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for Research and Innovation

HORIZON 2020



H2020 Programme

Indicative Audit Programme

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A. DIRECT PERSONNEL COSTS

General Procedures

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GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2	Certified methodology	1	<p>If the Beneficiary has a certified methodology for claiming personnel costs:</p> <p>a) Verify that the costs have been declared using the certified methodology.</p> <p>b) Verify that the Beneficiary did not conceal information when presenting the methodology for certification.</p> <p>If the certified methodology has not been applied or if the Beneficiary concealed information to the EC / AGENCY / JU for its approval, report the incompliances or the concealed information and report the eligible costs based on actual costs without proposing an adjustment.</p>	
Art. 6.1.(i)	They must be actually incurred by the Beneficiary	2	Obtain from the beneficiary the detailed breakdown of personnel costs included in the financial statements per reporting period, with reference to the financial/ fiscal year used in the computations. Reconcile the breakdown with the claimed costs.	
Art. 6.1.(i)		3	<p>Select for testing a sample of persons based on the following method:</p> <p>1) If the total personnel costs declared are below the planning materiality level (5% of total costs declared) select for testing only the person with the highest amount declared.</p> <p>2) If the total personnel costs declared are above the planning materiality level (5% of total costs declared) select for testing all the items with a value higher or equal to 10% of the costs declared for personnel costs and add randomly selected persons until you reach either 50% coverage of the personnel costs or a maximum number of 15 persons. A minimum of 5 persons must be selected unless the population is less than 5.</p>	ERC
Art. 6.1.(i)		4	<p>a) Obtain the supporting documentation (payrolls, payslips, bank statements, contracts, time records (timesheets), accounting records, usual accounting practices, usual cost accounting practices, usual remuneration practices, etc.) to be able to verify the personnel costs.</p> <p>b) Obtain from the Beneficiary details related to the basic remuneration, mandatory complements, variable complements, additional remuneration included in the computations. The detail should include type of personnel costs, name, duration of the contract, position of the person, information about method and productive hours used.</p>	

(*) When indicated in this column, the general procedure to be performed is not applicable and specific audit procedures are required. See further sections SME-Phase 2, ERC, ERA-NET Cofund and Marie Skłodowska-Curie

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Art. 6.1.(i)		5	Depending on which type of personnel is included in the selected persons, perform the relevant procedures from the sections A.1 to A.6, as well as for "Time Recording" and "Specific cases" If systematic errors are identified request the Beneficiary to recalculate the declared costs for the action by removing the effect of the systematic errors for the whole population. Verify the accuracy and reliability of the recalculation performed by the Beneficiary.	
Art. 20.6	Currency for financial statements and conversion into euro	6	For beneficiaries with accounting established in other currency than the euro, verify that the amounts have been converted into euro using the rate in accordance with Art.20.6.	
Art. 6.1 (ii)	They must be incurred in the period set out in Article 3, with the exception of costs relating to the submission of the periodic report for the last reporting period and the final report (<i>see Article 20</i>); Double ceiling – Beneficiaries must ensure that: - the total number of hours worked declared in EU and Euratom grants for a person for a year is NOT higher than the number of annual productive hours used for the calculation of the hourly rate; - the total amount of personnel costs declared (for reimbursement as actual costs) in EU and Euratom grants for a person for a year is NOT higher than the total personnel costs recorded in the beneficiary's accounts (for that person for that year).	7	a) Reconcile the hours declared for the action with the provided time records (time-sheets or declaration for exclusive work). b) Verify that that the hours recorded in the time records do not include hours during the suspension of the implementation of the action or outside the duration of the action. c) If hours are declared outside the duration of the action verify that they relate to the submission of the periodic report for the last reporting period and the final report. d) Verify that the total number of hours declared in EU and Euratom grants for a person for a year is NOT higher than the number of annual productive hours used for the calculation of the hourly rate. e) Verify that the total amount of personnel cost declared in EU and Euratom grants for a person for a year is not higher than the total personnel cost recorded in the beneficiary's accounts for that person for that year. f) Verify that all the persons selected for testing have been paid by tracing to supporting documents for a sample of months.	
Art. 6.1 (iv)	They must be incurred in connection with the action as described in Annex 1 and necessary for its implementation;	8	Select for testing a sample of at least 5 persons from the persons selected for testing and review the CV, job profile, internet sources (e.g.: LinkedIn, etc.), scientific reporting and perform interviews in order to verify that: 1) they have the necessary qualifications for the performance of the tasks attributed to them in the context of the H2020 action and 2) verify their involvement in the action. (e.g.: Ask them to describe their part in the project and the work performed, etc.).	

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Art 6.1 (v)	They must be identifiable and verifiable, in particular recorded in the beneficiary's accounts in accordance with the accounting standards applicable in the country where the beneficiary is established and with the beneficiary's usual cost accounting practices;	9	<p>a) Verify if in accordance with the national accounting law the Beneficiary has the obligation to have its annual statutory accounts certified by an independent auditor.</p> <p>- If yes: Request the statutory auditor's report for the years covering the duration of the audited period or if the latter is not yet available, for the last 3 years for which a report is available. Verify if the auditor's report is qualified for reasons affecting the personnel costs. If the auditor's report on the Beneficiary's statutory annual accounts is not qualified for the personnel costs the costs are deemed to have been recorded in accordance with the accounting standards applicable in the country where the Beneficiary is established.</p> <p>- If no: Review the accounting records of the beneficiary and verify that the personnel costs declared in the financial statements were recorded in accordance with the accounting standards applicable in the country where the beneficiary is established.</p>	
Art 6.1 (v)		10	<p>Review the accounting records of the beneficiary and verify that the personnel costs declared in the financial statements were recorded:</p> <p>1) in the beneficiary's statutory accounting accounts and derive from the payroll system;</p> <p>2) in accordance with the beneficiary's usual cost accounting practices;</p> <p>3) Reconcile the project cost accounting with the General Ledger (GL) /analytical accounting books.</p>	
Art. 6.1 (v)		11	<p>Review the accounting records of the beneficiary and verify that:</p> <p>a) There are no corrections to the recorded personnel costs (netting off, credit entry, cancellation) which have not been taken into consideration by the Beneficiary when preparing the financial statements for the H2020 action. Special attention should be paid to costs which may be reimbursed under some circumstances by the social security: maternity leave, long duration illness etc. Periods of special leave, illness, maternity leave, etc. in the time recording or involvement in other projects if not working fully for the action increase the risk that there are amounts received from other sources to cover part of the salary.</p> <p>b) The personnel costs have not been reinvoiced by the beneficiary to another legal entity.</p> <p>c) In addition to accounting records review the contracts or equivalent and verify that the persons have not been funded by other sources (other grants and contracts funded by the EU budget, national funding, etc.).</p>	

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Art. 6.5 (b)		12	Obtain information from the Beneficiary whether the audited entity participates in other EU programmes, in particular Structural Funds, Social Fund, etc. and obtain a list of the other EU actions/projects running during the audited period. Obtain for 5 other actions/projects the list of persons declared under personnel costs. Verify that none of persons selected for testing are included in the cost claims of the 5 other projects/actions.	
Art. 6.1 (vi)	They must comply with the applicable national law on taxes, labour and social security	13	<p>a) Verify if in accordance with the national accounting law the Beneficiary has the obligation to have its annual statutory accounts certified by an independent auditor.</p> <p>- If yes: Request the statutory auditor's report for the years covering the duration of the audited period or if the latter is not yet available - for the last 3 years for which a report is available. Verify if the auditor's report is qualified for reasons affecting the personnel costs. If the auditor's report on the Beneficiary's statutory annual accounts is not qualified for the personnel costs the costs are deemed to comply with the applicable national law on taxes, labour and social security.</p> <p>- If no: Review collective labour agreement, employment contracts (or equivalent appointing acts), payslips and verify if they comply with applicable national law on taxes, labour and social security, government acts or directives.</p>	
Art. 6.1 (vi)		14	Verify that the Beneficiary's name appears as the 'employer' in the employment contract or the equivalent appointing act. For seconded employees the 'employer' will be the entity which provided the seconded staff.	
Art. 6.2	They must not include any indirect costs	15	Review the personnel cost components included in the hourly rate and verify that no indirect costs are included. The beneficiary may not use estimations or key driver to apportion costs of indirect nature, as direct costs to the project. Only costs directly attributable to the action should be declared.	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art 6.1.	Article 6.1.(a), (iv), (vii); Art.35.1; Art. 6.5 (b); Art. 6.5 (a)(x).	16	Confirm that the Beneficiary signed a representation letter stating that the costs charged to the action are: a) incurred in connection with the action as described in Annex 1; b) necessary for the implementation of the action; c) reasonable and justified; d) comply with the principle of sound financial management, in particular regarding economy and efficiency; e) costs are incurred in absence of conflict of interest; f) did not contain any costs declared under another EU or EURATOM grant g) costs incurred during suspension of the implementation of the action.	
Art. 6.1.	c) reasonable and justified	17	Crosscheck the information included in the documents related to the implementation of the action (Annex I, minutes of project meetings, management reports, scientific reports) and inquiries of management with the extent and timing of the hours declared for the action in order to verify their reasonability.	
Art. 6.3	Costs incurred by linked third parties are eligible if they fulfil - mutatis mutandis - the general specific conditions for eligibility set out in Art. 6.1 and Art. 6.2 and Art. 14.1.1 (on linked third parties)	18	Verify that the costs incurred by linked third parties fulfil - mutatis mutandis - the general specific conditions for eligibility set out in Art. 6.1 and Art. 6.2	
Art. 6.3		19	a) Verify that the third parties, for whom costs were incurred and claimed, are included in the GA including amendments. b) Verify that their participation in the action has not been terminated.	
Art. 6.4	In-kind contributions provided free of charge are eligible direct costs (for the beneficiary [or linked third party]), if the costs incurred by the third party fulfil – mutatis mutandis – the general and specific conditions for eligibility set out in this Article (Article 6.1 and 6.2) and Article 12.1.	20	a) Verify that the seconded staff free of charge fulfil – mutatis mutandis – the general conditions and specific conditions for costs to be eligible (see Article 6.1 and 6.2)	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.4		21	<p>a) Verify that the seconded staff free of charge fulfils the additional eligibility conditions set out in Article 12.1.:</p> <p>a) Verify that the Third Parties and their contributions were foreseen in Annex 1 or approved by the EC / AGENCY / JU.</p> <p>b) Verify that the beneficiaries limited the costs declared for in-kind contributions free of charge up to the costs incurred by the third parties for the seconded persons, corresponding to the time the person has worked for the action. Obtain the supporting documents that demonstrate the actual cost borne by the Third Party (e.g.: payslips, accounting entries, etc.). Please note that if the seconded person is working in the premises of the third party the direct costs actually incurred by the third party may be increased by a flat rate of 25% on these costs. Refer also to section Specific cases - Costs related to public officials.</p>	
Art. 6.5.(a).(i)	<p>Ineligible costs (other than those not meeting the general and specific criteria):</p> <ul style="list-style-type: none"> - costs related to return on capital 	22	Identify items related to return on capital (e.g. dividends, equity shares, etc.) included in the costs claimed. However, complements based on overall financial performance of the organisation (e.g. profitability or surplus) may be accepted as variable complements, if they fulfil the conditions of eligibility in Art.6.1 and Art. 6.2.	ERA-NET Cof.
Art. 6.5.(a).(ii)	- debt and debt service charges	23	Identify items related to debt and debt service charges (e.g. loans on principal and/or interest, over a period of time) included in the costs claimed.	
Art. 6.5.(a).(ii i)	- provision for future losses or debts	24	Identify provisions for future losses or debts included in the claimed remuneration components, for example redundancy payments.	
Art. 6.5.(a).(i v)	- interest owed	25	Identify items related to interest payments on borrowed capital in the costs claimed.	
Art. 6.5.(a).(v)	- excessive expenditure	26	Compare the hourly rate of each person included in the sample with the average hourly rates of personnel performing similar tasks and responsibilities or with the applicable SME owner unit cost rate. Consider if the costs declared are excessive by applying professional judgement. Calculate the resulting hourly rate for comparison purposes in case the employee signs a 'declaration on exclusive work for the action'.	

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Art. 6.5.(a).(v)	- reckless expenditure	27	Compare the hourly rate of each person included in the sample with the average hourly rates of personnel performing similar tasks and responsibilities or with the applicable SME owner unit cost rate. Consider if the costs declared are reckless by applying professional judgement. Calculate the resulting hourly rate for comparison purposes in case the employee signs a 'declaration on exclusive work for the action'.	
Art. 6.5.(a).(v i)	- currency exchange losses	28	Identify any currency exchange losses included in the costs claimed.	
Art. 6.5.(a).(v ii)	- bank costs	29	Identify any bank costs included in the costs claimed.	
Art. 6.5.(a).(v iii)	- deductible VAT	30	Identify any deductible VAT included in the costs claimed.	
Art. 6.5.(a).(x)	- costs incurred during suspension of the implementation of the action (according to Art. 49)	31	Identify any claimed costs during the project suspension periods.	
Art. 6.5.(b)	- costs declared under another EU or Euratom grant, in particular indirect costs if the beneficiary is already receiving an operating grant financed by the EU or Euratom budget in the same period.	32	In the Beneficiary receives an operating grant financed by the EU or Euratom budget in the same period as the action, verify that no indirect costs are claimed on the personnel costs for the financial years covered by the operating grant.	
Art. 18.1	The Beneficiaries must keep the original documents. Digital and digitalised documents are considered originals if they are authorised by the applicable national law.	33	If the Beneficiary has presented digital or digitalised accounting documents confirm that they are authorised by the applicable national law.	

Time Recording

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 18.1	<p>For persons who do NOT work exclusively for the action, the beneficiaries must: show the actual hours worked, with reliable time records (i.e. time-sheets) either on paper or in a computer-based time recording system. Time records must be dated and signed at least monthly by the person working for the action and his/her supervisor. If the time-recording system is computer-based, the signatures may be electronic (i.e. linking the electronic identity data (e.g. a password and user name) to the electronic validation data, with a documented and secure process for managing user rights and an auditable log of all electronic transactions).</p> <p>ONLY costs for personnel assigned to the action (i.e. working for the action according to internal written instructions, organisation chart or other documented management decision) can be eligible. Reliable time records will normally be sufficient proof of the assignment to the action – unless there is other contradicting evidence (e.g. the employment contract indicates that the person was hired to work on another project)</p>	34	<p>a) Obtain the time records of the Beneficiary for the persons working for the H2020 action. Obtain an understanding of the time recording procedures of the Beneficiary. Review internal guidelines, review the system and perform interviews.</p> <p>b) If the time-recording system is computer-based verify that: 1) electronic signatures linking the electronic identity data with the electronic validation data require a password and a user name; 2) there is a documented and secure process for managing user rights and 3) an auditable log of all electronic transactions.</p> <p>In case of contradicting evidence which shows that the personnel might not be assigned exclusively to the action, follow procedure 37.</p>	
Art. 18	<p>Time records should include, as minimum:</p> <ul style="list-style-type: none"> - the title and number of the action, as specified in the GA; - the beneficiary's full name, as specified in the GA; - the full name, date and signature of the person working for the action; - the number of hours worked for the action in the period covered by the time record; - the supervisor's full name and signature; - a reference to the action tasks or work package described in Annex 1, to which the person has contributed by the reported working hours. <p>Information included in timesheets must match records of annual leave, sick leave, other leaves and work-related travel.</p>	35	<p>a) Verify that the provided time records, including electronic time records, include the minimum requirements: 1) the title and number of the action, as specified in the GA; 2) the beneficiary's full name, as specified in the GA; 3) the full name, date and signature of the person working for the action; 4) the number of hours worked for the action in the period covered by the time record, with at least month level granularity; 5) the supervisor's full name and signature; 6) a reference to the action tasks or work package described in Annex 1;</p> <p>b) Verify that the information included in the time records match records of the taken annual holidays, statutory holiday, sick leave, other leaves, and work-related travel.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 18	<p>For persons who work exclusively for the action (regardless if they are full-time or part-time employees), the beneficiary may:</p> <ul style="list-style-type: none"> - sign a 'declaration on exclusive work for the action' (one per reporting period), to confirm that the person worked exclusively for the action, either: - during the whole reporting period or - during a an uninterrupted time-period, covering at least a full natural month within the reporting period. <p>The declaration must be dated and countersigned for acceptance by the person concerned and his/her supervisor.</p> <p>'Exclusive work' means that the person carried out NO OTHER activities for the beneficiary than those of the action.</p>	36	<p>For persons who work exclusively for the action, if they submit a declaration:</p> <ul style="list-style-type: none"> a) Verify that is signed by the person who worked exclusively for the action. Only one declaration per reporting period can be accepted. b) Verify that the declaration is dated and countersigned for acceptance by the person concerned. c) Verify that the period covered by the declaration represents an uninterrupted time-period of at least a full calendar month within the reporting period. Intermittent (i.e. sporadic or random) periods of 'exclusive' dedication can NOT be subject of a declaration. If a person worked randomly for the action after an uninterrupted time-period covered by a declaration, time records for the period of random work should be available. If a person worked under different regimes during the reporting period (exclusive and non-exclusive), the declaration may be used ONLY for a period of exclusive work. The other months must be recorded with time-sheets. If there were several periods of exclusive work during one reporting period, the beneficiary may choose to use the declaration for the longest one (and use monthly time-sheets for the others). d) Review the CV and information found in the internet including the beneficiary website to identify if there are any contradictions with the declaration of exclusive work for the action. e) Cross check the declaration with the information included in the scientific reports. 	

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Art. 18	<p>If time records are not reliable, the Commission / Agency may exceptionally accept 'alternative evidence' if it proves the number of hours worked on the action with a similar (or at least satisfactory) level of assurance (assessed against generally-accepted audit standards). Examples of possible alternative evidence (non-exhaustive list): travel documents proving participation in a project meeting (boarding pass, obliterated travel ticket, hotel invoice, etc.); agenda and minutes of the meeting; attendance lists; working papers; computer and laboratory log books; professional/personal diaries; documents related to presentations; scientific publications; correspondence such as letters, notes, memos, emails; etc. The auditors will use the following three criteria to assess how credible the alternative evidence is:</p> <ol style="list-style-type: none"> 1. Clear identification of the person concerned 2. Clear link to the project under scrutiny 3. Possibility to quantify time spent on project-related tasks. Alternative evidence will only be accepted if these three criteria are met. 	37	<p>Request the Beneficiary to provide alternative evidence for the persons for whom there is no time records (or self-declaration) or there is contradicting information on timesheets.</p> <p>Draw the attention of the Beneficiary that the alternative evidence provided will be verified against the 3 criteria:</p> <ol style="list-style-type: none"> 1. Clear identification of the person concerned 2. Clear link to the project under scrutiny 3. Possibility to quantify time spent on project-related tasks. Alternative evidence will only be accepted if these three criteria are met. <p>Highlight the necessity that for each piece of alternative evidence the time spent on the project should be quantified.</p> <p>Review the alternative evidence received and verify for each piece of alternative evidence if all the 3 criteria are fulfilled.</p> <p>Verify that there is no contradiction between the pieces of evidence provided or overall.</p>	

Specific Cases

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.1	<p>Personnel costs for ERA chairs — Are eligible even if the salary is above national salaries, provided that it does not go beyond normal EU/international salaries for similar positions (since the ERA chairs aim to incentivise international mobility for internationally outstanding researchers and research managers. When the level of remuneration of the ERA Chair is indicated in Annex 1, this will be duly taken into account in case of check, audits or reviews</p>	38	<p>In case the Beneficiary claims personnel costs for ERA Chairs, determine whether the level of remuneration is indicated in Annex 1.</p> <p>If it is, identify possible differences between the salary claimed with the one indicated in Annex.</p> <p>If it is not, ask the Beneficiary to demonstrate that the salary does not go beyond that of EU/international salaries for similar positions.</p> <p>Check the evidence provided in order to support the salaries for similar position for the same seniority and level of technical/scientific skills required for the relevant job category.</p>	
Art.6. 2.A.1	<p>Teleworking - Remuneration costs of employees (or equivalent) not working on the premises of the beneficiary (i.e. teleworking) may be accepted as eligible if it is the beneficiary's usual practice (i.e. if clear rules are available). The system in place must make it possible to both identify and record the hours worked for the action.</p>	39	<p>a) Determine if authorizing teleworking (not working on the premises) is the usual practice of the Beneficiary. Review the internal guidelines and procedures of the Beneficiary for personnel and observe if not working on the premises is regulated in these documents. Certain research work requires employees to work off the premises of the employer at a research site. This is not considered teleworking but a usual work activity. Take this into account and corroborate information from time records, reports/results from work done, research logs etc.</p> <p>b) Assess if the internal guidelines and procedures of the Beneficiary for personnel have been set up based on objective criteria regardless of the source of funding.</p> <p>c) Review the time recording system in place and verify if it allows both identifying and recording the hours worked for the action for persons teleworking (not working on the premises) of the Beneficiary.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art.6.2.A.1	<p>Benefits in kind - Costs of benefits in-kind provided by the beneficiary to its personnel (e.g. costs of a company car made available to certain categories of employees for their own use) or of quasi-financial benefits (e.g. costs of lunch vouchers) may be accepted as eligible if they are justified and registered as personnel costs in conformity with the beneficiary's usual remuneration practices. Like all costs, they must fulfil the eligibility conditions set out in Article 6.</p>	40	<p>a) Review the components of the remuneration and identify benefits in-kind (company car, lunch vouchers, other coupons with purchasing power, subscriptions for sport centres, etc.).</p> <p>b) Verify if they are registered in the Beneficiary's accounts.</p> <p>c) Verify if they are justified in accordance with the usual Beneficiary's remuneration practices.</p> <p>d) Assess if the usual remuneration practices of the Beneficiary for personnel have been set up based on objective criteria regardless of the source of funding.</p> <p>e) Verify that the eligibility conditions of Article 6 are being fulfilled.</p>	
Art.6.2.A.1	<p>Recruitment costs - Recruitment costs are generally not eligible as direct personnel costs, because the beneficiary is required to have the necessary human resources to implement the action. If a beneficiary needs to recruit additional personnel during the action duration, the related costs would be considered part of the entity's normal indirect costs, which under Horizon 2020 are covered by a 25% flat-rate of the eligible direct costs.</p>	41	<p>Identify any claimed costs related to the recruitment procedures (job analysis, announcement, evaluation, selection, etc.).</p>	ERC

