "© European Commission" and a list of links: "HORIZON 2020", "RESEARCH ON EUROPA", "CORDIS", and "OLAF".



## H2020 Online Manual

### My Area - User account & roles

- › Login with ECAS
- › Roles & access rights
- › Terms and Conditions of Use

### Grants

#### Applying for funding

- Find a call
  - › Horizon 2020 structure and budget
  - › What you need to know about Horizon 2020 calls
- › Find partners or apply as individual
- Register in the Beneficiary Register
  - › Registration of your organisation
  - › LEAR appointment
  - › Validation of potential beneficiaries
  - › Financial viability check
  - › Data update
  - › Certifications

#### Submit a proposal

- › Get prepared
- › Electronic proposal submission

#### From evaluation to grant signature

- › Eligibility check
- › Evaluation of proposals

My Area - User account & roles

## Grants

### Applying for funding

Find a call

Find partners

Register an organisation

Submit a proposal

### Evaluation & Grant signature

Eligibility check

Evaluation of proposals

Grant preparation

Grant signature

### Grant management

Keeping records

Amendments

Reports & payment requests

Deliverables

Dissemination & exploitation

Communication

Checks, audits, reviews & investigations

## Working as an expert

Expert registration

Contracting & payment

Expert roles & tasks

## Cross-cutting issues

International cooperation

Ethics

Gender

SMEs

Intellectual property

Links to regional policy

Social Sciences & Humanities

Innovation procurement



# H2020 Online Manual

*Guidance by business process – reporting, amendments ...*

*Links to the relevant articles of the annotated grant agreement (general MGA)*

*Is a work in progress – will be updated soon and refreshed regularly.*



# MARIE SKŁODOWSKA-CURIE ACTIONS

Boosting research careers

## Questions?

Research  
Executive  
Agency