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Art.6.2.A.1	<p>Costs for students, PhDs and other researchers under scholarship, internship or similar agreements (not employees) – Costs of students that work for the beneficiary can be accepted, if the agreement is work-oriented (not training-oriented: i.e. not aimed at helping the student to acquire professional skills). PhD agreements will be considered work-oriented. However, time for training, if any, may NOT be charged to the H2020 action.</p> <p>Fellowships/scholarships/stipends — Can be charged to the action (as personnel costs), if they fulfil the conditions set out Article 6.1 and 6.2.A.2, and in particular:</p> <ul style="list-style-type: none"> - the remuneration complies with the application national law on taxes, labour and social security - the assignment of tasks respects the laws in force in the country of the beneficiary - the students have the necessary qualifications to carry out the tasks allocated to them under the H2020 action. 	42	<p>a) Review the claimed personnel costs and identify any included costs for students, including PhD (scholarship, internship or other similar agreement (not employees)).</p> <p>b) Verify that the eligibility conditions of Article 6 are being fulfilled.</p> <p>c) Verify that their remuneration (fellowships/scholarship/stipends) complies with the applicable national law on taxes, labour and social security. Verify there is a legal basis for students' remuneration for work.</p> <p>d) Verify that the assignment of the tasks to the students respects the laws in force in the place of establishment of the beneficiary. (e.g.: the maximum time they are allowed to work having in mind their teaching/studying activities)</p> <p>e) Verify that they have the necessary qualifications for the performance of the tasks attributed to them in the context of the H2020 action and verify their involvement in the action. If the agreement is training-oriented (i.e. aimed at helping the student to acquire professional skills) its cost can NOT be charged to the grant.</p>	
Art. 6.2.A.1	<p>Cost for exemptions from academic fees – The fees (or part of them) are eligible as personnel cost, if the student's contract includes the amount of waived fees as part of his/her remuneration. The other conditions set out in Article 6 have to be fulfilled as well (e.g. the full remuneration, included the value of the waived fees, must be recorded in the university's accounts).</p>	43	<p>a) Review the claimed personnel costs and identify if the Beneficiary included any exempted academic fees for students.</p> <p>b) Verify that the student's contract includes the amount of waived fees as part of his/her remuneration.</p> <p>c) Verify that the value of the included waived fees is recorded in the university's accounts.</p> <p>d) Verify that the eligibility conditions of Article 6 are being fulfilled.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art.6.2.A.1	<p>Parental leave - Salaries and social security contributions paid during parental leave (either maternity leave or parental leave) are eligible as part of the basic salary only if:</p> <ul style="list-style-type: none"> - they are mandatory under national law, under the relevant collective labour agreement (e.g. statutory maternity pay) or under the employment contract - the beneficiary has actually incurred them <p>AND</p> <ul style="list-style-type: none"> - they are not reimbursed by national (central, regional or local) authorities (i.e. only the net amounts paid by the beneficiary are eligible) 	44	<p>a) Review the claimed personnel costs and identify any costs related to parental leave. Inquire if there was any parental leave taken in the periods in the audit scope.</p> <p>b) Verify if parental leave payments are mandatory under national law, under the relevant collective labour agreement (e.g. statutory maternity pay) or under the employment contract.</p> <p>c) Verify that the beneficiary has actually incurred the costs for parental leave. Review accounting records, payroll, bank statements and payslips.</p> <p>d) Verify that parental leave is not reimbursed by national (central, regional or local) authorities.</p> <p>Please note: Time spent on parental leave may not be deducted when calculating the hourly rate per month. However, beneficiaries may declare personnel costs incurred in periods of parental leave in proportion to the time the person worked on the action in that financial year.</p>	
Art.6.2.A.1	<p>Costs related to public officials - For public bodies, the costs related to public officials paid directly from central, regional or local government budgets may be considered eligible, if they fulfil the conditions set out in Article 6 (applied to the central, regional or local government employing the public officials). In this case, the public officials will be considered as in-kind contributions (resources made available) provided by a third party (the government) free of charge (see Article 12).</p>	45	<p>a) Review the claimed personnel costs and identify any costs related to public officials.</p> <p>b) Verify for these costs that the eligibility conditions of Article 6 applied to the central, regional or local government employing the public officials are being fulfilled.</p> <p>c) Verify for these costs that they fulfil the eligibility conditions of Article 12 as in-kind contributions (resources made available) provided by a third party (the government) free of charge.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art.6.2.A.1	<p>Supplementary contracts – Supplementary contracts—for participation in projects (whatever their form) are acceptable if it is the beneficiary's usual—practice and compatible with national law. The remuneration will be qualified as basic or additional remuneration, depending on the scope (national OR EU/international) and amount (above, equal or below usual remuneration practices for national projects).</p>	46	<p>a) Review the claimed personnel costs and identify any remuneration based on supplementary contracts.</p> <p>b) Review internal procedures of the Beneficiary and perform interviews in order to determine if it is the usual practice of the Beneficiary to use Supplementary contracts.</p> <p>c) Assess if the usual remuneration practices of the Beneficiary have been set up based on objective criteria regardless of the source of funding.</p> <p>d) Verify that supplementary contracts are compatible with national law of the Beneficiary.</p>	
Art.6.2.A.1	<p>People working exclusively on the action- There is NO different calculation method for staff working 100 % on the action. Since there is no obligation to keep time-sheets for periods covered by a declaration on exclusive work, beneficiaries should report:</p> <ul style="list-style-type: none"> - for annual hourly rates: a pro-rata of the annual productive hours corresponding to the period covered by the declaration (at the annual hourly rate) - for monthly hourly rates: 1/12 of the annual productive hours for each month actually worked for the action in the period covered by the declaration (at the monthly hourly rate). <p>If the declaration covers months in which the person was absent for more than half of the working days those months can NOT be taken into account to calculate the hours worked in the action (— unless the absence is linked to annual leave AND the duration does not exceed the pro-rata of annual leave entitlements corresponding to the period covered by the declaration).</p>	47	<p>Verify that the Beneficiary calculates the personnel costs of persons working exclusively on the action applying the same methodology as for the rest of the employees of the same category/type across all H2020 participations. In particular:</p> <ul style="list-style-type: none"> - for annual hourly rates: a pro-rata of the annual productive hours corresponding to the period covered by the declaration (at the annual hourly rate) - for monthly hourly rates: 1/12 of the annual productive hours (either option 1 or 3) for each month actually worked for the action in the period covered by the declaration (at the monthly hourly rate). <p>Verify if any month has to be removed from the calculation due to absences covering more than half of the working days of the month.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.1	<p>Employees hired during on-going financial year - (at the end of the reporting period) — Since these employees did not work for the beneficiary during the last financial year, the hourly rate can only be calculated on the basis of the personnel costs incurred during the ongoing financial year.</p>	48	<p>Refer to the calculation example from AMGA Article 6.2.A.1 (1.1.4). Determine the pro-rata of the annual productive hours correctly and calculate the eligible costs for employees for who there is no closed financial/ fiscal year based on the actual costs incurred during the ongoing financial/ fiscal year.</p>	
Art. 6.2.A.1	<p>End-of-contract indemnities - Since the entitlement to end-of-contract indemnities is most often generated over a period of time longer than a financial year, the beneficiary may charge the corresponding part of the indemnity in the reporting period in which the employee's contract ends.</p> <p>— but outside the hourly rate (i.e. separately and on top of the personnel costs declared on the basis of the hourly rate) AND only for the part that corresponds to the time worked by the person on the action (i.e. pro-rata of the total time during which the entitlement was generated).</p> <p>Moreover, the indemnity can be accepted ONLY if it:</p> <ul style="list-style-type: none"> - arises from the applicable national labour law and - is recorded in the accounts of the beneficiary and - is incurred during the action duration (although the actual payment may take place latter). 	49	<p>a) Review the personnel costs claimed and identify if any end-of-contract indemnities have been included in the personnel costs. If so verify that it was not included in the calculation of the hourly rate but calculated separately. Review employment legislation, payroll records and general ledger, etc..</p> <p>b) Verify that the end-of contract indemnities arise from the applicable national labour law.</p> <p>c) Verify that the end-of contract indemnities are recorded in the accounts of the beneficiary.</p> <p>d) Verify that the end-of contract indemnities are incurred during the action duration (although the actual payment may take place latter).</p> <p>e) Verify that only the part of the end-of-contract indemnity that corresponds to the time worked by the person on the action was charged (i.e. pro-rata of the total time during which the entitlement was generated).</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A. 1	<p>Employment contract remunerated "per hour" - Some employment contracts do not establish a fixed salary and a number of hours to be worked, but an amount to be paid for each hour worked by the employee. In those cases, individual annual productive hours (i.e. option 2) can only be applied if all of the following conditions are fulfilled: a) the employment contract explicitly fixes the hourly rate to be paid b) the employment contract established that the salary is the result of multiplying the hourly rate by the number of hours worked c) the total salary paid under the employment contract is identifiable and supported by auditable documents (e.g. payslips and declarations to the tax authorities) d) the employment contract is the only contract between the person and the entity (i.e. there is no other parallel contract). If those conditions are fulfilled, the 'individual annual productive hours' may be calculated as follows: {total salary paid to the employee in the financial year divided by hourly rate fixed in the employment contract}.</p>	50	<p>a) Review employment contracts and the personnel costs claimed and identify if there is any employee who has an employment contract remunerated per hour, and for which individual productive hours (option 2) are used.</p> <p>b) Verify that the 4 conditions mentioned in the condition to be checked are fulfilled.</p>	
Art. 6.2.A. 1	<p>Personnel costs on the basis of the usual accounting practices - For personnel costs declared on the basis of the beneficiary's usual cost accounting practices (units costs i.e. 'average personnel costs'), the hourly rate must be calculated in accordance with the beneficiary's usual cost accounting practices for determining the hourly rates of its personnel. The GA sets the following conditions: a) the cost accounting practices used must be applied in a consistent manner, based on objective criteria, regardless of the source of funding.</p>	51	<p>a) Obtain an understanding of the usual cost accounting practice by reviewing the necessary supporting documentation (manuals, procedures, internal regulations, etc.). Perform interviews with the responsible persons.</p> <p>b) Assess if the usual cost accounting has been set up based on objective criteria regardless of the source of funding.</p> <p>c) Verify that the usual cost accounting was applied in other 5 non H2020 actions.</p> <p>d) Verify that the usual cost accounting practices have been correctly applied for the H2020 action under review. (proper calculation of the hourly rates and allocation to staff)</p> <p>e) Verify that the beneficiary declared in Annex 2 of the GA including amendments the use of personnel costs on the basis of the usual accounting practices.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A. 1	b) The hourly rate must be calculated using the actual personnel costs recorded in the beneficiary's accounts, excluding any ineligible cost or costs already included in other budget categories.	52	<p>a) Verify that the hourly rate is calculated using the actual personnel costs recorded in the beneficiary's accounts. Budgeted or estimated figures are not costs actually incurred and may only be acceptable as eligible components of the hourly rate if</p> <ol style="list-style-type: none"> 1. they are relevant, i.e. clearly related to personnel costs; 2. they are used in a reasonable way, i.e. they do not play a major role in calculating the hourly rate; 3. they correspond to objective and verifiable information, i.e. their basis is clearly defined and the beneficiary can show how they were calculated. <p>If the budgeted or estimated figures represent less than 5% of the declared unit cost, it is considered that they do not play a major role and can be accepted. If the budgeted or estimated component is higher than 5%, then it needs to be compared with the actual costs.</p> <ol style="list-style-type: none"> 1. If the actual costs cannot be determined the budgeted component will be considered ineligible. OR 2. If the actual costs can be determined, adjustment will be proposed only if there are negative adjustments in the favour of the EC / AGENCY / JU, due to the use of the budgeted elements higher than 5% compared to the declared unit cost. 	
		53	<p>a) Exclude any cost considered ineligible by the Commission but included in the beneficiary's usual accounting practices when calculating the personnel costs for the action.</p> <p>b) Exclude from the calculation of the personnel costs for the action the costs that are already included in other budget categories (double funding of the same costs). Pay special attention to components of indirect nature which may be included in the pool of costs used to calculate the hourly rate charged to the H2020 action.</p>	
Art. 6.2.A. 1	c) Personnel costs on the basis of the usual accounting practices (average personnel costs): the hourly rate must be calculated using the number of annual productive hours.	54	Verify if the calculation of the hourly rate was based on the number of annual productive hours in accordance with one of the three methods allowed by the grant. Follow the procedures related to productive hours from section "Employees".	

A.1 Employees (or equivalent)

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.1	<p>Personnel costs for H2020 actions are calculated (for each person assigned to the action, including persons working exclusively on the action) as follows: <i>Hours Worked (time records) x Hourly Rate (EUR/Hour) + Additional Remuneration (only for non-profit legal entities)</i></p> <p>The calculation will differ (per type of beneficiary/employee) depending on the remuneration practices of the beneficiary: Case 1: beneficiaries declaring personnel costs as actual costs Case 1A: employee whose remuneration is not project-based (i.e. same remuneration, regardless if they are involved or not in specific projects) Case 1B: employee whose remuneration is project-based (i.e. different remuneration levels, depending on whether they work in specific projects or not) Case 2: beneficiaries declaring personnel costs as unit costs in accordance with the usual cost accounting practices (average personnel costs).</p>	55	<p>a) Verify that the personnel costs per person are calculated using the following formula: <i>Hours Worked (time records) x Hourly Rate (EUR/Hour) + Additional Remuneration (only for non-profit legal entities)</i></p> <p>b) Verify that the Beneficiary used the same option for the hourly rate (annual or monthly) for all personnel (per staff category/type) in all H2020 audited projects in a given financial year (or fiscal year if the beneficiary chose that option).</p>	
Art. 6.2.A.1	<p>For case 1A beneficiaries (actual costs, not project-based remuneration): The beneficiary must calculate, for each employee, the hourly rate to be charged to the action by using one of the following methods: - per full financial year (main method): single hourly rate for each person for each full financial year - per month (alternative method): one hourly rate for each person for each month (i.e. 12 hourly rates per person for each financial year). Each beneficiary may choose any of the two options. However, the option chosen must be applied during the full financial year to all its personnel in all H2020 grants. If the beneficiary wants to change option, it can do so for the next financial year (for all type of personnel in all its H2020 grants).</p>	56	<p>a) If the Beneficiary calculates the hourly rate per full financial year, verify that is calculated for each person as follows: <i>{actual annual personnel costs (excluding additional remuneration) for the person divided by number of annual productive hours}</i>. The rate must be calculated by full financial year (i.e. the 12-month period covered by the annual accounts of the entity).</p> <p>b) If the Beneficiary calculates the hourly rate month, verify that is calculated for each person as follows: <i>{actual monthly personnel costs (excluding additional remuneration) divided by {number of annual productive hours/12}}</i>. The rate must be calculated for each month. The monthly personnel costs may include only eligible personnel costs.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.1	<p>For case 1B beneficiaries (actual costs, project-based remuneration):</p> <p>The beneficiary must first find out, for each employee, if the remuneration it is paying is all basic remuneration or contains also additional remuneration. To do this, the beneficiary must calculate two reference hourly rates:</p> <ul style="list-style-type: none"> - reference rate for the work on the H2020 action ('action reference') and - reference rate for the usual remuneration practice for national projects ('national projects reference'). <p>For the action reference: the beneficiary must calculate an hourly rate (either annual or monthly) based on the remuneration paid to the employee for his/her work in the H2020 action.</p> <p>For the national projects reference: the beneficiary must calculate an hourly rate based on either:</p> <ul style="list-style-type: none"> - national regulatory requirements - internal rules, compliant with usual accounting practice <p>Or, if none of the above is applicable:</p> <ul style="list-style-type: none"> - the average remuneration of the employee in the previous financial year excluding remuneration paid for work in H2020 actions. 	57	<p>a) Verify that the Beneficiary calculate two reference hourly rates ("action reference" and "national projects reference") and compare them:</p> <p>If the action reference is equal or below the national projects reference, the remuneration is all basic remuneration. If it is higher, the exceeding part is additional remuneration and must be taken out for the calculation of the hourly rate to be charged to the action.</p> <ul style="list-style-type: none"> - For the action reference verify that the hourly rate (either annual or monthly) is calculated based on the remuneration paid to the employee for his/her work in the H2020 action. - For the national projects reference verify that the hourly rate is calculated following: <ul style="list-style-type: none"> * national regulatory requirement * internal rules, compliant with usual accounting practice. <p>If those amounts were actually paid at least once before the submission of the H2020 proposal and comply with the general eligibility criteria or, if none of the above is applicable:</p> <ul style="list-style-type: none"> * the average remuneration of the employee in the previous financial year excluding remuneration paid for work in H2020 actions (considering that comply with the general eligibility criteria). The calculation must exclude both amounts and hours related to the EU actions in which the individual participated. 	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.1	<p>For case 2 unit costs in accordance with the usual cost accounting practices (average personnel costs)</p> <p>The beneficiary can use the hourly rate(s) that it uses normally (usual cost accounting practices) as average personnel costs, provided that:</p> <ul style="list-style-type: none"> - the cost accounting practices are applied in a consistent manner, based on objective criteria, regardless of the source of funding - the hourly rate is calculated using the actual personnel costs recorded in the beneficiary's accounts, excluding any ineligible cost or costs already included in other budget categories and - the hourly rate is calculated using one of the three options provided in the MGA for the number of annual productive hours (e.g. option 3 'standard annual productive hours'). <p>The beneficiary must consistently apply its usual cost accounting practices, based on objective criteria that must be verifiable if there is an audit. It must do this no matter who is funding the action.</p>	58	<p>Verify that the Beneficiary's personnel unit costs are calculated in accordance with the usual cost accounting practices, provided that are:</p> <ul style="list-style-type: none"> - applied in a consistent manner, based on objective criteria, regardless the source of funding. - calculated using actual personnel costs recorded in the Beneficiary's accounts, excluding any ineligible costs or costs already included in other budget categories and - using one of the three option provided in the MGA for the number of annual productive hours. <p>Budgeted or estimated elements used to calculate the hourly rate can only be accepted if they:</p> <ul style="list-style-type: none"> - are relevant, i.e. clearly related to personnel costs - are used in a reasonable way (i.e. do not play a major role in calculating the hourly rate) - correspond to objective and verifiable information (i.e. their basis is clearly defined and the beneficiary can show how they were calculated). 	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.1	<p>Personnel costs are eligible, a) if they are related to personnel working for the beneficiary under an employment contract (or equivalent appointing act) and b) assigned to the action ('costs for employees (or equivalent)'). c) They must be limited to salaries (including during parental leave), social security contributions, taxes and other costs included in the remuneration, if they arise from national law or the employment contract (or equivalent appointing act).</p> <p>Equivalent appointing act' means the appointing acts of civil servants (who do not sign employment contracts but receive official nominations for their posts)</p>	59	<p>a) Review the employment contracts, collective labour agreement (or equivalent appointing acts) to verify if the persons are personnel working for the beneficiary or whether they are seconded from another organisation. For the duration of the action cross check the information with the payroll records.</p> <p>b) Verify if the person is assigned to the action. Time records compliant with the requirements of the H2020 Model Grant Agreement would suffice to confirm that a person is "specifically assigned to the action". Please refer to the audit tests in respect of time recording. If that is not possible, perform alternative procedures to verify that the person is assigned to the action. Alternative procedures to be considered: Review contracts (or equivalent), job description, internal written instructions, organisation chart or other evidence to support the management decision that the personnel was assigned to the action. Verify that the persons were not supposed to fully work for another action/ project.</p> <p>c) Verify that the salaries (including during parental leave), social security contributions, taxes and other costs included in the remuneration arise from national law or the employment contract, collective labour agreement (or equivalent appointing act).</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.1	<p>Direct personnel costs: Employees (or equivalent) covers (and is limited to):</p> <ul style="list-style-type: none"> - basic remuneration (i.e. the payments for the employee's normal work and participation in projects — up to what is the beneficiary's usual remuneration practice for national projects) <p>and, in addition:</p> <ul style="list-style-type: none"> - for non-profit legal entities: additional remuneration (i.e. extra payments made for the participation in projects — above the beneficiary's usual remuneration practice for national projects). <p>Both basic remuneration and additional remuneration do not only cover the payment itself (salary or bonus), but also the social security contributions (mandatory employer and employee contributions), taxes included in the remuneration (e.g. income tax) and other costs and payments included in the remuneration (e.g. a fee paid by the beneficiary for a complementary health insurance scheme for the employee).</p> <p>National projects are to be understood in the large sense, meaning all types of projects funded under any type of national (public or private) funding scheme (including projects co-financed by EU funds that are managed by the Member States, e.g. regional funds, agricultural and fisheries funds).</p>	60	<p>a) Review the employment contracts and personnel costs components in order to identify the "basic remuneration" and the "additional remuneration".</p> <p>b) Verify that the basic salary is limited to: the salary stated on the beneficiary's payroll; social security contributions; taxes included in the remuneration and other costs included in the remuneration.</p> <p>For exceptions verify if they are eligible as bonuses within "basic remuneration" or as part of "additional remuneration".</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.1	<p>Eligibility conditions for basic remuneration:</p> <p>a) fulfil the general conditions for costs to be eligible (i.e. incurred during the action duration, necessary, etc.; see Article 6.1(a) and (b))</p> <p>Payments of dividends to employees (profit distribution) are NOT eligible under Article 6.5(a)(i). However, bonuses based on the overall financial performance of the organisation (e.g. profitability or surplus) may be accepted, if they fulfil the conditions set out below, i.e. as part of the usual remuneration practices for national projects and thus eligible as basic remuneration.</p> <p>Any part of the remuneration which is based on commercial targets or fund raising targets is NOT eligible (because neither incurred in connection with the work described in Annex 1 of the action nor necessary for its implementation).</p>	61	<p>a) Verify that the general conditions for costs to be eligible (i.e. incurred during the action duration, necessary, etc.; see Article 6.1(a) and (b)) are fulfilled. Payments of dividends to employees (profit distribution) are ineligible under Article 6.5(a). Refer to section "General".</p> <p>b) Identify if there are components of remuneration that were granted with reference to commercial targets and/or fund raising activities. Example (not eligible because linked to fund raising target): A premium paid as a reward for having obtained a specific grant is not eligible.</p>	
Art. 6.2.A.1	b) be paid in accordance with national law, the collective labour agreement and the employment contract/equivalent appointing act	62	Verify if the basic remuneration is paid in accordance with the national law, the collective labour agreement and the employment contract/equivalent appointing act.	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.1	c) exclude arbitrary bonuses (i.e. bonuses which are not part of the beneficiary's usual remuneration practices and/or which are not based on objective conditions).	63	<p>a) Verify that the amount to be actually paid as bonus is determined on the basis of conditions which are established and documented in the internal regulations of the beneficiary (including decisions of a board of directors).</p> <p>b) Verify if the conditions are "objective", based on predefined criteria, merits, seniority levels, or other objectively defined conditions. The bonus should NOT be paid to the employee at the sole discretion of the manager (arbitrary complement).</p> <p>c) Verify that the usual remuneration practices in respect of bonuses of the Beneficiary have been set up based on objective criteria regardless of the source of funding; in particular that they do not refer only to EU grants.</p> <p>d) Verify that bonuses were calculated in accordance with the usual remuneration practice of the Beneficiary</p> <p>e) Verify that the requirements regarding social charges and other taxes in relation to the bonuses were correctly calculated, incurred and paid in accordance with national law (or equivalent act).</p>	
Art. 6.2.A.1	<p>'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 for personnel assigned to the action is eligible up to the following amount:</p> <p>(a) if the person works full time and exclusively on the action during the full year: up to EUR 8 000;</p> <p>(b) if the person works exclusively on the action but not full-time or not for the full year: up to the corresponding pro-rata amount of EUR 8 000, or</p> <p>(c) if the person does not work exclusively on the action: up to a pro-rata amount calculated as follows: {{EUR 8 000 divided by the number of annual productive hours}}, multiplied by the number of hours that the person has worked on the action during the year}.</p>	64	<p>a) Verify that the Beneficiary is a non-profit legal entity by reviewing its legal registration.</p> <p>b) Review the personnel costs claimed and review if the persons worked the full year, if they work full time or if they work exclusively for the action. Review contracts, time records and other supporting documentation.</p> <p>c) Calculate and take into consideration the maximum eligibility threshold for additional remuneration for each person and for each year considering their working patterns.</p> <p>d) Verify that the requirements regarding social charges and other taxes in relation to the additional remuneration were correctly calculated, incurred and paid in accordance with national law (or equivalent act).</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.1	<p>Eligibility conditions for additional remuneration (in addition to the conditions for basic remuneration):</p> <ul style="list-style-type: none"> - be a non-profit legal entity - be paid for the performance of additional work or different expertise than his/her usual tasks <p>This is usually the case, since additional remuneration aims precisely to reimburse the additional work/expertise that is required for EU and international projects.</p>	65	<p>Verify for additional remuneration that:</p> <ul style="list-style-type: none"> a) the general conditions for costs to be eligible (i.e. incurred during the action duration, necessary, etc.; see Article 6.1(a) and (b)) are fulfilled. Refer to section "General". b) Identify if there are components of remuneration that were granted with reference to commercial targets and/or fund raising activities. c) Verify that the work carried out (or expertise used) to be paid as additional remuneration is different from the standard work or expertise (defined in the employment contract/ equivalent appointing act and covered by the standard remuneration package). 	
Art. 6.2.A.1	<p>Eligibility conditions for additional remuneration:</p> <ul style="list-style-type: none"> - be consistently applied whenever the same kind of work or expertise is required and regardless of the source of funding used <p>The additional remuneration may not differ according to where the funds come from. In particular, it cannot be set up for actions funded by a specific donor; additional remuneration schemes that are applicable only to EU projects are not acceptable.</p> <p>Also, they may not be subject to budget availability (i.e. only to be paid if there is remaining funds in the project budget).</p> <p>The additional remuneration does not have to be the same for all persons working in the same project (provided that objective criteria are used to determine the differences).</p>	66	<ul style="list-style-type: none"> a) Verify that the additional remuneration is determined on the basis of criteria which are established and documented in the internal regulations of the beneficiary (e.g.: remuneration practices). b) Verify if the criteria are "objective" and are related to the additional work or expertise. The additional remuneration should NOT be paid to the employee at the sole discretion of the manager (arbitrary complement). c) Verify that the usual remuneration practices in respect of additional remuneration of the Beneficiary have been set up based on objective criteria regardless of the source of funding. d) Verify that the additional remuneration is not subject to budget availability (i.e. only to be paid if there is remaining funds in the project budget). e) Verify the beneficiary's usual remuneration practices for additional remuneration have been consistently applied whenever the same kind of work or expertise is required, by reviewing 5 non-EU transactions. f) Verify that the additional remuneration has been calculated in accordance with the usual remuneration practice of the Beneficiary. 	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.1	<p>Calculation of the annual productive hours, three options:</p> <p>In principle, the same option (1, 2 or 3) must be applied to all personnel working in H2020 actions. However, the beneficiary may use different options for different types of personnel, if:</p> <ul style="list-style-type: none"> - the same option is applied at least per group of personnel employed under similar conditions (e.g. same staff category, same type of contract, etc.) and - the options are applied consistently (e.g. the choice of the option is not changed ad-hoc for specific employees). <p>The beneficiary must keep the same option(s) for the full financial year. It can only change its option(s) for the next financial year.</p>	67	<p>a) Obtain from the Beneficiary explanations about the calculation method for the annual productive hours among the three options available. If the Beneficiary is using monthly hourly rates it is not allowed to use the option individual productive hours.</p> <p>b) Verify that the option chosen is consistently applied per group of personnel employed under similar conditions (e.g. permanent employees, in-house employees, temporary employees, seconded from third party, etc.). Consistency is to be verified among the staff declared to the H2020 actions.</p>	
Art. 6.2.A.1	<p>(Option 1) 1720 fixed hours is the number of productive hours accepted for full-time employees (and it is pro-rata for employees working part-time or working only part of the year for the beneficiary).</p> <p>ONLY actual time spent on parental leave (maternity and parental leave) may be deducted from the 1720 fixed hours. NO other leave (e.g. sick leave, special leave, annual leave, etc.) can be deducted.</p> <p>NO overtime may be added to the 1720 fixed hours</p> <p>If the beneficiary calculates monthly hourly rate, time spent on parental leave can NOT be deducted from the annual productive hours.</p>	68	<p>a) Obtain from the Beneficiary the full-time equivalent of each person for each financial or fiscal year. Review the employment contracts to verify that the full time equivalent used to compute the pro-rata to be applied to the 1720 hours has been correctly calculated. Identify if there are persons, not working full time for the Beneficiary or not working for the full year for the Beneficiary and verify the correct application of the 1720 hours option (which correspond to a full time employment contract).</p> <p>b) Obtain the beneficiary's internal rules on maternity/parental leave. Verify that is not deducted other leave than actual time spent on parental leave.</p> <p>If the Beneficiary calculates monthly hourly rates verify that productive hours of 143.33 hours per month (1720 hours/12 months) have been used in the calculations. The pro-rata effect as verified in the procedure above has to be also taken into consideration.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.1	<p>(Option 2) Individual annual productive hours: The number of hours is calculated on the basis of the 'annual workable hours' of the employee (i.e. the total number of hours for which an employee is working for the beneficiary, including the overtime worked and absences (such as sick leave or other types of special leave).</p> <p>'Annual workable hours' means the period during which the personnel must be working, at the employer's disposal and carrying out his/her activity or duties under the employment contract, applicable collective labour agreement or national working time legislation. Therefore, annual leave entitlements have to be removed to calculate the annual workable hours.</p> <p>However, if the employment contract allows end-of-year transfers for leave entitlements (i.e. the days not taken one year can be taken the next one; days not taken are not paid out), the beneficiary may opt for deducting instead actual time of annual leave (if this is done consistently throughout the years).</p> <p>Under option 2 (individual): the beneficiary must deduct all leaves (i.e. actual time on sick leave, parental leave or special leave etc.) to calculate the annual productive hours. All overtime worked (paid or unpaid) must be added to the annual workable hours to calculate the annual productive hours</p> <p>Option 2 can NOT be used for monthly hourly rates.</p> <p>This option can NOT be used if the employment contract, collective labour agreement or national law does not allow determining the number of individual annual workable hours.</p>	69	<p>For each financial or fiscal year:</p> <ul style="list-style-type: none"> - If the Beneficiary calculates monthly hourly rates and uses individual annual productive hours option, the eligible cost will need to recalculate by the auditor using revised productive hours of 143.33 hours per month (1720 hours/12 months), as the individual productive hours option is not available for Beneficiaries who calculate monthly hourly rates. - If the Beneficiary does not use monthly hourly rates, perform the procedures below: <ul style="list-style-type: none"> a) Trace the workable hours to supporting documentation. b) Trace the deductions for Saturdays and Sundays; annual leave and other leaves (e.g. parental/maternity) and public holidays to supporting documentation. c) Trace the overtime and absences to supporting documentation. (e.g.: time records, human resources databases, etc.). d) Recompute the annual productive hours based on provided documentation. 	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.1	<p>(Option 3) Standard annual productive hours:</p> <p>The number of productive hours is calculated on the basis of the 'standard annual productive hours' generally applied by the beneficiary for its personnel, in accordance with its usual cost accounting practices.</p> <p>The standard annual productive hours may be calculated for the entity as a whole, per category of personnel, per cost centre, etc.</p> <p>The beneficiary may include or exclude certain activities (e.g. general training, general meetings etc.) when calculating the standard annual productive hours, if this is in line with its usual cost accounting practices.</p> <p>The number of standard annual productive hours is at least 90% of the "standard annual workable hours".</p> <p>Under option 3 (standard): the standard annual productive hours defined by the beneficiary normally take into account the standard time of absence in the organisation. However, the beneficiary may deduct on top the actual time spent on parental leave (maternity and parental leave) by the individual employee.</p> <p>The standard annual productive hours defined by the beneficiary normally take into account the standard overtime hours in the organisation (if any).</p>	70	<p>a) Determine which is the standard annual workable hours of the Beneficiary for each financial or fiscal year. Perform this procedure at the same level of detail as the Beneficiary is calculating the standard annual productive hours (entity as a whole, per category of personnel, per cost centre, etc.) To do this review the relevant employment contracts, collective labour agreement, the national law on working time categories and trace the deductions for Saturdays and Sundays; annual leave; and public holidays to supporting documentation.</p> <p>b) Verify that the number of standard annual productive hours is at least 90% of the standard annual workable hours.</p> <p>c) Obtain an understanding of the usual cost accounting practice by reviewing the necessary supporting documentation (manuals, procedures, internal regulations, etc.). Perform interviews with the responsible persons.</p> <p>d) Verify that the usual cost accounting has been set up based on objective criteria regardless of the source of funding.</p> <p>e) Verify that the usual cost accounting was applied in other 5 non H2020 actions.</p> <p>f) Verify that the exclusion of certain activities (e.g. general training, general meetings etc.) from the productive hours are mentioned/ approved in the usual cost accounting practices.</p> <p>g) Verify that the mentioned/ approved exclusions from the productive time are computed in accordance with the methodology defined in usual cost accounting of the Beneficiary.</p> <p>h) Verify that the usual cost accounting practices have been correctly applied for the H2020 action under review.</p>	

A.2 Natural persons with direct contract

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.2	<p>A.2 The costs for natural persons working under a direct contract with the beneficiary other than an employment contract are eligible personnel costs, if:</p> <p>(a) the person works under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed);</p> <p>(b) the result of the work carried out belongs to the beneficiary (unless exceptionally agreed otherwise), and</p> <p>(c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.</p> <p>This budget category covers typically the costs for in-house consultants and similar persons (i.e. self-employed natural persons; not one-person companies) that worked on the action for the beneficiary under conditions similar to those of an employee, but under a contract which is NOT legally the same as for employees. It regards, in particular, contracts qualified as quasi-subordinate work contracts under national law when the conditions under which the work is carried out are similar to those of an employee.</p>	71	<p>Arrange interviews with the beneficiary and review the list of persons selected for testing and identify natural persons working under a direct contract. Perform the procedures listed in this section for this type of personnel costs. For the sake of simplicity from now onwards the term "natural person" will be used in this section to refer to natural persons working under a direct contract.</p>	
Art. 6.2.A.2	<p>Costs for natural persons working under a direct contract may be declared as actual costs or on the basis of unit costs in accordance with the usual cost accounting practices (i.e. 'average personnel costs'; see Article 5.2(a)).</p>	72	<p>a) If the beneficiary declared the costs for natural persons on the basis of unit costs in accordance with the usual accounting practices follow the relevant procedures in respect of unit costs already included in the section "Employees".</p> <p>b) If the Beneficiary claimed actual costs perform the procedures from this section.</p> <p>c) Obtain information if the natural persons declared on the EU action have been working before for the Beneficiary based on a different type of contract.</p> <p>d) Verify if the remuneration has been artificially increased for participation in the EU action.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.2	<p>The costs must comply with the following conditions for eligibility:</p> <p>a) fulfil the general conditions for costs to be eligible (i.e. incurred/used during the action duration, necessary, linked to the action, etc.; see Article 6.1(a) and (b)).</p> <p>b) there must be a direct contract between the natural person (individual) and the beneficiary. The contract cannot be with a third party legal entity (e.g. a temporary work agency).</p> <p>Staff provided by temporary work agency</p> <p>A contract with a temporary work agency for the provision of staff qualifies typically as a purchase of services (unless the temporary work agency carries out directly some task of the action — in which case it can be considered as subcontracting). Thus, although NOT eligible as personnel costs, the costs can be charged under other budget categories (i.e. D.3 other goods and services or B. subcontracting), if they comply with the eligibility conditions (especially best value for money and no conflict of interest; see Articles 10 and 13).</p>	73	<p>a) Verify that the general conditions for costs to be eligible (i.e. incurred during the action duration, necessary, etc.; see Article 6.1(a) and (b)) are fulfilled. Refer to section "General".</p> <p>b) Review the contracts and verify that the natural persons have a contract with the Beneficiary governed by labour law not applicable to employees. Verify that the contracts are with the natural persons and not companies, including temporary work agencies.</p> <p>Enquire if any of the selected employees is provided by a temporary work agency.</p> <p>If this is the case, reclassify the cost to "D.3 other goods and services" or "B. subcontracting" and carry out the related testing for each cost category.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.2	<p>c) The person must work under conditions similar to those of an employee (Similar does not mean equal — The working conditions of the person do NOT have to be exactly the same that those of an employee, but overall similar), in particular:</p> <ul style="list-style-type: none"> - the beneficiary must organise and supervise the work of the person in a way similar to that of its employees. - the beneficiary must be able to ensure reliable time recording (for the hours that the person works for the action). - the person is subject to similar presence requirements as the employees. 	74	<p>a) If there is a telework agreement in place, perform the procedures related to Teleworking from the section "Specific cases" in order to verify if it can be accepted. Certain research work requires permanent persons to work off the premises of the employer at a research site. This is not considered teleworking but a usual work activity. Take this into account and corroborate information from time records, reports/results from work done, research logs etc.</p> <p>b) Verify that the person works under the beneficiary's instructions on the beneficiary's premises. Perform interviews, review contracts, lab logs, minutes of meetings, if available review presence system where the beneficiary keeps track when its personnel enter and leave the building, perform searches in the internet. Check if the natural person was living in another country or distant city; or also working at the same time for another entity in another city.</p> <p>c) Verify that the beneficiary decides, designs and supervises all work in a similar way that its own employees. Review contract and other supporting documentation.</p> <p>d) Verify that the natural person reports to the beneficiary. Review emails or other supporting documentation.</p> <p>For exceptions verify compliance with the eligibility criteria for 'purchase of a service' (see Article 10) or as a 'subcontracting cost' (see Article 13).</p>	
Art. 6.2.A.2	<p>d) the result of the work carried out (including patents or copyright) must in principle belong to the beneficiary. If (exceptionally) they belong to the person, the beneficiary must (just like for employees) obtain the necessary rights from the person (transfer, licences or other), in order to be able to respect its obligations under the GA (see Article 26.3).</p>	75	<p>Review the contract and verify if there is a clause stipulating that the work carried out, including any resulting patents or copyright belongs to the beneficiary.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.2	e) not be significantly different from costs for employees performing similar tasks. The remuneration must be based on working hours, rather than on delivering specific outputs/products.	76	a) Verify that the hourly rates of natural persons are not significantly different from the hourly rates of personnel performing similar tasks and responsibilities under an employment contract with the beneficiary. A difference of up to 50% can be accepted, if justified by the beneficiary. If there are no employees in the company with similar tasks report that this test was not applicable. b) Verify that the remuneration is based on working hours, rather than on delivering specific outputs/products.	
Art. 6.2.A.2	<p>Cost of natural persons working under a direct contract for a beneficiary must be calculated according to the same formula (i.e. hourly rate multiplied by the number of actual hours worked on the action). However, for the hourly rate, the beneficiaries must use one of the following options:</p> <p>a) if the contract specifies an hourly rate: this hourly rate must be used</p> <p>b) if the contract states a fixed amount for the services of the natural person and the number of hours to be worked: the global amount must be divided by the number of hours to be worked.</p> <p>c) If the contract fixes only a global amount and does not specify the number of hours to be worked: the global amount for the work must be divided by the pro-rata of 1 720 annual productive hours which corresponds to the duration of the contract over the financial year.</p>	77	<p>Verify that the beneficiary used for the hourly rate one of the following options:</p> <p>a) the hourly rates specified in the contract;</p> <p>b) the global amount specified in the contract divided by the number of hours to be worked under that contract</p> <p>c) the global amount specified in the contract divided by the pro-rate of 1720 hours.</p>	

A.3. Seconded personnel (against payment)

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.3	<p>This budget category covers the costs of persons that worked on the action and that were seconded by a third party as an "in kind contribution against payment" (see article 11).</p> <p>What not? Persons provided by a temporary work agency, secondment of staff between beneficiaries (or linked third parties) in the same grant or secondment by a third party free of charge.</p>	78	<p>Arrange interviews with the beneficiary and review the list of persons selected for testing and identify temporary transfers of seconded persons. Perform the procedures listed in this section for this type of personnel costs.</p>	
Art. 11	<p>The beneficiaries may declare costs related to the payment of in-kind contributions as eligible (see Article 6.1 and 6.2), up to the third parties' costs for the seconded persons, contributed equipment, infrastructure or other assets or other contributed goods and services.</p> <p>The third parties and their contributions must be set out in Annex 1. The [Commission][Agency] may however approve in-kind contributions not set out in Annex 1 without amendment (see Article 55), if:</p> <ul style="list-style-type: none"> - they are specifically justified in the periodic technical report and - their use does not entail changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants. <p>The beneficiaries must ensure that [the Agency,] the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 22 and 23 also towards the third parties.</p>	79	<p>a) Verify that the Third Parties and their contributions were foreseen in Annex 1 or approved by the EC / Agency / JU.</p> <p>b) Verify that the beneficiaries limited the costs declared for the payment of in-kind contributions up to the costs incurred by the third parties for the seconded persons, corresponding to the time the person has worked for the action. Obtain the supporting documents that demonstrate the actual cost borne by the Third Party (e.g.: payslips, accounting entries, etc.). Please note that if the seconded person is working in the premises of the third party the direct costs actually incurred by the third party may be increased by a flat rate of 25% on these costs.</p>	
Art. 6.2.A.3	<p>Costs for persons seconded by a third party may be declared ONLY as actual costs.</p>	80	<p>If the beneficiary declared the costs for persons seconded by a third party using actual costs, perform the procedures in respect of actual costs from the section "Employees".</p>	
Art. 6.2.A.3	<p>The costs must comply with the following conditions for eligibility:</p> <p>a) fulfil the general conditions for costs to be eligible (i.e. incurred/used during the action duration, necessary, linked to the action, etc.; see Article 6.1(a) and (b))</p>	81	<p>Perform the procedures in respect of Article 6.1 (a) and (b) from the section "General"</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.3	b) The person must be seconded. 'Seconded' means the temporary transfer of personnel from a third party to the beneficiary. The seconded person is still paid and employed by the third party, but works for the beneficiary. S/he is at the disposal of the beneficiary. Example: A researcher in a public research centre is seconded to work in a university that is a beneficiary in a GA. A secondment does not necessarily require the seconded person to work at the beneficiary's premises, although this is what usually happens.	82	Review the secondment contracts, or other equivalent supporting documentation (decisions, engagements) to document the temporary transfer of the seconded persons. Verify that the seconded personnel work for the beneficiary. Verify if there is a clause saying that the seconded personnel are at the disposal of the beneficiary.	
Art. 6.2.A.3	c) the beneficiary must reimburse the costs to the third party (i.e. not for free)	83	a) Verify that the beneficiary reimbursed the costs to the third party (i.e. not for free). b) Compare the costs declared for the seconded persons with the amount paid to the third party.	
Art. 6.2.A.3	d) fulfil the additional cost eligibility conditions set out in Article 11.1.	84	Perform the procedures listed at no 1 in this section.	
Art. 6.2.A.3	The same rules for calculation apply as in point 1.1.4.	85	a) In addition to the procedures from the section "Time recording" corroborate information from the time records of the third party and the time records of the Beneficiary to identify any contradictions. b) Perform the procedures for hourly rate, remuneration and productive hours from the section "Employees".	

A.4 SMEs owners &

A.5 Natural persons not receiving a salary

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.4 /A.5	A.4 Costs of owners of beneficiaries that are small and medium-sized enterprises ('SME owners'), who are working on the action and who do not receive a salary are eligible personnel costs, if they correspond to the amount per unit set out in Annex 2a multiplied by the number of actual hours worked on the action. A.5 Costs of 'beneficiaries that are natural persons' not receiving a salary are eligible personnel costs, if they correspond to the amount per unit set out in Annex 2a multiplied by the number of actual hours worked on the action.	86	Arrange interviews with the beneficiary and review the list of persons selected for testing and identify SMEs owners not receiving a salary and natural persons not receiving a salary. Perform the procedures listed in this section for this type of personnel costs. For the sake of simplicity from now onwards the term "SME owner/natural person" will be used in this section to refer to SMEs owners not receiving a salary and natural persons not receiving a salary.	ERA-NET Cof
Art. 6.2.A.4 /A.5	These budget categories cover the costs of SME owners and beneficiaries that are natural persons which work on the action but don't receive a salary. This includes SME owners who are remunerated/compensated for their work for the SME by any other means than a salary (for example, dividends, service contracts /other non-employment contracts between the company and the owner). What not? SME owners who receive a salary (registered as such in the accounts of the SME) cannot declare personnel costs under this budget category, unless s/he can show that this salary corresponds exclusively to the management of the SME (and is therefore not linked to the action). (In this case, the salary for the management of the SME cannot be declared.) If the remuneration status of the SME owner changes during the course of the action, the beneficiary has to request an amendment (see Article 55), in order to change the form of costs used (e.g. from unit cost to actual costs). Example: A GA was signed in 2014 with an SME whose owner does not receive a salary. The action's personnel costs are calculated based on the unit cost set out in Annex 2. In 2016, the SME starts paying the owner a salary for his/her work. From that moment on, any costs charged to the Horizon 2020 action require an amendment to the GA to remove the unit cost and to allow the SME owner to charge personnel costs based on his/her salary. The SME may no longer use unit costs to declare the costs of its owner.	87	a) Review the payroll, contracts and other documentation and verify that SME owner/natural person works on the action but does not receive a salary. b) If the SME owner receives a salary (registered as such in the accounts of the SME), verify that this salary does not correspond exclusively to the management of the SME and is therefore not linked to the action. Review contract, time records and other evidence. c) Verify if there is change in the remuneration status of the SME owner/natural person during the course of the action.	ERA-NET Cof

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.4 /A.5	<p>These costs must be declared on the basis of the unit cost (hourly rate) fixed by Commission Decision C(2013) 819718 and set out in Annex 2 and 2a of the GA. The precise unit cost is not pre-fixed by the Decision; the 'amount per unit' (hourly rate) must be calculated for each individual before signature of the GA according to the following formula: Amount per unit = {{EUR 4,650/143 hours} multiplied by {country-specific correction coefficient of the country where the beneficiary is established}} The country-specific correction coefficient is the one set out in the Main Work Programme — MSCA in force at the time of the call. Example: A German SME owner not receiving a salary will calculate the hourly rate as follows: EUR 4.650/143 * 98.8% = EUR 32,13 /hour. In practice, the declaration of costs for SME owners and beneficiaries that are natural persons is very simple and almost completely automatised: The beneficiaries must only indicate the number of hours worked on the action and the costs are then automatically calculated by the IT system.</p>	88	Verify that the correct specific rate for each individual has been used.	SME-Ph2 ERA-NET Cof.
Art. 6.2.A.4 /A.5	<p>The costs must comply with the following conditions for eligibility:</p> <p>(a) fulfil the general conditions for unit costs to be eligible (i.e. units used during the action duration, necessary, linked to the action, correct calculation etc.; see Article 6.1(b)).</p> <p>(b) be declared for an owner of an SME/beneficiary that is natural person, who works on the action but does not receive a salary. The owner may be compensated by means such as dividends, service contracts between the company and the owner, etc.</p> <p>The Commission / Agency may verify that the beneficiary fulfils the conditions for using this unit cost.</p>	89	Verify that the general conditions for costs to be eligible (i.e. incurred during the action duration, necessary, etc.; see Article 6.1(a) and (b)) are fulfilled. Refer to section "General".	ERA-NET Cof
Art. 6.2.A.4 /A.5	<p>They are calculated (automatically by the IT system) as follows: amount per unit (hourly rate; see Annex 2a GA) x number of actual hours worked on the action.</p> <p>Ceiling — The total number of hours declared in EU and Euratom grants for an SME owner for a year (i.e. a financial year) can NOT be higher than 1 720.</p>	90	<p>a) Recalculate the declared costs for SME owners/ natural persons.</p> <p>b) Verify that the total number of hours declared in EU and Euratom grants for a year (i.e. a financial year) is NOT higher than 1720 hours.</p>	ERA-NET Cof

A.6 Access to research infrastructure personnel costs

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.6	This budget category covers the personnel costs for access to infrastructure activities, i.e.: costs for employees (or equivalent) basic remuneration and for non-profit legal entities: additional remuneration; costs for natural persons working under a direct contract and costs of personnel seconded by a third party against payment.	91	Arrange interviews with the beneficiary and review the list of persons selected for testing and identify the persons for whom personnel costs for access to infrastructure activities have been declared. Perform the procedures listed in this section for this type of personnel costs.	SME-Ph2 ERA-NET Cof
Art. 6.2.A.6	Personnel costs for providing transnational or virtual access to research infrastructure may be declared as actual costs or on the basis of unit costs in accordance with the usual cost accounting practices (i.e. 'average personnel costs') (see Article 5.2(a)).	92	a) If the beneficiary declared the costs for persons providing for access to infrastructure activities perform the procedures in respect of actual costs from the section "Employees", "Natural Persons" or "Seconded" depending on type of personnel declared. b) If the beneficiary declared the costs for persons providing for access to infrastructure activities using unit costs, perform the procedures in respect of Personnel costs on the basis of the usual accounting practices from the section "Specific Cases".	SME-Ph2 ERA-NET Cof
Art. 6.2.A.6	Article 6.2 (1.5.3) The costs must comply with the following conditions for eligibility: (a) fulfil the general conditions for costs to be eligible (i.e. incurred/used during the action duration, necessary, linked to the action, etc.; see Article 6.1(a) and (b))	93	Verify that the general conditions for costs to be eligible (i.e. incurred during the action duration, necessary, etc.; see Article 6.1(a) and (b)) are fulfilled.	SME-Ph2 ERA-NET Cof
Art. 6.2.A.6	(b) fulfil the specific conditions for costs for employees (or equivalent), costs for natural persons working under a direct contract or costs of personnel seconded by a third party against payment	94	Perform the procedures from the section "Employees", "Natural Persons" or "Seconded" depending on the type of personnel costs claimed for access to infrastructure activities.	SME-Ph2 ERA-NET Cof

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.A.6	(c) be incurred for providing trans-national or virtual access to research infrastructure	95	<p>In addition to the procedures from the section "Time recording" verify that the personnel costs are incurred for providing trans-national or virtual access to research infrastructure.</p> <p>For example:</p> <ol style="list-style-type: none"> 1. preparation of the detailed access activity information that must be included in the periodic technical reports and/or the assessment report; 2. the organisation of the assessment carried out by the board of international experts; 3. the operation of the research infrastructure or installation; 4. logistical, technological and scientific support for users e.g.: a helpdesk, including ad-hoc user training; 5. preparatory and closing activities needed to use the installation. 	SME-Ph2 ERA-NET Cof
Art. 6.2.A.6	The same rules for calculation apply as in points 1.1.4, 1.2.4 and 1.3.4.	96	<p>a) For employees perform the procedures for hourly rate, remuneration and productive hours from the section "Employees".</p> <p>b) For natural persons working under a direct contract perform the procedures in respect of point 1.2.4 from the section "Natural Persons".</p> <p>c) For personnel seconded by a third party against payment perform the procedures in respect of point 1.3.4 from the section "Seconded"</p>	SME-Ph2 ERA-NET Cof

Final General Control

GA Ref.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
		97	In cases in which the procedures listed above have been carried out successfully but the auditor, during the execution of these procedures, came across facts and documents which put into question the compliance of the costs with the eligibility criteria foreseen in the H2020 grant agreement this information should be reported accompanied with adequate supporting information.	

B. SUBCONTRACTING

The subcontracting costs should be either :

- 1) clearly specified in Annex 1 in terms of nature and amount, thus known by the Commission when selecting the action's proposal or
- 2) approved via an amendment to the Grant Agreement after its signature with (again) nature of the costs and amount known by the Commission or
- 3) approved, on an exceptional basis, by the Commission by accepting the justifications provided by the Beneficiary in the technical periodic reports.

In all three cases the Commission grants (or not) an approval based on clear information as regards the nature of the subcontracting services, the respective estimated amounts and the circumstances that required the use of subcontracting.

Since the Commission grants the approval based on an ex-ante assessment, the following eligibility criteria are deemed to be complied with once the Commission's approval is granted:

- 1) the costs for subcontracting are necessary for the action;
- 2) the costs for subcontracting are reasonable, justified, economic, efficient and not reckless;
- 3) in case of approval on exceptional basis (point 3 above), the subcontracting is not entailing changes to the Grant Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

The below procedures DO NOT cover PCP and PPI.

General Procedures

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 13.1.1	The tasks to be implemented and the estimated cost for each subcontract must be set out in Annex 1 Description of Work of the audited Grant Agreement(s).	1	Obtain the last version of Annex 1 Description of Work of the audited Grant Agreement(s). Confirm that Annex 1 Description of Work of the audited Grant Agreement(s) contains a description of the tasks to be subcontracted and estimated costs for subcontracting.	
Art. 13.1.1	Subcontractors participate in the action by carrying out action tasks for the beneficiary. They are NOT beneficiaries and therefore have no direct obligations under the grant agreement (but their beneficiaries must ensure that they comply with certain key obligations). Subcontract – For the purposes of the GA, a 'subcontract' means the purchase of goods, works or services that are identified in Annex 1 as action tasks.	2	Compare the information from Annex 1 Description of Work with the tasks subcontracted by the Beneficiary for which costs are declared. Confirm that no material discrepancies exist both in the nature of the subcontracting and in terms of value.	
Art. 13.1.1	Costs for subcontracting not foreseen in Annex 1 Description of Work of the audited Grant Agreement(s) were specifically justified in the periodic technical reports.	3	Obtain the periodic technical report of the audited Grant Agreement(s). Confirm that the costs for subcontracting which have not been foreseen in Annex 1 Description of Work have been specifically justified in the periodic technical reports of the action.	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 13.1.1		4	Verify that there is a confirmation from the EC/ AGENCY / JU services that the costs for subcontracting not foreseen in Annex I but justified in the periodic technical reports are accepted by the EC/ AGENCY / JU services.	
Art. 6.1.a.(i)	Costs must be actually incurred by the Beneficiary.	5	Obtain from the Beneficiary the list of items for which costs are declared in the category Subcontracting.	
Art. 6.1.a.(i)		6	Confirm that the total amount resulting from the list of items corresponds to the amount declared in the financial statement(s). For beneficiaries with accounting established in other currency than the euro first convert the total amount resulting from the list of items to euro by using the rate as specified in Art.20.6 of the H2020 GA.	
Art. 6.1.a.(i)		7	Select a sample from the list of items declared in the category Subcontracting as follows: 1) If the total subcontracting costs are below the planning materiality level (5% of total costs declared) the item with the highest value in the population should be selected; 2) If the total subcontracting costs are above the planning materiality level (5% of total costs declared) then 2.a) if the population is less or equal to 5 items, all items should be tested; or 2.b) If the population is more than 15 items select for testing a maximum of 15 items. Select for testing all the items with a value higher or equal to 10% of the subcontracting costs declared. Add randomly selected items until 50% coverage of the subcontracting costs is achieved or the total maximum number of 15 items is reached. The procedures below are to be carried out on the sampled items only. The item is defined as one contract.	
Art. 6.1.a.(i)		8	If systematic errors are identified request the Beneficiary to recalculate the declared costs for the action by removing the effect of the systematic errors for the whole population. Verify the accuracy and reliability of the recalculation performed by the Beneficiary.	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.1.a.(i)		9	Obtain from the Beneficiary the underlying documentation (invoices, debit notes, credit notes, proofs of delivery, etc.) for each sampled item. Reconcile in monetary terms each item to the specific underlying document (invoices, debit notes, etc.).	
Art. 6.1.a.(i)		10	Ensure that the underlying documents are addressed to the Beneficiary.	
Art. 6.1.a.(i)		11	Confirm that the accounting documents justifying the costs for subcontracting (invoices, debit notes, credit notes, etc.) are recorded in the Beneficiary's statutory accounting books.	
Art. 6.1.a.(i)		12	Request the Beneficiary to provide information regarding its usual accounting practices as regards recording of costs incurred in currency other than its local currency. If the accounting documents justifying the costs for subcontracting are in foreign currency, ensure that the Beneficiary converted the costs when recording the latter in its statutory accounting books in conformity with its usual accounting practices.	
Art. 6.1.a.(i)		13	Confirm that during a period of 6 months after recording the accounting documents in the Beneficiary's statutory books no altering event has been recorded (credit note, invoice cancellation, etc.). To that end inspect the general accounting of the Beneficiary as well as the suppliers' ledgers.	
Art. 6.1.a.(i)		14	Confirm for each sampled item that the costs for subcontracting have not been re-invoiced by the Beneficiary to another legal entity, including affiliated companies as well as independent third parties. To confirm the latter inspect the general accounting of the Beneficiary up to 6 months after the date of recording the initial justifying document.	
Art. 6.1.a.(i)		15	Confirm that the costs were paid by the Beneficiary. To that end inspect bank statements and cash registers. In case of other means like netting off, cash pooling, etc. check the general ledger and accounting system of the Beneficiary to confirm such other form of payment.	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art.6.5. (a)-(ix)	Costs must not include deductible VAT.	16	<p>Verify that the costs charged do not include VAT if VAT is deductible for the Beneficiary according to the national tax law. To that end inspect the national tax law, review declarations delivered by the national tax authorities, review the accounting system of the Beneficiary, etc. Only beneficiaries that cannot deduct VAT according to the national tax law can charge VAT as a cost on the action.</p> <p>Deductible VAT which is not identifiable is to be considered as an ineligible cost.</p> <p>Non-identifiable VAT (in foreign invoices) — In exceptional cases where the beneficiary cannot identify the VAT charged by the supplier (e.g. small non-EU invoices), the full purchase price can be recorded in the accounts if it is not possible to deduct the VAT. That VAT would therefore be eligible.</p>	
Art. 6.5.(a)	<p>Costs declared do not contain ineligible elements.</p> <p>The eligibility of duties depends on the eligibility of the cost item to which they are linked (i.e. in whose price they are included). If the item is eligible, the duty is also eligible.</p> <p>Costs to allow for the participation of disabled people (e.g. costs for sign language interpreters required for dissemination events organised under the action) — May be eligible if they fulfil the general and specific eligibility conditions listed under Articles 6.1 and 6.2. The beneficiaries must keep records (see Article 18) to prove in case of an audit, check or review the actual costs incurred and that they were necessary for the implementation of the action.</p>	17	<p>Confirm that the declared costs for subcontracting do not contain any of following ineligible elements:</p> <ul style="list-style-type: none"> (i) costs related to return on capital; (ii) debt and debt service charges; (iii) provisions for future losses or debts; (iv) interest owed; (v) doubtful debts; (vi) currency exchange losses; (vii) bank costs charged by the Beneficiary's bank for transfers from the EC; 	ERA-NET Cof.
Art. 6.1.a(ii)	Costs must be incurred during the project period defined in Art.3 of the Grant Agreement(s) or any subsequent amendments with exception of costs relating to submission of the periodic report for the last reporting period and the final report.	18	<p>Verify by reviewing the invoices, delivery notes, etc. that the day/period of the delivery of the subcontracted service lies within the project period as specified in Art.3 of the Grant Agreement(s) or any subsequent amendments.</p> <p>The costs which are incurred outside the project period and are not related to the submission of the periodic report for the last reporting period or the final report should be reported as adjustment to the costs declared pending confirmation of the procedure 19.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.1.a.(ii)		19	For costs incurred after the end of the action, inquire if the latter relate to the periodic report of the last reporting period or the final report. To that end review the available accounting documents and reports, determine the nature of the cost and obtain relevant information from the Beneficiary.	
Art. 6.1.a.(ii)		20	Confirm that the accounting documents justifying the costs for subcontracting are recorded in the Beneficiary's statutory accounting books during the reporting period in which the costs are declared. OR Confirm that a debt corresponding to the final known amount for the cost item has been recorded in the Beneficiary's statutory books during the reporting period in which the costs are declared.	
Art. 6.5.(a)-(x)	Costs must not include any costs incurred during suspension of the implementation of the action (Art.49).	21	Identify any costs incurred during suspension of the implementation of the action. To that end inspect amendments of the Grant Agreement(s), correspondence between the EC/ AGENCY / JU and the Beneficiary and information at disposal of the Beneficiary. Gather information regarding the following: - are the costs incurred during the suspension of the action clearly identifiable (does the subcontracting foresee partial delivery of results, are there periodical invoices, separate charges for separate elements, etc.); - was the suspension notified by the beneficiary to the subcontractor (what were the measures taken); - was the amendment of the grant lifting the suspension changing the subcontracting in terms of tasks to be executed, amount involved, etc.	
Art. 6.1.(a)-(v)	Costs must be identifiable and verifiable, in particular recorded in the Beneficiary's accounts in accordance with the accounting standards applicable in the country where the Beneficiary is established and with the Beneficiary's usual cost accounting practices.	22	Confirm that the original primary accounting documents included in the underlying documentation justifying the costs for subcontracting (invoices, debit notes, credit notes, etc.) are in compliance with the national accounting standards (e.g. bear all required requisites - date, document number, amount, currency, etc.).	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.1.a.(ii)		23	<p>Verify if conforming to the national accounting law the Beneficiary has the obligation to have its annual statutory accounts certified by an independent auditor. If yes, request the statutory auditor's report for the years covering the duration of the audited period or if the latter is not yet available - for the last 3 years for which a report is available. Verify if the auditor's reports are qualified for reasons affecting the audited cost category.</p> <p>If the auditor's report on the Beneficiary's statutory annual accounts is not qualified for the cost category under audit it is deemed that the costs are recorded in accordance with the accounting standards applicable in the country where the Beneficiary is established.</p>	
Art. 18.1.	The Beneficiaries must keep the original documents. Digital and digitalised documents are considered originals if they are authorised by the applicable national law.	24	If the Beneficiary has presented digital or digitalised accounting documents confirm that they are authorised by the applicable national law.	
Art. 6.5.(b)	Costs must not include costs declared under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the [Commission][Agency] for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the Beneficiary is already receiving an operating grant financed by the EU or Euratom budget in the same period.	25	<p>Verify if the original underlying documents bear exclusive reference to the EU action under audit (number and acronym, specific code determined by the Beneficiary, etc.) or are stamped with the reference to the EU action under audit.</p> <p>If the original underlying documents bear reference of another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the [Commission][Agency] for the purpose of implementing the EU or Euratom budget) the costs should be rejected. In cases in which the documents do not bear any reference to the EU action under audit, carry out procedure 26.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.5.(b)		26	<p>Review the cost accounting, the controlling system and the relevant procedures of the Beneficiary. Identify the existence of specific project accounting (e.g. existence of specific cost centres, internal orders, sub-ledgers, etc. per project). Perform a walk-through review of the procedures to ensure that when recorded the costs can be allocated exclusively to one project.</p> <p>In cases in which 1) the Beneficiary maintains specific project accounting; 2) the review of the systems/procedures and the walk-through confirm that costs can be allocated exclusively to one costs object 3) the financial statement for the audited action reconciles in full with the amounts stemming from the project accounting and 4) the sampled costs are recorded in the relevant account for the audited action cost object; the eligibility condition in Art 6.5 (b) is deemed to be respected and procedure 27 should not be carried out.</p>	
Art. 6.5 (b)		27	<p>Obtain information from the Beneficiary whether the audited entity participates in other EU programmes, in particular Structural Funds, Social Fund, etc. and obtain a list of the other EU actions/projects running during the audited period. Obtain for 5 other projects/ actions the list of items declared for the other EU actions/projects. Verify that none of sampled items is included in the cost claims of the 5 other projects/actions.</p>	
Art.6.1	<p>Costs must be:</p> <ul style="list-style-type: none"> - incurred in connection with the action as described in Annex 1; - necessary for the implementation of the action; - reasonable and justified; - comply with the principle of sound financial management, in particular regarding economy and efficiency; - costs are incurred in absence of conflict of interest; - not declared under another EU or Euratom grant; -not incurred during suspension of the implementation of the action (according to Art. 49) 	28	<p>Confirm that the Beneficiary signed a representation letter stating that the costs charged to the action are:</p> <ul style="list-style-type: none"> - incurred in connection with the action as described in Annex 1; - necessary for the implementation of the action; - reasonable and justified; - comply with the principle of sound financial management, in particular regarding economy and efficiency; - costs are incurred in absence of conflict of interest; - not declared under another EU or Euratom grant; -not incurred during suspension of the implementation of the action (according to Art. 49) 	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 35.1	Costs for subcontracting were incurred in absence of conflict of interest.	29	Verify the existence of the Beneficiary's policy on Conflict of Interests. Enquire whether the Beneficiary's internal written procedures foresee measures for avoidance of conflict of interest by defining specific criteria that need to be met.	
Art. 13.1.1	The Beneficiary ensured that the Agency, the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 22 and 23 also towards their subcontractors.	30	Review contracts and agreements between the Beneficiary and its subcontractors for clauses ensuring to the European Commission / Agency, European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) their rights under Articles 22 and 23 of the Grant Agreement(s).	
Art. 13.1.2	Obligations that must be extended to subcontractors: - Avoiding conflicts of interest (see Article 35) - Maintaining confidentiality (see Article 36) - Promoting the action and give visibility to the EU funding (see Article 38) - Liability for damages (see Article 46). It is the beneficiaries' responsibility to ensure that these obligations are accepted by the subcontractors. The beneficiaries must make special arrangements regarding results produced by the subcontractors (in order to be able to fully comply with their obligations under the GA; see Article 26.3).	31	Review contracts and agreements between the Beneficiary and its subcontractors for clauses foreseeing that obligations conforming to Art. 35, 36, 38 and 46 of the H2020 GA also apply to the subcontracting entities.	
Art. 13.1	The subcontracted tasks as described in the original signed subcontracting agreements did not include tasks to be executed exclusively by the action's coordinator as listed in article 41.2.b) of the H2020 GA.	32	Confirm that none of the subcontracted tasks are to be carried out exclusively by the action's coordinator as per Art.41.2.b).	
Art. 13.1.1	The specific eligibility conditions foreseen in an option in the Grant Agreement for subcontracting above a defined threshold should be complied with.	33	Obtain and review the signed Grant Agreement(s). Confirm that if specific provisions are foreseen in case the subcontracting costs exceed the threshold defined in the GA the latter are complied with.	SME-Ph2
Art. 13.1.1	If classified results are subcontracted the explicit approval (in written) of the Commission has been given.	34	Obtain and review the signed Grant Agreement(s). Confirm that if the option of subcontracting of classified results is activated in the Grant Agreement (Art. 13.1.1) there is a written explicit agreement of the Commission.	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 13.1.1		35	Obtain the signed original subcontracting agreements linked to the sampled items.	
Art. 13.1.1		36	Confirm that the original primary accounting documents (invoices, debit notes, credit notes, etc.) justifying the declared costs for subcontracting are issued by the same legal entity with which the Beneficiary has signed subcontracting agreements.	
Art. 13.1.1		37	Confirm that the original primary accounting documents (invoices, debit notes, credit notes, etc.) justifying the declared costs for subcontracting are not issued before the signature of the relevant subcontracting agreements.	
Art. 13.1.1		38	Confirm that the description of the subcontracted tasks as it appears on the original primary accounting documents is the same as the subcontracting tasks foreseen in the signed original subcontracting agreements.	
Art. 13.1.1		39	Confirm that the amount reflected in each underlying document is in line with the contractual agreement between the Beneficiary and the subcontractor(s).	
Art. 13.1.1		40	Confirm that the amount reflected in each underlying document takes into account any rebates, discounts and other price reductions if the latter were foreseen in the signed original subcontracting agreements.	
Art. 13.1	The original signed subcontracting agreements were not concluded with a Beneficiary in the same Grant Agreement.	41	Confirm that the legal entities with which subcontracting agreements are concluded are not beneficiaries in the audited Grant Agreement(s).	
Art. 13.1	If the subcontracting was awarded on the basis of an existing framework contract the name of the subcontracting supplier was listed in Annex 1 Description of Work of the audited Grant Agreement(s).	42	If the subcontracting was awarded on the basis of an existing framework contract confirm that the original signed subcontracting agreements are signed with the legal entity stated in Annex 1 Description of Work of the audited Grant Agreement(s). If the Beneficiary awarded subcontracting on the basis of an existing framework contract, but the name of the subcontractor is different from the one specified in Annex 1 request the Beneficiary to provide detailed explanations for the change of supplier, including comparison of offers.	SME-Ph2

Contracting Authority

GA Art.	Condition to be checked	N.	General procedure to be performed	SPEC. PROC.
Art. 13.1.2	Beneficiaries that are 'contracting authorities' within the meaning of Directive 2004/18/EC24 or 'contracting entities' within the meaning of Directive 2004/17/EC25 must comply with the applicable national law on public procurement.	43	Verify by confirming with the Beneficiary, by reviewing confirmations by authorities or other legal statutory documents whether the audited Beneficiary is a 'contracting authority' within the meaning of Directive 2004/18/EC or a 'contracting entity' within the meaning of Directive 2004/17/EC. If it is the case obtain the applicable national law on public procurement and confirm that the applicable national law on public procurement was correctly applied.	SME-Ph2
Art. 13.1.2		44	If the entity is a 'contracting authority' within the meaning of Directive 2004/18/EC or a 'contracting entity' within the meaning of Directive 2004/17/EC confirm that : - where a procurement procedure is required by the national applicable law on public procurement the procedure was carried out;	SME-Ph2
Art. 13.1.2		45	- there is a publication of a call for tenders when it is compulsory by the national applicable law on public procurement;	SME-Ph2
Art. 13.1.2		46	- the minimum advertising time foreseen in the public procurement rules was respected;	SME-Ph2
Art. 13.1.2		47	- the minimum number of offers was obtained as foreseen in the public procurement rules;	SME-Ph2
Art. 13.1.2		48	- the minimum waiting time between awarding and signing the contract (or purchase order) that is foreseen in the public procurement rules was respected;	SME-Ph2
Art. 13.1.2		49	- the tendering for identical services and goods which occurred during all controlled periods of the action was done in one tender (e.g. no split was done to avoid publishing a tender);	SME-Ph2
Art. 13.1.2		50	- confirm that the subcontract is awarded to the entity ranked first in the selection process;	SME-Ph2
Art. 13.1.2		51	- confirm that existing framework contracts are not prolonged without a new selection procedure or with substantial modification of the conditions. The substantial modification of the conditions is limited to increase of the price and/or change of the scope.	SME-Ph2

Not Contracting Authority

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 13.1.1	The beneficiaries must award the subcontracts ensuring the best value for money or, if appropriate, the lowest price.	52	Obtain the internal procurement procedure of the Beneficiary.	SME-Ph2
Art. 13.1.1		53	If the internal procurement procedure of the Beneficiary requires tendering in order to select the subcontracting entity carry out the following procedures. Obtain: - original tender notice or letters of invitation to tender; - tender specifications; - all copies of all tenders finally received, including those of the losing bidders; - the composition of the evaluation committee; - the final award decision and recommendation made; - the letter of confirmation of award, as well as notifications of non-success to losing bidders and subsequent responses to requests for clarification or complaints by those losing bidders.	SME-Ph2
Art. 13.1.1		54	Confirm that the Beneficiary applied its written internal procedures for procurement in terms of amounts' ceiling (e.g. if the procedure foresees for awarding of bids above 10 000 EUR to collect 3 offers the Beneficiary did collect the required number of offers).	SME-Ph2
Art. 13.1.1		55	In the case of more than one controlled period sum the costs for subcontracting invoiced for identical services by the same supplier. Confirm that no change would have occurred in the selection process compared to the Beneficiary's written internal procedures for procurement if the subcontracting would have been awarded in one lot (to avoid splitting subcontracting to lots in order to drop below the ceiling for tendering).	SME-Ph2
Art. 13.1.1		56	Confirm that the Beneficiary applied its written internal procedure for procurement in terms of publicity of the tender (e.g. appropriate media, sufficient deadline for reply, etc.).	SME-Ph2
Art. 13.1.1		57	Confirm that the tendering conditions or the minimum requirements for the offers were not modified after the publication of the tender or if it was the case the modifications have been published in the same manner as the initial tender and notified to all bidders which already submitted its offer <u>and</u> these bidders were given the possibility to re-submit the offer.	SME-Ph2
Art. 13.1.1		58	Confirm that the evaluation of the offers was carried out based on the criteria published in the tender (e.g. no new criteria and conditions are added at evaluation stage).	SME-Ph2
Art. 13.1.1		59	Confirm that price is one of the criteria based on which the offers' evaluations was carried out.	SME-Ph2

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 13.1.1		60	Confirm that the entity offering lowest price has been awarded the highest score for the price criteria.	SME-Ph2
Art. 13.1.1		61	Confirm that if the Beneficiary did not award the subcontracting to the entity offering the lowest price the award decision contains a justification about the criteria which explain the choice of another bidder than the one offering lowest price.	SME-Ph2
Art. 13.1.1		62	Confirm that the subcontract is awarded to the entity ranked first in the selection process.	SME-Ph2
Art. 13.1.1		63	<p>Confirm that the applied procurement procedure does not discriminate purchases for EU-funded and non-EU funded activities of the Beneficiary.</p> <p>In cases in which the Beneficiary has a procurement procedure which is correctly applied (e.g. the walk through could be completed without findings) when selecting the supplier the costs are deemed to be reasonable, justified, not reckless and not excessive, to comply with the principle of sound financial management, in particular regarding economy and efficiency and with the principle of "best value for money". In cases in which the Beneficiary has a procurement procedure but the latter has not been applied correctly (e.g. the walk through results in non-compliance of the selection process with the procedure) or a discrimination between purchase for EU-funded and non-EU funded activities has been observed the relevant costs should be rejected, unless the Beneficiary can provide a persuasive justification.</p>	SME-Ph2
Art. 13.1.1		64	<p>In cases in which the Beneficiary has no procurement procedure request the Beneficiary to describe its approach when selecting the subcontractor(s). Request from the Beneficiary documents and justifications supporting the approach taken.</p> <p>If the Beneficiary has no procurement procedure in place but has taken actions in order to ensure selection based on the principle of best value for money or lowest price the auditors verify the approach taken and vouch the received information to the latter. In cases in which discrimination between purchase for EU-funded and non-EU funded activities has been observed the relevant costs should be rejected, unless the Beneficiary can provide a persuasive justification. If the Beneficiary has a defined approach, was able to support it with documents and justifications and there is no discrimination between purchase for EU-funded and non-EU funded activities the costs can be deemed to be eligible if the other eligibility conditions are met. Otherwise, the auditors carry out procedure 65.</p>	SME-Ph2
Art. 13.1.1		65	In cases in which the Beneficiary has no procurement procedure nor has it taken specific approach when selecting the subcontractor(s) request the Beneficiary to provide any justifications which can ensure that the costs are compliant with the principle of best value for money or selection on lowest price.	SME-Ph2

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 13.1	In case that the original signed subcontracting agreements were concluded with an affiliate company the following conditions were met: 1) a framework contract with the Beneficiary must exist OR 2) the affiliate is the Beneficiary's usual provider, AND 3) the subcontracting is priced at market conditions.	66	Confirm that if the subcontracting agreements are concluded with an affiliated entity that a framework contract exists or the affiliate is the Beneficiary's usual provider. To that end inspect the suppliers' ledger of the Beneficiary, invoices from the affiliate established prior to the action start, etc.	SME-Ph2
Art. 13.1		67	Request the Beneficiary to obtain an offer from an alternative supplier for the same product or service. If the foregoing is not possible, request the beneficiary to enquire on open sources in order to identify alternative suppliers of the same product or service.	SME-Ph2

Final General Control

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art.13	FINAL GENERAL CONTROL	68	In cases in which the procedures listed above have been carried out successfully but the auditor, during the execution of these procedures, came across facts and documents which put into question the compliance of the costs with the eligibility criteria foreseen in the H2020 Grant Agreement this information should be reported accompanied with adequate supporting documents	

D. OTHER DIRECT COSTS

General Procedures

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.3	Costs incurred by linked third parties are eligible if they fulfil - mutatis mutandis - the general specific conditions for eligibility set out in Art. 6.1 and Art. 6.2 and Art. 14.1.1 (on linked third parties)	1	Verify if the costs incurred by linked third parties fulfil - mutatis mutandis - the general specific conditions for eligibility set out in Art. 6.1 and Art. 6.2. Perform the procedures included in this file.	
Art. 14	[Linked third parties] must be named in Article 14 and their action tasks and estimated costs must be set out in Annexes 1 and 2 already at the moment of the GA signature (or if the linked third party is added later, through an amendment; see Article 55). The beneficiaries must make special arrangements regarding results produced by the linked third parties (in order to be able to fully comply with their obligations under the GA; see Article 26.3)	2	a) Verify that the third parties, for whom costs were incurred and claimed, are included in the GA including amendments. b) Verify that their participation in the action has not been terminated. c) Enquire if the third parties (including personnel) may claim rights to the results (Art. 26.3).	
Art. 6.1.a. (i)	Costs must be actually incurred by the Beneficiary.	3	Obtain from the Beneficiary the list of items for which other direct costs are claimed, broken down by sub-category.	
Art. 6.1.a. (i)		4	Confirm that the total amount resulting from the list of items corresponds to the amount claimed in the financial statement(s). For beneficiaries with accounting established in other currency than the euro first convert the total amount resulting from the list of items to euro by using the rate as specified in Art.20.6 of the H2020 GA.	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.1.a. (i)		5	<p>Select a sample from the list of items for each sub-category as follows:</p> <p>1) If the total costs in the sub-category is below the planning materiality level (5% of total costs claimed) the item with the highest value in the population should be taken;</p> <p>2) If the total costs in the sub-category is above the planning materiality level (5% of total costs claimed) then</p> <p>2.a) if the population is less or equal to 5 items, all items should be tested; or</p> <p>2.b) If the population is more than 15 items select for testing a maximum of 15 items. Select for testing all the items with a value higher or equal to 10% of the costs declared for the costs subcategory. Add randomly selected items until 50% coverage of the costs in the sub-category is achieved or the total maximum number of 15 items is reached.</p> <p>The Definition of an item is an event/conference for travel costs; and one line in the breakdown for Consumables and Equipment.</p>	
Art. 6.1.a. (i)		6	<p>If systematic errors are identified request the Beneficiary to recalculate the declared costs for the action by removing the effect of the systematic errors for the whole population. Verify the accuracy and reliability of the recalculation performed by the Beneficiary.</p>	
Art. 6.1.a. (i)		7	<p>Obtain from the Beneficiary the underlying documentation (supplier invoices, debit notes, credit notes, expense claims, etc.) justifying the costs for the randomly selected items. Reconcile in monetary terms each item from the sample to the specific underlying document.</p>	
Art. 6.1.a. (i)		8	<p>Ensure that the underlying documents are addressed to the Beneficiary. The procedure is valid only in cases in which the underlying documents are issued by external to the Beneficiary entity. The procedure is not to be carried out in cases in which the costs are based on internal transactions (e.g. internal invoices, depreciation, etc.).</p>	
Art. 6.1.a. (i)		9	<p>Confirm that the accounting documents justifying the sampled items (invoices, debit notes, credit notes, expense claims, etc.) are recorded in the Beneficiary's statutory accounting books.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.1.a. (i)		10	Request the Beneficiary to provide information regarding its usual accounting practices for recording of costs incurred in other currency than its local currency. If the accounting documents justifying the sampled items are labelled in foreign currency confirm that the Beneficiary converted the costs in conformity with its usual accounting practices.	
Art. 6.1.a. (i)		11	Confirm that during a period of 6 months after recording the accounting documents in the Beneficiary's statutory books no altering event has been recorded (credit note, invoice cancellation, etc.). To that end inspect the general accounting of the Beneficiary as well as the assets' and suppliers' ledgers.	
Art. 6.1.a. (i)		12	Confirm that the amount reflected in each underlying document justifying the selected items takes into account any rebates, discounts and other price reductions if the latter were foreseen. To that end inspect the general accounting of the Beneficiary, commercial agreements, contracts, interview accounting staff, etc.	
Art. 6.1.a. (i)		13	Confirm for each item that the sampled other direct costs have not been re invoiced by the Beneficiary to another legal entity, including affiliated companies as well as independent third parties. To confirm the latter inspect the general accounting of the Beneficiary up to 6 months after the date of recording the initial justifying document.	
Art. 6.1.a. (i)		14	Confirm that the costs linked to the sampled items were paid by the Beneficiary. To that end inspect bank statements and cash registers. In case of other means like netting off, cash pooling, etc. check the general ledger and accounting system of the Beneficiary to confirm such other form of payment.	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art.6.5. (a).(ix)	Costs must not include deductible VAT.	15	<p>Verify that the costs charged do not include VAT if VAT is deductible for the Beneficiary according to the national tax law. To that end inspect the national tax law, review declarations delivered by the national tax authorities, review the accounting system of the Beneficiary, etc. Only beneficiaries that cannot deduct VAT according to the national tax law can charge VAT as a cost on the action. Deductible VAT which is not identifiable is to be considered as an ineligible cost.</p> <p>Non-identifiable VAT (in foreign invoices) — In exceptional cases where the beneficiary cannot identify the VAT charged by the supplier (e.g. small non-EU invoices), the full purchase price can be recorded in the accounts if it is not possible to deduct the VAT. That VAT would therefore be eligible.</p>	
Art. 6.5.a)	<p>Costs claimed do not contain ineligible elements.</p> <p>The eligibility of duties depends on the eligibility of the cost item to which they are linked (i.e. in whose price they are included). If the item is eligible, the duty is also eligible.</p> <p>Costs to allow for the participation of disabled people (e.g. costs for sign language interpreters required for dissemination events organised under the action) — May be eligible if they fulfil the general and specific eligibility conditions listed under Articles 6.1 and 6.2. The beneficiaries must keep records (see Article 18) to prove in case of an audit, check or review the actual costs incurred and that they were necessary for the implementation of the action.</p>	16	<p>Confirm that the claimed other direct costs do not contain any of following ineligible elements:</p> <ul style="list-style-type: none"> (i) costs related to return on capital; (ii) debt and debt service charges; (iii) provisions for future losses or debts; (iv) interest owed; (v) doubtful debts; (vi) currency exchange losses; (vii) bank costs charged by the Beneficiary's bank for transfers from the EC / AGENCY / JU; 	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.1.a (ii)	Costs must be incurred during the project period defined in Art.3 of the grant agreement(s) or any subsequent amendments with exception for costs relating to submission of the periodic report for the last reporting period and the final report.	17	<p>Verify by reviewing the invoices, delivery notes, transport documents, stock registers etc. that the day of the delivery or the start of use of the asset, good or service lies within the project period as specified in Art.3 of the grant agreement(s) or any subsequent amendments. If travel and subsistence costs are concerned verify that the travel or any other event for which costs are claimed (meals, etc.) occurred during the period.</p> <p>The costs which are incurred outside the project period and are not related to the submission of the periodic report for the last reporting period or the final report should be reported as adjustment to the costs claimed pending confirmation of the procedures below (22 to 24).</p>	
Art. 6.1.a (ii)		18	For costs incurred after the end of the action, inquire if the latter relate to the periodic report of the last reporting period or the final report. To that end review the available accounting documents and reports, determine the nature of the cost and obtain relevant information from the Beneficiary.	
Art. 6.1.a (ii)		19	<p>Confirm that the accounting documents justifying the other direct costs are recorded in the Beneficiary's statutory accounting books during the reporting period in which the costs are claimed.</p> <p>OR</p> <p>Confirm that a debt corresponding to the final known amount for the cost item has been recorded in the Beneficiary's statutory books during the reporting period in which the costs are claimed.</p>	
Art. 6.1.a (ii)		20	If the controlled period is the first reporting period and if the travel occurred before the action's start date confirm that the travel relates exclusively to the first "leg" of the kick-off meeting. Confirm that the kick-off meeting itself took place during the action duration.	
Art. 6.5 (a).(x)	Costs must not include any costs incurred during suspension of the implementation of the action (Art.49).	21	Identify any costs incurred during suspension of the implementation of the action. To that end inspect amendments of the grant agreement(s), correspondence between the EC / AGENCY / JU and the Beneficiary and information at disposal of the Beneficiary.	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.1 (a) (v)	Costs must be identifiable and verifiable, in particular recorded in the Beneficiary's accounts in accordance with the accounting standards applicable in the country where the Beneficiary is established and with the Beneficiary's usual cost accounting practices.	22	Confirm that the original accounting documents included in the underlying documentation justifying the costs (limited to invoices, debit notes, credit notes) are in compliance with the national accounting standards (e.g. bear all required requisites - date, document number, amount, currency, etc.).	
Art. 6.1 (a) (v)		23	<p>Verify if conforming to the national accounting law the Beneficiary has the obligation to have its annual statutory accounts certified by an independent auditor. If yes, request the statutory auditor's report for the years covering the duration of the audited period or if the latter is not yet available - for the last 3 years for which a report is available. Verify if the auditor's report is qualified for reasons affecting the audited cost category.</p> <p>If the auditor's report on the Beneficiary's statutory annual accounts is not qualified for the cost category under audit the costs can be deemed to have been recorded in accordance with the accounting standards applicable in the country where the Beneficiary is established.</p>	
Art. 6.1 (a) (v)		24	<p>Obtain information and documents from the Beneficiary regarding its usual accounting practices for the audited cost category. If the Beneficiary has participated in FP7 inquire about any changes in the Beneficiary's usual cost accounting practices from FP7 to H2020 for the classification of costs between direct and indirect.</p> <p>For each sampled items verify that the classification of costs between direct and indirect is made in accordance with the Beneficiary's usual cost accounting practices (e.g.: verify that the sampled items should not be considered as indirect costs by virtue of their type or amount of cost).</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.1 (a) (v)		25	Obtain from the Beneficiary information if it performs an overheads' calculation (for internal reporting purposes, for reporting on projects not funded by the EU budget, etc.). In cases in which the Beneficiary carries out such calculation obtain the figures relevant for the audited period(s). Confirm that the sampled items are not included in the overheads calculation. Alternatively, select randomly 5 transactions not linked to EU actions (for other national, industrial, internal, non-EU projects) from the same cost category and the same period and verify that the costs' classification between direct and indirect costs follows identical approach.	
Art.18. 1.	The beneficiaries must keep the original documents. Digital and digitalised documents are considered originals if they are authorised by the applicable national law.	26	If the Beneficiary has presented digital or digitalised accounting documents confirm that they are authorised by the applicable national law.	
Art. 6.1 (a) (vi)	Costs must comply with the applicable national law on taxes, labour and social security.	27	Verify by 1) assessing the applicable national law on taxes, labour and social security; 2) inquiring with the Beneficiary; 3) checking reports of the financial authorities and 4) checking reports of internal/external auditors that the costs were dealt with according to applicable national law on taxes, labour and social security.	
Art. 6.5 (b)	Costs must not include costs declared under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the [Commission][Agency] for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the Beneficiary is already receiving an operating grant financed by the EU or Euratom budget in the same period, unless it can demonstrate that the operating grant does not cover any costs of the action .	28	Verify if the original underlying documents bear exclusive reference to the EU action under audit (number and acronym, specific code determined by the Beneficiary, etc.) or are stamped with the reference to the EU action under audit. If the original underlying documents bear reference of another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the [Commission][Agency] for the purpose of implementing the EU or Euratom budget) the costs should be rejected. In cases in which the documents do not bear any reference to the EU action under audit, carry out procedure 29.	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.5 (b)		29	<p>Review the cost accounting, controlling system and relevant procedures of the Beneficiary. Identify the existence of specific project accounting (e.g. existence of specific cost centres, internal orders, sub-ledgers, etc. per project). Perform a walk-through review of the procedures to ensure that when recorded the costs can be allocated exclusively to one project.</p> <p>In cases in which</p> <ol style="list-style-type: none"> 1) the Beneficiary maintains specific project accounting; 2) the review of the systems/procedures and the walk-through confirm that costs can be allocated exclusively to one costs object 3) the financial statement for the audited action reconciles in full with the amounts stemming from the project accounting and 4) the sampled costs are recorded in the relevant for the audited action cost object; <p>the eligibility condition in Art 6.5 (b) is deemed to be respected and procedure 30 should not be carried out.</p>	
Art. 6.5 (b)		30	<ol style="list-style-type: none"> a) Obtain information from the Beneficiary whether the audited entity participates in other EU programmes, in particular Structural Funds, Social Fund, etc. and obtain a list of the other EU actions/projects running during the audited period. b) Obtain for 5 other projects/actions the list of items declared under other direct costs. c) Verify that none of sampled items is included in the cost claims of the 5 other projects/actions. 	
Art. 6.5 (b)		31	<p>Enquire whether the Beneficiary receives assets, goods or services from the State for free specifically in relation to the audited action and verify that a procedure exists in order to avoid that such items are included in the H2020 cost claims.</p> <p>If no procedure exists, check 5 transactions concerning assets, goods and services made available by the State for free for that specific project, and verify that they do not appear in the project cost accounting of the EU action under audit.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art.6.1	Costs must be: <ul style="list-style-type: none"> - incurred in connection with the action as described in Annex 1 of the grant agreement; - necessary for the implementation of the action; - reasonable and justified; - comply with the principle of sound financial management, in particular regarding economy and efficiency; - costs are incurred in absence of conflict of interest; - not declared under another EU or Euratom grant; - not incurred during suspension of the implementation of the action (according to Art. 49) 	32	Confirm that the Beneficiary signed a representation letter stating that the costs charged to the action are: <ul style="list-style-type: none"> - incurred in connection with the action as described in Annex 1 of the grant agreement; - necessary for the implementation of the action; - reasonable and justified; - comply with the principle of sound financial management, in particular regarding economy and efficiency; - incurred in absence of conflict of interest; - not declared under another EU or Euratom grant; - not incurred during suspension of the implementation of the action (according to Art. 49) 	
Art. 10.1.2	Beneficiaries that are 'contracting authorities' within the meaning of Directive 2004/18/EC ²⁴ or 'contracting entities' within the meaning of Directive 2004/17/EC ²⁵ must comply with the applicable national law on public procurement.	33	Verify by confirming with the Beneficiary, by reviewing confirmations by national authorities or other legal statutory documents whether the audited Beneficiary is a 'contracting authority' within the meaning of Directive 2004/18/EC or a 'contracting entity' within the meaning of Directive 2004/17/EC. If it is the case obtain the applicable national law on public procurement and confirm that the applicable national law on public procurement was correctly applied.	SME-Ph2

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 10.1.2		34	<p>If the entity is a 'contracting authority' within the meaning of Directive 2004/18/EC or a 'contracting entity' within the meaning of Directive 2004/17/EC confirm that :</p> <ul style="list-style-type: none"> - where a procurement procedure is required by the national applicable law on public procurement the procedure was carried out; - there is a publication of a call for tenders when it is compulsory by the national applicable law on public procurement; - the minimum advertising time foreseen in the public procurement rules was respected; - the minimum number of offers was obtained as foreseen in the public procurement rules; - the minimum waiting time between awarding and signing the contract (or purchase order) that is foreseen in the public procurement rules was respected; - the tendering for identical services and goods which occurred during all controlled periods of the action was done in one tender (e.g. no artificial split was done to avoid publishing a tender); - confirm that existing framework contracts are not prolonged without a new selection procedure and/or with substantial modification of the conditions. The substantial modification of the conditions is limited to increase of the price and/or change of the scope; 	SME-Ph2
Art. 35.1	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 ').	35	Enquire whether the Beneficiary's internal written procedures foresee measures for avoidance of conflict of interest by defining specific criteria that need to be met.	
10.1.1	The beneficiaries must ensure that <i>[the Agency,]</i> the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 22 and 23 also towards their contractors.	36	Review contracts and agreements between the Beneficiary and its suppliers of other direct costs for clauses ensuring to the European Commission / Agency, European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) their rights under Articles 22 and 23 of the grant agreement(s).	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 38.1.2 e	<p>Promoting of the action – visibility of EU funding</p> <p>Unless the [Commission][Agency] requests or agrees otherwise or unless it is impossible, any communication activity related to the action (including in electronic form, via social media, etc.) and any infrastructure, equipment and major results funded by the grant must:</p> <p>(a) display the EU emblem and</p> <p>(b) include the following text:</p> <p>For communication activities: “This project has received funding from the [European Union’s Horizon 2020 research and innovation programme][Euratom research and training programme 2014-2018] under grant agreement No [number]”.</p> <p>For infrastructure, equipment and major results: “This [infrastructure][equipment][insert type of result] is part of a project that has received funding from the [European Union’s Horizon 2020 research and innovation programme][Euratom research and training programme 2014-2018] under grant agreement No [number]”.</p> <p>When displayed together with another logo, the EU emblem must have appropriate prominence.</p>	37	<p>When verifying the actual existence of the sampled assets by physical inspection, verify whether the EU emblem is displayed and whether the text " This [infrastructure][equipment][insert type of result] is part of a project that has received funding from the [European Union’s Horizon 2020 research and innovation programme][Euratom research and training programme 2014-2018] under grant agreement No [number]" is included.</p> <p>When the EU emblem is displayed together with another emblem or logo, assess whether the EU logo has appropriate prominence.</p>	ERC
Art.10.1	<p>Purchases between beneficiaries are in principle not accepted. If a beneficiary needs supplies from another beneficiary, it is the latter beneficiary that should charge them to the action. (Otherwise there is the risk that the grant is used to charge commercial profit margins). Purchases between beneficiaries will only be accepted in exceptional and properly justified cases (e.g. beneficiary A is a usual supplier of beneficiary B for a generic consumable beneficiary B needs for the action).</p>	38	<p>For each sampled good or service verify that the good or service is not invoiced by another beneficiary of the Grant Agreement.</p> <p>If any good or service is invoiced by another beneficiary of the Grant agreement, verify that: the other Beneficiary is a usual supplier and the good is a generic consumable required for the action.</p>	

D.1. Travel costs and related subsistence allowances

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.1.a. (i)	Costs must be actually incurred by the Beneficiary.	39	<p>a) If a sampled item is an expense claim confirm that the total costs of the expense claim reconcile with the sum of the amounts stemming from the justifying documents (tickets, bills, receipts, etc.).</p> <p>b) If the costs are incurred in other than the local currency of the Beneficiary convert the latter to the currency of the Beneficiary conforming to its usual accounting practices.</p>	
Art. 6.1.a) (v)	Costs must be incurred in accordance with the Beneficiary's usual cost accounting practices	40	Obtain from the Beneficiary its written travel policy and written internal procedures in the matter.	
Art. 6.2.D.1	<p>Combination with personal travels or travels for other purposes —The costs of a combined travel can be charged to the action — but ONLY up to the cost that would have been incurred if the travel would have been made exclusively for the action AND if:</p> <ul style="list-style-type: none"> - it is the usual practice of the beneficiary to pay for such travels (e.g. travels combining professional and personal reasons) - it has been an actual cost for the beneficiary. 	41	<p>Confirm that the claimed travel and subsistence costs are compliant with the Beneficiary's written internal policy and procedures (no upgrade of the usual travel policy took place for the purpose of claiming costs on the audited action).</p> <p>For cases of combined travel with personal travels or travels for other purposes, verify that it is the usual practice of the beneficiary to pay for such travels.</p> <p>For an expense claim related to the costs of a combined travel with personal travels or travels for other purposes, confirm that the cost charged to the action are limited to the costs that would have been incurred if the travel would have been made exclusively for the action.</p> <p>Obtain from the Beneficiary justifying documents for the actual cost of the travel as well as evidence of the costs of the flight that the person would have taken if it would have returned directly after the end of the work for the action</p>	
Art. 6.2.D.1		42	Confirm that if per diems/fixed fees were used for claiming travel costs and related subsistence allowances the amounts used to charge costs on the action reconcile with the ones foreseen in the Beneficiary's written travel policy and internal procedures.	
Art. 6.2.D.1		43	In case the Beneficiary has not a written travel policy and/or written internal procedures confirm that the Beneficiary applied identical approach for all travel arrangements claimed on the action during the controlled period - same class for flights and train journeys, same classification of hotels, same per diems applied (if this option is used) for the same category of staff involved in the project.	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.1.a) (iv)	Travel and subsistence costs must be necessary for the implementation of the action.	44	Confirm that the travel and subsistence costs were incurred by individuals effectively working for the action. To that end compare the list of individuals who incurred travel and subsistence costs to 1) the individuals for which time records, declarations on the honour or alternative evidence providing equivalent level of assurance for work on the action was kept by the Beneficiary even if the corresponding personnel costs were not claimed in the period's financial statements; 2) the list of external experts involved in the action; 3) the list of selection panels' members and approved members of user groups in cases in which the Beneficiary declares trans-national access to research infrastructures based on actual costs.	
Art. 6.1.a) (iv)		45	For each sampled item for travel cost, request the Beneficiary to provide a brief description, proof of connection to the action and proof for necessity for the action's implementation. Evidence of connection to the action may be retrieved in the underlying documents (mission orders, relevant internal documents, etc.).	
Art. 6.1.a) (iv)		46	Reconcile the dates of travel with the time records of the individuals who carried out the travel. External experts, selection panel members and user group members are excluded from this procedure.	
Art. 6.1.a) (iv)		47	Confirm that the event for which travel and subsistence costs were claimed effectively took place. To that end obtain minutes of meetings, attendance lists, facilities reservations, etc. (non-exhaustive list of examples).	
Art. 6.1.a) (iv)		48	Confirm that the event for which travel and subsistence costs were claimed was exclusively related to the audited action (e.g. no costs were incurred in respect to another Community action or for other purpose).	
Art. 6.1.a) (iv)		49	Confirm that the travel arrangements for which travel and subsistence costs are limited to the duration of the event (e.g. no extra hotel stays have been charged to the action's financial statement). Confirm that no costs for an accompanying person are included.	
Art. 6.1.a) (iv)		50	Review Annex I Description of Work of the audited grant agreement and the periodic reports for information about events to be carried out in connection of the action's implementation.	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.1.a) (vii)	The costs must be compliant with the principle of sound financial management (economy and efficiency). The costs must be reasonable and not reckless.	51	Confirm that the travel and subsistence costs do not include entertainment or hospitality expenses (including gifts, special meals and dinners) except for the ones for which prior acceptance was provided by the Commission or the Agency.	
Art. 6.1.a) (vii)		52	Confirm that the travel and subsistence costs do not include tips.	
Art. 6.1.a) (vii)		53	Confirm that the travel and subsistence costs do not include travel agencies' fees if the use of travel agency is not explicitly defined in the internal procedures of the entity.	
Art. 6.1.a) (vii)		54	Confirm that the travel and subsistence costs do not include any private costs (TV, laundry, minibar, etc.)	
Art. 6.1.a) (vii)		55	In cases in which the Beneficiary has no internal procedure defining the thresholds for hotel and daily allowances identify: 1) Hotel allowances above 150 EUR/night 2) Daily allowances above 120 EUR/day. Obtain information from the Beneficiary justifying the choice of the hotel / the award of the daily allowance.	

D.2. Depreciation costs of equipment, infrastructure and other assets

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.1.a (v)	Costs charged for equipment must be identifiable and verifiable.	56	Verify the actual existence of the assets by physical inspection. The physical inspection for intangible assets may take form of logging on, demonstration, interviews with staff, etc. If the asset is located in a different location than the one where the audit field work takes place obtain written confirmation from the technical personnel responsible for the safeguard and the maintenance of the asset that the asset exists. If assets do not exist anymore (sold, given for free, destroyed, disposed, etc.) inspect accounting and other documentation to define the date on which the asset is written-off from the asset register.	ERC
Art. 6.1.a (v)		57	Verify that the assets inspected are the assets purchased (e.g. by matching the serial number on the asset with the one mentioned on the invoice/delivery note).	
Art. 6.1.a (iv) & (vii), Art.10.1.1, Art. 35	1) Costs must be incurred in connection with the action as described in Annex 1 of the grant agreement, necessary for the implementation of the action, reasonable and justified, comply with the principle of sound financial management, in particular regarding economy and efficiency. 2) Costs must not include excessive or reckless expenditure, 3) The beneficiaries must make such purchases ensuring the best value for money or, if appropriate, the lowest price. In doing so, they must avoid any conflict of interests.	58	For each sampled asset verify if the asset is referenced in Annex 1 to the grant agreement(s) and/or the technical and scientific reports of the action.	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
		59	<p>Obtain from the beneficiary its internal procurement procedure. Review the procurement procedure and perform a walk through to confirm that the procedure has been correctly applied when selecting the supplier for the sampled assets. The walk through consists of re performing the steps foreseen in the procurement procedure presented by the Beneficiary. Examples of conditions to be verified, if foreseen in the procurement procedures, are the minimum number of offers which need to be collected, the applicable thresholds, the non-discrimination between purchase for EU-funded and non-EU funded activities, etc.</p> <p>In cases in which the Beneficiary has a procurement procedure which is correctly applied (e.g. the walk trough could be completed without findings) when selecting the supplier of the sampled assets the costs of the assets are deemed to be reasonable, justified, not reckless and not excessive, to comply with the principle of sound financial management, in particular regarding economy and efficiency and with the principle of "best value for money".</p>	
		60	<p>In cases in which the Beneficiary has no procurement procedure request the Beneficiary to describe its approach when selecting the supplier(s). Request from the Beneficiary documents and justifications supporting the approach taken.</p> <p>If the Beneficiary has no procurement procedure in place but has taken actions in order to ensure selection based on the principle of best value for money or lowest price the auditors verify the approach taken and vouch the received information to the latter.</p> <p>If the Beneficiary has a defined approach, was able to support it with documents and justifications and there is no discrimination between purchase for EU-funded and non-EU funded activities the costs can be deemed to be eligible if the other eligibility conditions are met. Otherwise, the auditors carry out procedure 61.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
		61	In cases in which the Beneficiary has no procurement procedure nor has it taken specific approach when selecting the supplier(s) request the Beneficiary to provide any justifications which can ensure that the costs are compliant with the principle of best value for money or selection on lowest price.	
Art. 6.5 (a)vi	Costs charged to the action must not include any currency exchange losses.	62	If the assets were purchased in a currency other than the reporting currency, compare the foreign exchange rates at the date of asset recognition and the date of the payment in order to verify that the costs charged did not include any currency exchange losses.	
Art. 5.3.3	The grant must not produce a profit.	63	a) If assets were sold, review the transactions to ensure that the proceedings of the sale have been properly declared as receipts. b) If project specific in-kind contributions have been received by the Beneficiary verify that the respective receipts have been declared.	
Art.11		64	For assets contributed in-kind: a) Verify that the contributing third parties and their contributions are either set out in Annex 1 or approved in writing by the Commission. If the in-kind contributions are NOT used on the beneficiary's premises, their estimated costs must be also set out in Annex 2 (additional information column). b) Check the underlying agreements and confirm that the amounts do not include estimations. c) Verify that the costs charged, to the action do not exceed the costs incurred by the contributing third party and that no profit was made. Request the beneficiary to provide copies of the underlying documents obtained from the third party. Consider obtaining representation letters from the third parties.	
Art. 6.2. D.2	The calculation of depreciation is done correctly and in compliance with the applicable standards (International Accounting Standards and Beneficiary's usual accounting practices).	65	Verify if the usual accounting practices of the Beneficiary include a depreciation policy and methods. Verify if these are compliant with the applicable rules in the Beneficiary's country and in line with the International Accounting Standards.	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2. D.2	<p>Low-value assets — The full cost of a low value asset may be eligible in the year when it is purchased if:</p> <ul style="list-style-type: none"> - the full cost is recorded in the accounts of the entity as expenditure of that year (i.e. NOT recorded as an asset subject to depreciation) and - the cost of the asset is below the low-value ceiling as defined under national law (e.g. national tax legislation) or other objective reference compatible with the materiality principle and - the item is used exclusively for the action in the year of purchase. <p>If the item is not used exclusively for the action in the year of purchase, only the portion used on the action may be charged.</p>	66	<p>Verify for the costs of the assets included in the sample that the following three cumulative criteria are met:</p> <ul style="list-style-type: none"> 1) the full cost is recorded in the accounts of the entity as expenditure of that year (i.e. NOT recorded as an asset subject to depreciation) and 2) the cost of the asset is below the low-value ceiling as defined under national law (e.g. national tax legislation) or other objective reference compatible with the materiality principle and 3) the item is used exclusively for the action in the year of purchase. If the item is not used exclusively for the action in the year of purchase, only the portion used on the action may be charged. 	
		67	<p>Verify that the assets are correctly depreciated in accordance with the applicable rules in the Beneficiary's country and in line with the International Accounting Standards, by recalculating the depreciation charged for items included in the sample.</p>	
	<p>Cash-based accounting — As a general rule, beneficiaries cannot charge the total purchase price of equipment to the action, unless the GA explicitly foresees that option. The beneficiaries may therefore normally only charge the annual depreciation costs that corresponds to the part of the equipment's use for the action. This depreciation must be calculated in accordance with international accounting standards (i.e. notably spread over the equipment's useful life).</p>	68	<p>If the Beneficiary is under cash accounting basis, ensure in particular that depreciation is calculated according to International Accounting Standards, and not following the cash basis approach.</p>	
Art. 6.2. D.2	<p>The only portion of the costs that will be taken into account is that which corresponds to the duration of the action and rate of actual use for the purposes of the action</p>	69	<p>Verify that only depreciation accumulated during the period of the action is charged to the cost statement.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Article 6.2.D.2	If the beneficiary does not use the equipment exclusively for the action, only the portion used on the action may be charged. The amount of use must be auditable.	70	For assets that are charged partially to the action, inquire the Beneficiary how the amount of use of these assets on the action was established. Ask the Beneficiary to provide records, calculations and documentation (e.g. logbooks, laboratory registers, diaries, etc.) demonstrating the amount of use of these assets on the action. Reconcile the proportion of depreciation charged on the action with the amount of use demonstrated.	
Art. 6.2. D.2	The costs of renting or leasing equipment, infrastructure or other assets (including related duties, taxes and charges such as non-deductible value added tax (VAT) paid by the beneficiary) do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.	71	For assets which are rented or leased, request the Beneficiary to demonstrate that the costs charged to the action do not exceed by more than 25% the depreciation costs of: - either a similar asset as it was priced at the time of the start of the rent of the lease; - or the same asset as it was priced within a period of 6 months before and 6 months after the start of the rent or the lease;	
Art. 6.2. D.2		72	For assets which are rented or leased verify that the costs charged do not include any financing fees.	
Art. 6.2. D.2	The costs of equipment, infrastructure or other assets contributed in-kind against payment a) do not exceed the depreciation costs of similar equipment, infrastructure or assets; b) do not include any financing fees and c) the conditions in Article 11.1 are met.	73	For assets contributed in-kind (against payment or for free), request the Beneficiary to demonstrate that the costs charged to the action do not exceed by more than 25% the depreciation costs of: - either a similar asset as it was priced at the time of the contribution in kind; - or the same asset as it was priced within a period of 6 months before and 6 months after the contribution in kind;	
Art. 6.2. D.2		74	For assets contributed in-kind (against payment or for free), verify that the costs charged do not include any financing fees.	
Art. 6.2. D.2		75	For assets contributed in-kind (against payment or for free), ask the Beneficiary to provide an explanation as to why they were necessary to implement the action.	
Art. 6.2. D.2	The cost of purchasing equipment, infrastructure or other assets (new or second-hand, as recorded in the beneficiary's accounts) may be eligible if foreseen in the work programme and if the equipment, infrastructure or other assets was purchased in accordance with Article 10.1.1.	76	For assets that are charged at full acquisition cost and not at depreciation cost, (option 2 in Art. 6.2. D.2) obtain from the Beneficiary justifications regarding the full acquisition costs' allocation on the action (nature of the action, context of use, etc.).	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2. D.2	The Beneficiaries must not declare costs of renting, leasing, purchasing depreciable equipment, infrastructure and other assets which relates to providing trans-national or virtual access to research infrastructure. Capital investments (i.e. costs of renting, leasing, purchasing depreciable equipment, infrastructure or other assets) will NOT be reimbursed — unless provided for in the work programme/call.	77	a) Obtain information from the Beneficiary regarding actions in which it declares costs for trans-national or virtual access to research infrastructure. Obtain the Beneficiary's calculation of the costs for providing trans-national or virtual access to research infrastructure for the periods under audit (either based on actual or unit costs). b) Verify that the costs of renting, leasing, purchasing depreciable equipment, infrastructure and other assets declared in the audited action are not declared as costs for providing trans-national or virtual access to research infrastructure, unless provided for in the work programme/call.	SME-Ph2
Art. 10.1.1	Costs must comply with the additional eligibility criteria set in the Grant Agreement(s) if the value of the purchase exceeds a fixed in the Grant Agreement(s) amount.	78	Review the signed grant agreement(s) for existence of a specific option in Art.10.1.1 setting additional eligibility criteria if the value of the purchase of assets, infrastructure or equipment exceeds a defined amount. For assets purchased at a price higher than the threshold set in article 10.1.1 of the grant agreement, verify that the Beneficiary complied with the additional eligibility criteria provided in that article.	
Art. 6.1.	Costs must be declared under one cost category only.	79	Enquire whether the Beneficiary has an approved by the EC methodology for charging costs for Large Research Infrastructures or claims costs of clinical trials or energy efficiency measures based on unit costs. Obtain the Beneficiary's calculation of declared during the audited period costs of clinical trials, energy efficiency measures or LRI (on the same or other EU-funded grants). Verify that the assets costs charged on the audited action are not already included in the LRI costs, clinical studies or energy efficiency measures' unit costs.	

D.3 Costs for other goods and services

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.1.a	1) Costs must be incurred in connection with the action as described in Annex 1 of the grant agreement, necessary for the implementation of the action, reasonable and justified, comply with the principle of sound financial management, in particular regarding economy and efficiency. 2) Costs must not include excessive or reckless expenditure, 3) The beneficiaries must make such purchases ensuring the best value for money or, if appropriate, the lowest price. In doing so, they must avoid any conflict of interests.	80	For each sampled good or service verify if the good or service is referenced in Annex 1 to the grant agreement(s) and/or the technical and scientific reports of the action.	
Art.10.1.1		81	<p>Obtain from the beneficiary its internal procurement procedure. Review the procurement procedure and perform a walk through to confirm that the procedure has been correctly applied when selecting the supplier for the sampled good or service. The walk through consists of re performing the steps foreseen in the procurement procedure presented by the Beneficiary. Examples of conditions to be verified, if foreseen in the procurement procedures, are the minimum number of offers which need to be collected, the applicable thresholds, the non-discrimination between purchase for EU-funded and non-EU funded activities, etc.</p> <p>In cases in which the Beneficiary has a procurement procedure which is correctly applied (e.g. the walk trough could be completed without findings) when selecting the supplier of the sampled good or service the costs of the good or service are deemed to be reasonable, justified, not reckless and not excessive, to comply with the principle of sound financial management, in particular regarding economy and efficiency and with the principle of "best value for money".</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art.10.1.1		82	<p>In cases in which the Beneficiary has no procurement procedure request the Beneficiary to describe its approach when selecting the supplier(s). Request from the Beneficiary documents and justifications supporting the approach taken.</p> <p>If the Beneficiary has no procurement procedure in place but has taken actions in order to ensure selection based on the principle of best value for money or lowest price the auditors verify the approach taken and vouch the received information to the latter.</p> <p>If the Beneficiary has a defined approach, was able to support it with documents and justifications and there is no discrimination between purchase for EU-funded and non-EU funded activities the costs can be deemed to be eligible if the other eligibility conditions are met. Otherwise, the auditors carry out procedure 83.</p>	
Art.10.1.1		83	<p>In cases in which the Beneficiary has no procurement procedure nor has it taken specific approach when selecting the supplier(s) request the Beneficiary to provide any justifications which can ensure that the costs are compliant with the principle of best value for money or selection on lowest price.</p>	
Art.6.2.D.3	Cost for contributions in-kind must comply with the "arm's length" principle	84	<p>For goods contributed in-kind (against payment or for free), request the Beneficiary to demonstrate that the costs charged to the action do not exceed by more than 25% the costs of:</p> <ul style="list-style-type: none"> - either a similar good as it was priced at the time of the contribution in kind; - or the same good as it was priced within a period of 6 months before and 6 months after the contribution in kind; 	
Art.6.2.D.3		85	<p>For goods and services contributed in-kind (against payment or for free) verify that the costs charged do not include any financing fees.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2. D.3	The beneficiaries may declare their costs for paying the in-kind contribution (e.g. the invoice from the third party), but only up to the costs incurred by the third party — if the other eligibility conditions are fulfilled (see in particular Article 6.1 and 6.2; e.g. necessary for the action, recorded in the accounts of the beneficiary, etc.). If the amount paid by the beneficiary is lower than the cost incurred by the third party, the beneficiary may in addition declare the difference as in-kind contributions free of charge (see Article 12). If it decides to do so, it may have to declare that difference also as receipt (see Article 5.3.3).	86	For goods and services contributed in-kind (against payment or for free) verify that the costs charged to the action do not exceed the costs incurred by the contributing third party and that no profit was made. Request the Beneficiary to provide copies of the underlying documents obtained from the third party. Check the underlying documents and confirm that the amounts do not include estimations. Consider obtaining representation letters from the third parties.	
Art. 6.2. D.3		87	For goods and services contributed in-kind (against payment or for free), verify that the contributing third parties and their contributions are either set out in Annex 1 or approved in writing by the Commission. If the in-kind contributions are NOT used on the beneficiary's premises, their estimated costs must be also set out in Annex 2 (additional information column).	
Art. 6.1 (a) (v)	Costs must be identifiable and verifiable, in particular recorded in the Beneficiary's accounts in accordance with the accounting standards applicable in the country where the Beneficiary is established and with the Beneficiary's usual cost accounting practices.	88	Obtain from the Beneficiary its internal procedures as regards valuation methods for stocks' consumption (LIFO, FIFO, etc.). In cases in which supplies already in stock (goods, raw materials, spare parts, components, etc.) are used for the action verify that the valuation method used to determine the costs of these supplies is compliant with the usual practices of the Beneficiary.	
Art. 6.2	'Direct costs' are costs that are directly linked to the action implementation and can therefore be attributed to it directly.	89	Verify that the goods and services directly linked to the project are precisely measured and charged at costs. Verify in particular that the goods or services are not charged to the action through any apportionment method (approximation, distribution keys, etc.). To that end inspect laboratory books, stock registers, logbooks, interview Beneficiary's staff, etc.	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2 D.3	<p>Such goods and services include, for instance, consumables and supplies, dissemination (including open access), protection of results, certificates on the financial statements (if they are required by the Agreement), certificates on the methodology, translations and publications.</p> <p>Beneficiaries/linked third parties may submit either one certificate per reporting period or a single CFS for the whole action.</p> <p>The certificate(s) may be submitted ONLY with the final financial report. Certificates submitted at any other moment will NOT be accepted (and costs incurred for them will be considered ineligible, because not necessary).</p> <p>Costs for partial certificates (i.e. one certificate per reporting period) will be accepted ONLY in the last reporting period and ONLY if:</p> <ul style="list-style-type: none"> - a CFS is mandatory (i.e. the threshold is reached at the end of the action) and - the total costs of the partial certificates is similar to the cost that would have been incurred for a single certificate. 	90	<p>If the costs claimed in the last reporting period include the cost of a certificate on the financial statements verify that the threshold for submitting a certificate on the financial statements is met.</p> <p>If there are partial certificates (instead of one certificate covering all costs), verify that the total costs of the partial certificates is similar to the cost that would have been incurred for a single certificate.</p>	
Art. 6.2 D.3	IPR access rights — Royalties paid for IPR access rights (and by extension any lump sum payments) are normally eligible, if all the eligibility conditions are met (e.g. necessary for the implementation of the action, incurred during the action, reasonable, etc.).	91	Verify by checking the invoice and the nature of the cost if it is related to IPR access rights like royalties.	
Art. 6.2 D.3	Protection of results — Costs related to the protection of the actions results (e.g. consulting fees, fees paid to the patent office for patent registration; see Article 27) are eligible if the eligibility conditions are fulfilled. Costs related to protection of other intellectual property (e.g. background patents) are NOT eligible.	92	Verify by checking the invoice and the nature of the cost if it is related to protection of results.	
Art. 6.2 D.3	Plan for the exploitation and dissemination of results — Costs for drawing up the plan for the exploitation and dissemination of the results are normally NOT eligible since they will have been incurred before the start of the action, to prepare the proposal. Costs that occur when revising or implementing this plan may be eligible.	93	Verify by checking the invoice and the nature of the cost if it is related to the plan for the exploitation and dissemination of results.	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2 D.3	Open access — Costs related to open access to peer-reviewed scientific publications and research data are eligible, if the eligibility conditions are fulfilled. With explicit agreement by the Commission / Agency, it can also include fees levied for a membership scheme (if this is a requirement for publishing in open access or if membership is a pre-condition for significantly lower article processing charges).	94	Verify by checking the invoice and the nature of the cost if it is related to open access. In case of fees levied for a membership scheme enquire if there is explicit agreement by the Commission / Agency.	ERC
16.1	'Access costs' for trans-national access may be declared as unit costs, actual costs or — under certain conditions — as a combination of the two. If access costs are declared as unit cost, they must be declared under the budget category 'specific cost category – access costs for providing trans-national access to research infrastructure'. If they are declared as actual costs, they must be declared under the other budget categories. The specific unit cost for access to research infrastructure (F.2) does NOT cover virtual access (only trans-national access).	95	Obtain information from the Beneficiary regarding actions in which it declares costs for trans-national or virtual access to research infrastructure. Obtain information if the beneficiary declares access costs on actual or unit costs basis. In cases in which the Beneficiary uses unit costs obtain the calculation of the unit costs for the periods under audit. Verify that the costs of other goods and services declared for the audited action under section D.3 of the financial statement (on actual basis) are not part of the unit costs declared for trans-national or virtual access to research infrastructure under section F.	SME-Ph2 ERA-NET Cof.
Art. 6.1.	Costs must be declared under one cost category only.	96	Enquire whether the Beneficiary has an approved by the EC methodology for charging costs for Large Research Infrastructures or claims costs of clinical trials or energy efficiency measures based on unit costs. Obtain the Beneficiary's calculation of declared during the audited period costs of clinical trials, energy efficiency measures or LRI (on the same or other EU-funded grants). Verify that the costs of other goods and services declared for the audited action are not already included in the LRI costs, clinical studies or energy efficiency measures' unit costs.	
Art. 6.1.		97	Verify by checking the accounting records of the Beneficiary that the costs claimed as other goods and services do not form part of an asset to be capitalised and depreciated.	

D.5 Costs for internally invoiced goods and services

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.D.5	<p>'Internally invoiced goods and services' means goods or services which are provided by the beneficiary directly for the action and which the beneficiary values on the basis of its usual cost accounting practices.</p> <p>This budget category covers the costs for goods and services which the beneficiary itself produced or provided for the action. They include (non-exhaustive list):</p> <ul style="list-style-type: none"> - self-produced consumables (e.g. electronic wafers, chemicals) - use of specific research devices or research facilities (e.g. clean room, wind tunnel, supercomputer facilities, electronic microscope) - specialised premises for hosting the research specimens used for the action (e.g. animal house, greenhouse, aquarium) - standardised testing or research processes (e.g. genomic test, mass spectrometry analysis) - hosting services for visiting researchers participating in the action (e.g. housing, canteen). <p>Costs of internally invoiced goods and services directly used for the action are eligible, if:</p> <p>(a) they are declared on the basis of a unit cost calculated in accordance with the beneficiary's usual cost accounting practices; (i.e. an internal cost per unit invoiced to other departments of the same entity – not prices charged in the context of commercial sales or grants from other fund providers)</p>	98	<p>a) Review the Beneficiary's usual cost accounting practices.</p> <p>b) Verify that the costs of internally invoiced goods and services were calculated in accordance with the Beneficiary's usual cost accounting practice, adjusted if necessary to comply with the other eligibility conditions (e.g. removing ineligible costs).</p> <p>c) Verify that the general eligibility conditions for unit costs are fulfilled (Art 6.1.(b):</p> <p>i) they must be calculated as follows: {amounts per unit calculated by the beneficiary in accordance with its usual cost accounting practices multiplied by the number of actual units};</p> <p>(ii) the number of actual units must comply with the following conditions:</p> <ul style="list-style-type: none"> - the units must be actually used or produced in the period set out in Article 3; - the units must be necessary for implementing the action, and - the number of units must be identifiable and verifiable, in particular supported by records and documentation (see Article 18); 	
Art. 6.2.D.5	<p>(b) the cost accounting practices used are applied in a consistent manner, based on objective criteria, regardless of the source of funding;</p> <p>Beneficiaries can NOT charge the commercial price for self-produced consumables.</p>	99	<p>a) Verify that the same unit cost has been applied in a consistent manner in at least 3 other transactions not involving the EC grants.</p> <p>b) Verify that the commercial price is not used as the unit cost for internal invoices charged to the grant.</p>	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.D.5	(c) the unit cost is calculated using the actual costs for the good or service recorded in the beneficiary's accounts, excluding any ineligible cost or costs included in other budget categories.	100	Verify that the unit cost is calculated using the actual costs recorded in the Beneficiary's accounts,	
Art. 6.2.D.5	The actual costs may be adjusted by the beneficiary on the basis of budgeted or estimated elements. Those elements must be relevant for calculating the costs, reasonable and correspond to objective and verifiable information;	101	<p>In case of budget or estimated elements:</p> <p>a) Must be relevant for calculating the costs: The application of any estimated element has to be motivated and duly justified in order to obtain an accurate unit cost.</p> <p>b) Must be reasonable: The resultant unit costs should comply with the principles of sound financial management (economy, efficiency and effectiveness). In particular they should not have a major role in the unit costs calculation (+/- 5%)</p> <p>c) Must correspond with the objective and verifiable information: Auditors should verify the existence of written supporting documentation that corresponds with the estimated elements used (e.g. external sources, historical data, signed agreements, etc.). This documentation should be complete and reliable.</p>	
Art. 6.2.D.5	Not eligible: cost elements ineligible under the GA, costs of resources not belonging to the beneficiary and which it uses free of charge, costs already included in other budget categories).	102	Verify that the calculation does not include cost elements ineligible under the GA, costs of resources not belonging to the beneficiary & which it uses free of charge, and costs already included in other budget categories.	
Art. 6.2.D.5	(d) the unit cost excludes any costs of items which are not directly linked to the production of the invoiced goods or service.	103	Verify that the unit cost excludes any costs of items which are not directly linked to the production of the invoiced goods or service.	

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.2.D.5	If a cost item is not used exclusively for the internally invoiced good or service, only the share used for the good or service may be counted (the percentage taken must be substantiated by persuasive evidence). If necessary, the unit cost must be adjusted to remove elements allocated to the unit cost indirectly, i.e. through cost drivers/allocation keys based on other cost items included in the unit cost (e.g. for a clean room: the costs of the human resources department charged to the unit cost as a fixed amount per employee assigned to the clean room; or power supply costs allocated to the clean room on the basis of the square meters it occupies).	104	Verify if a cost item is not used exclusively for the internally invoiced good or service, only the share used for the good or service is counted. In order to verify the share used for the good or service, this percentage must be substantiated through: Access records, Time records, 'Log record' (computer based systems), Laboratory registers, Technical descriptions or Management decision of use.	

Final General Control

GA Art.	Condition to be checked	N.	General procedure to be performed	Spec. Proc.
Art. 6.1.D	FINAL GENERAL CONTROL	105	In cases in which the procedures listed above have been carried out successfully but the auditor, during the execution of these procedures, came across facts and documents which put into question the compliance of the costs with the eligibility criteria foreseen in the H2020 grant agreement this information should be reported accompanied with adequate supporting information.	

E. INDIRECT COSTS

GA Art.	Condition to be checked	N.	General procedure to be performed
Art. 6.2.E	<p>Indirect Costs covers all costs for the action that are not directly linked to it.</p> <p>The costs must fulfil the general conditions for flat-rate costs to be eligible (i.e. costs to which the flat-rate is applied must be eligible, correct calculation, etc.; see Article 6.1(c))</p> <p>They must be calculated by applying the 25 % flat-rate to the beneficiary's eligible direct costs, minus:</p> <ul style="list-style-type: none"> - subcontracting costs (see Article 13) - costs of in-kind contributions incurred by third parties outside of the beneficiary's premises - costs of providing financial support to third parties - costs from specific cost categories (unit or lump-sum costs) that include indirect costs (e.g. 'costs for energy efficiency measures in buildings', 'access costs for providing trans-national access to research infrastructure' and 'costs for clinical studies'). 	1	Verify that the Beneficiary calculated correctly the indirect costs.
Art. 6.2.E	<p>Combining H2020 & other EU grants</p> <p>Beneficiaries that also receive an EU operating grant can NOT declare any indirect costs for the reporting period(s) covered by the operating grant, unless they are able to demonstrate cost separation (i.e. that the operating grant does not cover any costs that may be claimed under the action).</p> <p>Operating grants are annual grants to finance the operation and running costs of an entity;</p> <p>To demonstrate cost separation, the following conditions must be fulfilled:</p> <ul style="list-style-type: none"> - the operating grant may NOT cover 100% of the beneficiary's annual budget (i.e. it may not be a full operating grant) - the beneficiary must use analytical accounting which allows for a cost accounting management with cost allocation keys and cost accounting codes AND must apply these keys and codes to identify and separate the costs (i.e. to allocate them to either the action grant or the operating grant) - the beneficiary must record: <ul style="list-style-type: none"> • all costs incurred for the operating grant (i.e. personnel, general running costs and other operating costs linked to the WP) and • all costs incurred for the action grants (including the indirect costs linked to the action) - the allocation of the costs must be done in a way that leads to a fair, objective and realistic result. <p>Beneficiaries that cannot fulfil these conditions must EITHER:</p> <ul style="list-style-type: none"> - terminate the operating grant, in order to sign the action grant with indirect costs - keep the operating grant, but sign the action grant without indirect costs 	2	<p>Enquire if the Beneficiary receives an operating grant financed by the EU or Euratom budget or if such grants are included in the revenues.</p> <p>In case the Beneficiary received an EU operating grant verify that the Beneficiary can demonstrate cost separation (supported by analytical accounting, accounting records and allocation of costs).</p> <p>Verify that the allocation of costs leads to a fair, objective and realistic result considering the principles of sound financial management (economy, efficiency and effectiveness) and supported with sufficient audit evidences.</p>

F. SPECIFIC COST CATEGORIES

Costs for clinical studies

This IAP was elaborated based on the COMMISSION DECISION of 25.11.2016 "modifying the Commission decision of 7.3.2014 authorising the reimbursement on the basis of unit costs for actions requiring the conduct of the clinical studies under 'Societal Challenge 1: Health, Demographic Change and Wellbeing' of the Horizon 2020 Framework Programme " ([C\(2016\) 7553](#)).

GA Art.	Condition to be checked	N.	General procedure to be performed
C(2016) 7553 ANNEX.1	A 'clinical study' is defined for the purpose of this decision as any clinical research involving a substantial amount of work related to the observation of, data collection from, or diagnostic or therapeutic intervention on multiple or individual patients or study participants. It includes but is not limited to clinical studies and clinical trials in the sense of the Clinical Trials Regulation EU No 536/2014 and, in so far as it remains applicable, the Clinical Trials Directive 2001/20/EC.	1	Obtain the list of studies for which specific unit costs are declared by the beneficiary. Sample: Select for testing all the items with a value higher or equal to 10% of the total costs declared (Specific cost category - F.2) and add randomly additional items until you reach either 50% coverage or a maximum number of 15 items (a minimum of 5 items must be selected unless the population is less than 5).
C(2016) 7553 ANNEX.1	The unit costs shall be specified in the grant agreement to be used throughout the duration of the action.	2	Obtain a breakdown of the calculation of specific unit costs declared by the beneficiary. Verify that declared eligible costs are consistently calculated with the amount per unit is set out in Annex 2 of the Grant Agreement.
C(2016) 7553 ANNEX.2	However, the unit cost can be modified through an amendment to the grant agreement in the following cases: - if there is a change in the protocol (e.g. due to requests from competent authorities, regulatory agencies or ethics committees) during the implementation of the action which results in a change of the estimation of resources needed to calculate the unit costs. In such a case, the Commission may ask the advice of independent experts for the assessment of the necessity of the resources. - if an error occurred in the identification of costs recorded in the beneficiary's certified or auditable accounts for year N-1 (last closed financial year at the time of submission of the proposal) or wrong application of points (a) to (d) below .	3	Enquire if there has been any amendment to grant agreement that modify the unit costs.
C(2016) 7553 ANNEX.1	Costs of clinical studies shall be eligible if they correspond to the amount per unit set out in Annex 2 to the grant agreement multiplied by the number of actual units (patients or subjects) included in the clinical studies conducted under the action.	4	For selected studies recalculate the amount of eligible costs using the amount per unit set out in Annex 2 to the Grant Agreement multiplied by the audited actual eligible number of units. Establish the actual eligible number of units and compare it with the number of actual units declared.

GA Art.	Condition to be checked	N.	General procedure to be performed
C(2016) 7553 ANNEX.2	The Commission has the right to verify that these costs comply with the requirements defined in points (a) to (d) below and to correct the unit costs in case of noncompliance.	5	For the selected studies, obtain the list of patients/participants that were declared by the beneficiary as actual units. Verify that: - They were selected for participating in the study - There is documented evidence that they participated in the study - They participated in the study within the eligibility period
C(2016) 7553 ANNEX.1	<p>The costs of clinical studies according may be determined according to the following forms:</p> <p>(i) Unit costs per patient or study participant calculated on the basis of their historical data, or</p> <p>(ii) Cost actually incurred.</p> <p>For the costs of personnel directly assigned to the conduct of clinical studies, each beneficiary or third party may only choose one of the forms (i) or (ii).</p> <p>For [cost of consumables specifically used for the conduct of the clinical study, costs of the medial equipment specifically used for the conduct of the clinical study and costs of other specific contracts necessary for conduct of the clinical study], beneficiaries and third parties may choose either of the forms (i) or (ii) for each cost item.</p> <p>The choice of form of costs (unit costs or actual costs per cost category or sub-category) has to be made at the time of the proposal submission. The resulting unit costs shall also be included in the grant proposal and in the Annex 2 to the grant agreement.</p>	6	Verify that the costs claimed correspond with only one of the forms: (i) Unit costs per patient or study participant calculated on the basis of their historical data, or (ii) Cost actually incurred

GA Art.	Condition to be checked	N.	General procedure to be performed
C(2016) 7553 ANNEX.2	The beneficiary shall use as historical costs the costs recorded in its certified or auditable profit and loss accounts for year N-1 (last closed financial year at the time of submission of the grant application).	7	<p>Verify whether the beneficiary has used the accounting data for the determination of the unit costs set out in Annex 2 to the grant agreement. In relation to the following costs:</p> <p>(a) Personnel costs of doctors and other medical personnel and technical personnel (including data managers) directly assigned to the conduct of the clinical study;</p> <p>(b) Costs of consumables specifically used for the conduct of the clinical study;</p> <p>(c) Costs of the medical equipment specifically used for the conduct of the clinical study, corresponding to:</p> <ul style="list-style-type: none"> - the depreciation costs - the other costs of service contracts necessary for their functioning (including specific cleaning, maintenance and repair); <p>(d) Costs of other specific service contracts necessary for the conduct of the clinical study (including data analysis, if subcontracted);</p>
C(2016) 7553 ANNEX.2	- Indirect costs of the clinical study	8	<p>Verify that the indirect costs are calculated by applying a flat rate of 25 % of the sum of the unit cost components referred to in points (a), (b) and (c) above (excluding the unit cost component referred to in point (d) above and the costs of resources made available by third parties which are not used on the premises of the beneficiary, as well as financial support to third parties.</p> <p>Review the calculation of indirect costs in the Financial Statement(s) of the action and verify that the 25% flat rate is not applied on top to the unit costs for clinical studies.</p>

Costs for energy efficiency measures in buildings

This IAP was elaborated based on the COMMISSION DECISION of 10.12.2013 " *authorising the use of reimbursement on the basis of unit costs for energy efficiency measures in buildings under the Energy Challenge actions of the Horizon 2020 Framework Programme*" ([C\(2013\)8196](#)).

GA Art.	Condition to be checked	N.	General procedure to be performed
C(2013) 8196 ANNEX.1	The following shall be considered "additional energy efficiency measures": (a) for new buildings: those measures which are implemented to make the building more energy efficient than would have been required under the applicable national legislation; (b) for refurbished buildings: those measures which are implemented to make the building more energy efficient than would have been required under the applicable national legislation or than would have been the case for the refurbishment of such a building using current practices if there is no national regulation applicable.	1	Obtain the list of energy efficiency measures in buildings for which specific unit costs are declared by the beneficiary. Sample: Select for testing all the items with a value higher or equal to 10% of the total costs declared (Specific cost category - F.2) and add randomly additional items until you reach either 50% coverage or a maximum number of 15 items (a minimum of 5 items must be selected unless the population is less than 5).
C(2013) 8196 ANNEX.2	The specifications per type demonstration building are set out in the technical annex of the grant agreements (Annex 1). For the calculation of the Union contributions, the periodic reports are a prerequisite for any payment based on unit costs. Those reports shall be accompanied by 'handover certificate' certifying the actual specifications of the buildings constructed or refurbished their surface area and address. The certificate is signed by a competent person from the consortium.	2	For a selected sample, contact the operational officer and obtain the handover certificate(s), certifying the actual specifications of the buildings constructed or refurbished their surface area and address. Verify that declared eligible costs are calculated with a correct amount per unit.
C(2013) 8196 ANNEX.1	The categories of eligible costs covered by the unit costs are the following: – Costs of purchasing equipment, infrastructures and other assets directly necessary for the demonstration of additional energy efficiency measures in buildings (e.g. costs of purchasing elements to build or refurbish buildings such as new isolation, new ventilation system, windows, doors, heating elements, system controlling the system); – Costs of subcontracting the works necessary for the demonstration of additional energy efficiency measures in buildings. Indirect costs for the demonstration of additional energy efficiency measures in buildings are not eligible Fluids are not eligible either.	3	For the selected sample, obtain the breakdown of costs including in the calculation of the specific unit cost declared by the beneficiary. Verify that it only includes eligible costs (excluding indirect costs and fluids).

GA Art.	Condition to be checked	N.	General procedure to be performed
C(2013) 8196 ANNEX.3	The unit cost applicable to the demonstration of actions involving energy efficient buildings related projects under Horizon 2020 shall: – apply per m ² of eligible conditioned gross floor area (excluding parts of the buildings which are not affected by the measures, e.g. garages); – be calculated according to the following formula: <i>{standard cost in EUR to save 1 kWh * estimated total kWh saved per m² per year * standard payback period in years}</i>	4	For the selected sample, verify that: – The demonstration project is a part of the action specified by the Grant Agreement – The eligible conditioned gross floor area (excluding parts of the buildings which are not affected by the measures, e.g. garages) declared is based on actual specifications in handover certificate(s). – The unit cost per m ² is EUR (estimated total kWh saved per m ² per year determined at proposal level. Obtain this amount as part of the Audit Input File. – Recalculate the claimed amount: m ² x unit cost x (action period months/12)
C(2013) 8196 ANNEX.1	Indirect costs for the demonstration of additional energy efficiency measures in buildings are not eligible (the 25% flat-rate financing shall not apply to the eligible costs declared on the basis of unit costs for additional energy efficiency measures in buildings).	5	Review the calculation of indirect costs in the Financial Statement(s) of the action and verify that the 25% flat rate is not applied to the unit costs for energy efficiency measures.
C(2016) 7553 ANNEX.4	Double funding is avoided by the specification/identification of eligible costs detailed in Section 1. Compliance with the specification method of eligible costs is checked through controls, during the proposal evaluation phase as well as through ex-post controls on the existence of other Union funding sources specifically covering the demonstration of the same additional energy efficiency measures in buildings	6	Obtain the list of EU funding received. Enquire if any of the funding received covers efficiency measures in buildings.
H2020 AMGA Art. 6.2.F (V.4.0.1 Page 110)	Double funding risk — Costs that are declared as a specific unit or lump sum cost may NOT be declared (a second time) under another budget category (for the costs that are covered, see below). Example: The unit cost for efficiency energy measures in buildings covers subcontracting costs related to the energy efficiency measures. These cannot be declared as subcontracting costs. By contrast, costs for subcontracts not included in the unit cost (e.g. subcontracts required by the implementation of the action but not related to the efficiency energy measures) can be declared.	7	Check that the following eligible costs are not included in other budget category: – costs of purchasing equipment, infrastructures and other assets directly necessary for the demonstration of additional energy efficiency measures in buildings (e.g. costs of purchasing elements to build/refurbish buildings such as new isolation, new ventilation systems, windows, doors, heating elements, system controlling the system); – costs of subcontracting the works necessary for the demonstration of additional energy efficiency measures in buildings.

Access costs for providing trans-national access to research infrastructure

This IAP was elaborated based on the COMMISSION DECISION of 10.12.2013 "*authorising the use of reimbursement on the basis of unit costs for actions involving trans-national access under the Research Infrastructures Part of the Horizon 2020 Framework Programme*" ([C\(2013\)8199](#)).

GA Art.	Condition to be checked	N.	General procedure to be performed
H2020 AMGA Art. 6.2.F (v.4.0.1 Page 111)	Beneficiaries that use budget category F.2 'access costs for providing trans-national access to research infrastructure' can NOT — under the same grant — declare costs under budget category D.4 'capitalised and operating costs of large research infrastructure'.	1	Verify that the Beneficiary do not claim any cost under the budget category D.4 'capitalised and operating costs of large research infrastructure'.
C(2013) 8199 ANNEX.3.	In order to measure the quantity of trans-national access to the installation supported under the Union grant the access provider will identify a unit of access to the installation. This unit of access shall also be used to measure the total quantity of access that the installation provides to all its users.	2	Review the Beneficiary's methodology in order to identify the unit of access to the installation.
C(2013) 8199 ANNEX.1.	Costs for providing trans-national access to research infrastructures declared by beneficiaries on the basis of unit costs shall be eligible if they correspond to the amount per unit set out in Annex 2 to the grant agreement multiplied by the number of actual units of access provided under the action and if the conditions set out in Article 16.1.1 of the grant agreement are met.	3	Recalculate the cost claimed by multiplying the unit cost defined in Annex 2 of the Grant Agreement with the number of units of access verified and accepted by the audit.
C(2013) 8199 ANNEX.1.	The grants under the Research Infrastructures Part of the Horizon 2020 Framework Programme shall take the form of reimbursement of either of the following eligible costs for trans-national access to research infrastructures: (i) costs declared by beneficiaries on the basis of unit costs calculated on the basis of their historical data, or (ii) costs actually and solely incurred for providing access to the user groups selected for support under the action, or (iii) costs declared by beneficiaries on the basis of a combination of the forms of costs referred to in points (i) and (ii), if part of the eligible access costs, in particular eligible costs for the specific support to users, varies significantly between users. Only one of the forms referred to in points (i), (ii) and (iii) may be used for one installation. No alternative use is allowed for one installation.	4	Verify that the costs claimed correspond with: (i) unit costs calculated on the basis of historical data (ii) actual costs solely incurred for providing access to the user groups under the action. (documented evidence) (iii) combination of (i) and (ii) Verify that only one form is used for one installation (i), (ii) or (iii).

GA Art.	Condition to be checked	N.	General procedure to be performed
C(2013) 8199 ANNEX.3.	<p>The unit cost shall be defined on the basis of the average over the last two years of the annual total access costs to the installation, for the categories covered by the unit cost, divided by the average over the last two years of the total quantity of access to the installation annually provided, as follows:</p> $\text{Unit cost} = \frac{\text{average annual total access costs to the installation}}{\text{average total quantity of access to the installation annually provided}}$ <p>The average amounts shall be based on certified or auditable historical data of the beneficiary (or the linked third party) over the last 2 years (years N-1 and N-2) and allocated to the concerned installation according to the beneficiary's usual cost accounting practices. The average over the last two years of the access costs and quantity of access to the installation shall not include periods where the installation was not usable because out of order, or under repair or maintenance.</p> <p>In exceptional and duly justified cases, the Commission may agree to use a different reference period.</p>	5	<p>Enquire if the Beneficiary has obtained any external or independent certification on the unit costs calculation.</p> <p>Verify that the unit costs are calculated based on historical actual data, over the last 2 years (excluding any period where the installation was not usable).</p>
C(2013) 8199 ANNEX.3.	<p>The 'total quantity of access to the installation' shall include all the units of access annually provided by the installation, included access financed by the Union under previous grant agreements, if any.</p>	6	<p>Verify the actual use of the infrastructure with records of access to the research infrastructure during the reference period.</p>

GA Art.	Condition to be checked	N.	General procedure to be performed
C(2013) 8199 ANNEX.1.	<p>Are eligible access costs:</p> <p>- <u>Direct costs for providing access to the installation:</u></p> <ul style="list-style-type: none"> • Personnel cost of administrative, technical and scientific staff directly assigned to the functioning of the installation and to the support of the users. • Costs of contracts for maintenance and repair (including specific cleaning, calibrating and testing) specifically awarded for the functioning of the installation (if not capitalised). • Costs of consumables specifically used for the installation and the research work of the users. • Costs of contracts for installation management, including security fees, insurance costs, quality control and certification, upgrading to national and/or EU quality, safety or security standards (if not capitalised) specifically incurred for the functioning of the installation. • Costs of energy power and water supplied for the installation. • Costs of general services when they are specifically included in the provided access services (library costs, shipping costs). • Costs of software licence, internet connection or other electronic services for data management and computing when they are needed to provide access services. • Costs of specific scientific services included in the access provided or needed for the provision of access. 	7	Verify that the pool of costs included in the calculation of the unit costs included only direct eligible costs, excluding capital investments (including rental, lease or depreciation costs), travel and subsistence costs.

GA Art.	Condition to be checked	N.	General procedure to be performed
C(2013) 8199 ANNEX.1.	<p>Are eligible access costs:</p> <ul style="list-style-type: none"> - <u>Indirect costs for providing access to the installation,</u> <p>but excluding:</p> <ul style="list-style-type: none"> - All contributions to the capital investments of the infrastructure (including rental, lease or depreciation costs of buildings as well as depreciation and lease of instrumentation). Those costs are not eligible for the provision of access under the Research Infrastructures Part of the Horizon 2020 Framework Programme, - Travel and subsistence costs to support the visits of users. Those costs shall be reimbursed on the basis of eligible costs actually incurred under the cost category "other direct costs". 	8	<p>Verify that the pool of costs included in the calculation of the unit costs included only indirect eligible costs, excluding capital investments (including rental, lease or depreciation costs), travel and subsistence costs.</p> <p>Verify that the eligible indirect costs are equal to 25% of the direct costs referred to above (amounts for the categories taken into account in the unit costs, i.e. excluding the categories reimbursed on an actual cost basis) minus any costs of subcontracting (amounts referred to above for the categories "costs of contracts for maintenance and repair", "costs of contracts for installation management", "costs of scientific services" and "cost for other electronic services").</p> <p>Review the calculation of indirect costs in the Financial Statement(s) of the action and verify that the 25% flat rate is not applied on top to the unit costs for trans-national access.</p>

Fusion programme

This IAP was elaborated based on the COMMISSION DECISION of 10.12.2013 "authorising the use of reimbursement on the basis of unit costs for Fusion programme co-fund action under the Research and Training Programme of the European Atomic Energy Community (2014-2018)" ([C\(2013\)8201](#)).

GA Art.	Condition to be checked	N.	General procedure to be performed
C(2013) 8201 ANNEX.(1)	<p>The grant for the Euratom Fusion programme co-fund action shall take the form of reimbursement of eligible costs declared by beneficiaries:</p> <p>(a) on the basis of unit costs for the eligible costs of mobility of personnel;</p> <p>(b) on the basis of unit costs for the eligible costs of fellowships for researchers;</p> <p>(c) either on the basis of unit costs or as costs actually incurred for the eligible access costs to research infrastructures. For one installation, the eligible access costs shall be declared either on the basis of unit costs or as actually incurred. No combination is allowed.</p> <p>Other categories of eligible costs shall be reimbursed on the basis of eligible costs actually incurred or, for other direct personnel costs, on the basis of unit costs or, for indirect costs, flat-rate financing.</p>	1	<p>Verify that the costs claimed correspond with:</p> <p>(a) on the basis of unit costs for the eligible costs of mobility of personnel;</p> <p>(b) on the basis of unit costs for the eligible costs of fellowships for researchers;</p> <p>(c) <i>either</i> on the basis of unit costs <i>or</i> as costs actually incurred for the eligible access costs to research infrastructures. For one installation, the eligible access costs shall be declared either on the basis of unit costs or as actually incurred. No combination is allowed.</p>
C(2013) 8201 ANNEX.(1.1)	(a) Mobility unit costs	2	<p>Verify that the Costs of mobility of personnel declared as unit costs:</p> <p>(i) relate to the secondment of an individual (employee of the beneficiary)</p> <p>(ii) the secondment is made to a location other than the individual's place of employment and to one of the following:</p> <ul style="list-style-type: none"> - an organisation where the individual takes part in experiments using a research infrastructure of that organisation; - another beneficiary where the individual carries out research activities described in Annex 1 or 7 of the grant agreement, or - a joint support unit created by the beneficiaries under the action; <p>(iii) correspond to the amount per unit set out in the estimated budget of the action (Annex 2 and Annex 2a to the grant agreement) multiplied by the number of actual days or months of secondment; and</p> <p>(iv) have been fully incurred for the benefit of the seconded individual.</p>

GA Art.	Condition to be checked	N.	General procedure to be performed
C(2013) 8201 ANNEX.(1.1)	(a) Mobility unit costs	3	<p>Verify that the unit costs of mobility of personnel include only the following categories of costs:</p> <ul style="list-style-type: none"> - a daily subsistence allowance to cover for the costs of living payable to the individual, - a monthly subsistence allowance payable to the individual, - a monthly family allowance (per child) to be paid to the seconded personnel that has children following a primary or secondary education courses to cover for the tuition fees of the children. <p>Verify that no management costs for the mobility of personnel are included in the calculation (these shall be reimbursed on the basis of eligible costs actually incurred under other categories of costs).</p> <p>Verify that the 25% flat-rate financing for indirect costs is not applied to the unit costs of mobility of personnel.</p>
C(2013) 8201 ANNEX.(3.1)	(a) Mobility unit costs	4	<p>Verify that the allowances are paid according to the amounts provided by the Commission Decision C (2013)8196 and included in Annex 2a of the relevant Grant Agreement:</p> <ul style="list-style-type: none"> - Daily subsistence allowance is of EUR 127,65. - Monthly subsistence allowance varies according to the distance between place of employment and place of secondment – see relevant tables. - Family allowance is of EUR 252,81 per month. <p>The unit costs will be expressed in person-months and corresponding to the country-specific correction factor of 100% applicable to Belgium and Luxembourg and to the country-specific correction factors for all other countries as included in Annex 2a of the relevant Grant Agreement.</p>
C(2013) 8201 ANNEX.(1.2)	(b) Unit costs for fellowships for researchers	5	<p>Verify that the costs of fellowships for researchers declared as unit cost:</p> <ul style="list-style-type: none"> (i) correspond to the amount per unit set out in the estimated budget of the action (Annex 2 and Annex 2a to the grant agreement) multiplied by the number of actual months spent by the fellows on the research training activities; (ii) have been fully incurred for the benefit of the fellows.

GA Art.	Condition to be checked	N.	General procedure to be performed
C(2013) 8201 ANNEX.(1.2)	(b) Unit costs for fellowships for researchers	6	<p>Verify that the unit costs for fellowships for researchers only cover the following categories of costs:</p> <ul style="list-style-type: none"> - living allowances payable to the individual early-stage or experienced researchers recruited under an employment contract/ contract with full social security coverage by the beneficiary and complying with the social security legislation applicable. These amounts include all compulsory deductions under national applicable legislation, - a mobility allowance payable to the individual researcher to cover additional mobility related costs such as travel and accommodation, - a family allowance payable to the individual eligible researcher to reduce family-related obstacles to researcher mobility. <p>The management costs for the fellowships for researchers shall be reimbursed on the basis of eligible costs actually incurred.</p> <p>The 25% flat-rate financing for indirect costs shall not apply to the unit costs for the fellowships for researchers.</p>
C(2013) 8201 ANNEX.(3.2)	(b) Unit costs for fellowships for researchers	7	<p>Verify that:</p> <ul style="list-style-type: none"> - the living allowance for experienced researchers eligible for an individual fellowship is fixed at EUR 4 650. The living allowance for early-stage researchers is fixed at EUR 3 110. (the above living allowance is subject to a country - specific correction coefficient). - The mobility allowance which is fixed at EUR 600. - The family allowance which is fixed at EUR 500.
C(2013) 8201 ANNEX.(3.3)	(c) Unit costs of access to research infrastructures	8	<p>Verify that the costs of access to research infrastructure declared on the basis of unit costs shall correspond to the amount per unit set out in the estimated budget of the action (Annex 2 to the grant agreement) multiplied by the number of actual units of access provided to other beneficiaries.</p>

GA Art.	Condition to be checked	N.	General procedure to be performed
C(2013) 8201 ANNEX.(1.3)	(c) Unit costs of access to research infrastructures	9	<p>Verify that the unit costs of access to research infrastructures includes only eligible costs:</p> <ul style="list-style-type: none"> - Direct costs for providing access to the installation: <ul style="list-style-type: none"> • personnel costs of administrative, technical and scientific staff directly assigned to the functioning of the installation and to the support of the users, • costs of contracts for maintenance and repair (including specific cleaning, calibrating and testing) specifically awarded for the functioning of the installation, • costs of consumables specifically used for the installation and the research work of the users, • costs of contracts for installation management, including security fees, insurance costs, quality control and certification, upgrading to national and/or EU quality, safety or security standards specifically incurred for the functioning of the installation; • costs of energy power and water supplied for the installation, • costs of general services when they are specifically included in the provided access services (library costs, shipping costs), • costs of software licence, internet connection or other electronic services for data management and computing when they are needed to provide access services, • costs of specific scientific services included in the access provided or needed for the provision of access, • depreciation costs of the equipment, buildings and other assets (new or second-hand) that are part of the installation and that were not purchased or built using Union funds as well as the costs of renting or leasing the equipment, buildings and other assets that are part of the installation, - Indirect costs for the access to the installation, <u>but excluding</u> <ul style="list-style-type: none"> - travel and subsistence costs to support the visits of users. Those costs shall be reimbursed on the basis of eligible costs actually incurred under the cost category "other direct costs".

GA Art.	Condition to be checked	N.	General procedure to be performed
C(2013) 8201 ANNEX.(1.3)	(c) Unit costs of access to research infrastructures	10	<p>Verify that the unit cost are defined on the basis of the average over the last two years of the annual total access costs to the installation for the categories covered by the unit costs, divided by the average over the last two years of the total quantity of access to the installation annually provided.</p> <p>The average amounts shall be based on certified or auditable historical data of the beneficiary (or the linked third party) over the last 2 years (years N-1 and N-2) and allocated to the concerned installation according to the beneficiary's usual cost accounting practices in case the installation has less than 2 years of operation. The average over the last two years of the access costs and quantity of access to the installation shall not include periods where the installation was not usable because out of order, or under repair or maintenance.</p>

RECEIPTS

GA Art.	Condition to be checked	N.	General procedure to be performed
Art. 5.3.3	Reduction due to the no-profit rule: The grant must not produce a profit. 'Profit' means the surplus of the amount obtained following [the application of the reimbursement rates to the eligible costs (step 1)] and the limit to the maximum grant agreement plus the action's total receipts (step 2), over the action's total eligible costs. Receipts will be taken into account by the Commission / Agency only at the moment of the payment of the balance (i.e. the final payment at the end of the action). They must be declared in the final report.	1	Obtain from the Beneficiary the detail of project receipts and reconcile this with the breakdown of receipts supporting the Financial Statements.
Art. 5.3	All receipts have to be: - established (i.e. revenue that has been collected AND entered in the accounts); OR - generated (i.e. revenue that has not yet been collected, but which has been generated) OR - confirmed (i.e. revenue that has not yet been collected, but for which the beneficiary has a commitment or written confirmation) during the action duration.	2	Verify whether the receipts are - established (i.e. revenue that has been collected AND entered in the accounts); <u>OR</u> - generated (i.e. revenue that has not yet been collected, but which has been generated) <u>OR</u> - confirmed (i.e. revenue that has not yet been collected, but for which the beneficiary has a commitment or written confirmation) during the action duration.
Art. 5.3.3.a)	<u>Income generated by the action</u> The following are considered <u>receipts</u> : (a) income generated by the action; if the income is generated from selling equipment or other assets purchased under the Agreement, the receipt is up to the amount declared as eligible under the Agreement; For example admission fee to conferences. The following are however <u>not considered receipts</u> : (a) income generated by exploiting the action's results (see Article 28);	3	Verify completeness of the disclosed project receipts by identifying any receipt generated by the action such as: a) sale of equipment or assets bought for the project (limited to the claimed eligible cost of purchase); b) admission fee to a conference carried out by the consortium; c) sale of the proceedings of a conference; This analysis should be performed through corroborative inquiry and review of the income recorded in Beneficiary's accounts.

GA Art.	Condition to be checked	N.	General procedure to be performed
Art. 5.3.3.b)	<p>Financial contributions</p> <p>The following are considered <u>receipts</u>:</p> <p>(b) financial contributions given by third parties to the beneficiary [or to a linked third party] specifically to be used for the action, and</p> <p>The following are however <u>not considered receipts</u>:</p> <p>(b) financial contributions by third parties, if they may be used to cover costs other than the eligible costs (see Article 6);</p> <p>c) financial contributions by third parties with no obligation to repay any amount unused at the end of the period set out in Article 3.</p>	4	<p>Obtain the general ledger account of received funding, grants, subsidies.</p> <p>Verify (on sample basis) the completeness of the disclosed financial contributions by assessing whether the Beneficiary has disclosed the receipts as a result of financial contributions from third parties, which:</p> <ul style="list-style-type: none"> - were given specifically to be used for the project; - may only be used to cover eligible costs (if they may be used to finance ineligible costs (e.g. exchange losses) than the amount does not constitute a receipt); - require the Beneficiary to repay any amount unused at the end of the project duration (if there is no such obligation, then the ENTIRE amount is NOT considered a receipt). <p>As receipts are only contributions from third parties, ensure that the Beneficiary did not declare as receipt a financial contribution by another Beneficiary.</p>
Art. 5.3.3.c)	<p><u>In-kind contributions</u></p> <p>The following are considered <u>receipts</u>:</p> <p>(c) in-kind contributions provided by third parties free of charge and specifically to be used for the action, if they have been declared as eligible costs.</p>	5	<p>Verify (on sample basis) the completeness of the disclosed in-kind contributions by ensuring that the Beneficiary has disclosed the receipts as a result of in-kind contributions from third parties, which were provided:</p> <ul style="list-style-type: none"> - free of charge; - to be used specifically for the action. <p>Ensure that the Beneficiary declared as receipt the amount declared as eligible costs (the receipt is capped to the declared eligible cost).</p> <p>As receipts are only contributions from third parties, ensure that the Beneficiary did not declare as receipt a financial contribution by another Beneficiary.</p>

COORDINATOR ROLE

GA Art.	Condition to be checked	N.	General procedure to be performed
Art. 21.7	<p>Payments to the coordinator — Distribution to the beneficiaries</p> <p>The coordinator must distribute the payments between the beneficiaries without unjustified delay.</p>	1	<p>As stipulated in the AMGA, how and when the payments are distributed is in principle an internal matter for the consortium. If the coordinator does NOT comply with its obligations, this is in principle an issue to be resolved within the consortium.</p> <p>Only if the coordinator is terminated, the Commission / Agency/JU (and especially the Guarantee Fund) will intervene.</p> <p>Nonetheless, the auditor will carry out the following audit steps:</p> <ul style="list-style-type: none"> - If the audit scope covers the final period of the project, obtain the Report on the Distribution of Payments (if it was requested by the Commission). - If the audit scope does not cover the final period of the project, obtain the EU letters regarding the pre-financing and interim payments. - Obtain the Consortium Agreement (CA). - Ask the Coordinator to provide a detail of payments (amount, date and bank reference) to the different Beneficiaries. - Verify whether the distribution of funds towards beneficiaries is in line with the Report on the Distribution of Payments, if applicable (see H2020 AMGA v.4.0.1 Page 196). - Verify this detail for correctness on sample basis calculated over all audited periods together (so not per period or interim payment). Sample size: lowest of 15 payments or 50% of total amount of payments made during the audited periods.

GA Art.	Condition to be checked	N.	General procedure to be performed
Art. 41.2	<p>(b) The coordinator must:</p> <p>(i) monitor that the action is implemented properly (see Article 7);</p> <p>(ii) act as the intermediary for all communications between the beneficiaries and the [Commission][Agency] (in particular, providing the [Commission][Agency] with the information described in Article 17), unless the Agreement specifies otherwise;</p> <p>(iii) request and review any documents or information required by the [Commission][Agency] and verify their completeness and correctness before passing them on to the [Commission][Agency];</p> <p>(iv) submit the deliverables and reports to the [Commission][Agency] (see Articles 19 and 20);</p> <p>(v) ensure that all payments are made to the other beneficiaries without unjustified delay (see Article 21);</p> <p>(vi) inform the [Commission][Agency] of the amounts paid to each beneficiary, when required under the Agreement (see Articles 44 and 50) or requested by the [Commission][Agency].</p> <p>The coordinator may not delegate or subcontract the above-mentioned tasks to any other beneficiary or third party (including linked third parties).</p> <p><u>Specific cases (coordinator):</u> Authorisation to administer — Coordinators that are secondary or higher education establishments and public bodies may exceptionally delegate the administration of the payments to another legal entity (third party), in most cases a foundation. The third party must fulfil the following conditions: - they must have been granted the ‘authorisation to administer’ AND - it must be affiliated, controlled or set up by the coordinator in order to handle its administrative affairs (and those must include receiving and administering EU funds).</p> <p><u>ERICs (European Research Infrastructure Consortia):</u> Beneficiaries that are ERICs and do not have their own resources may exceptionally delegate the following coordination tasks to one of its members: - monitor that the action is implemented properly (see Article 7); - act as intermediary for communications (see Article 17); - request and review documents or information required and verify completeness and correctness; - submit deliverables and reports (see Articles 19 and 20);</p>	2	<p>Verify that the coordinator did not delegate or subcontract any of the tasks detailed under Article 41.2;</p> <p><u>Exception for delegation of payments and Report on the Distribution of Payments:</u> Verify whether, if the coordinator delegated the payments or Report on the Distribution of Payments to Beneficiaries to a third party, that: - the Beneficiary is a secondary or higher education establishment or public body; and - the Beneficiary gave a formal "authorisation to administer" to the third party mentioned in Article 41.2 OPTION. - the third party is affiliated, controlled or set up by the coordinator in order to handle its administrative affairs, including receiving and administering EU funds.</p> <p><u>Exception for ERICs to exceptionally delegate the following coordination tasks to one of its members:</u> If the coordinator is an ERIC without own resources and it delegated tasks to one of its members, verify that only the following tasks were delegated: - monitoring that the action is implemented properly; or - acting as intermediary for communications; or - requesting and reviewing documents or information required and verify completeness and correctness; or - submitting deliverables and reports.</p>

SME – Phase 2

Applicable only for H2020 MGA SME Ph 2.

A. Direct Personnel Costs

GA Art.	Condition to be checked	N.	General procedure to be performed
Art. 6.2.A.4 /A.5	<p>These costs must be declared on the basis of the unit cost (hourly rate) fixed by Commission Decision C(2013) 819718 and set out in Annex 2 and 2a of the GA. The precise unit cost is not pre-fixed by the Decision; the 'amount per unit' (hourly rate) must be calculated for each individual before signature of the GA according to the following formula: Amount per unit = {{EUR 4,650/143 hours} multiplied by {country-specific correction coefficient of the country where the beneficiary is established}}</p> <p>The country-specific correction coefficient is the one set out in the Main Work Programme – MSCA in force at the time of the call. Example: A German SME owner not receiving a salary will calculate the hourly rate as follows: EUR 4.650/143 * 98.8% = EUR 32,13 /hour. In practice, the declaration of costs for SME owners and beneficiaries that are natural persons is very simple and almost completely automatised: The beneficiaries must only indicate the number of hours worked on the action and the costs are then automatically calculated by the IT system.</p> <p><i>In line with Article 5.2 a) MGA – SME Ph 2, the costs must be declared on the basis of the amount per unit set out in Annex 2.</i></p>	1	<p>Verify that the correct specific rate for each individual has been used.</p> <p><i>For GAs signed up to March 2016 the costs are set out in Annex 2 and Annex 2a is not included in the GAs. Annex 2a is available in SME Instrument project only after March 2016.</i></p>

B. Subcontracting

GA Art.	Condition to be checked	N.	General procedure to be performed
Art. 13.1.1	<p>The specific eligibility conditions foreseen in an option in the Grant Agreement for subcontracting above a defined threshold should be complied with.</p> <p><i>Please note that the relevant clause on the threshold is missing from the signed GAs of the SME Instrument. The GAs signed in the second half of 2016 are expected to include this provision. In both cases there is no change in the General procedure to be performed proposed.</i></p>	2	<p>Obtain and review the signed Grant Agreement(s). Confirm that if specific provisions are foreseen in case the subcontracting costs exceed the threshold defined in the GA the latter are complied with.</p>
Art. 13.1	<p>If the subcontracting was awarded on the basis of an existing framework contract the name of the subcontracting supplier was listed in Annex I Description of Work of the audited Grant Agreement(s).</p>	3	<p>If the subcontracting was awarded on the basis of an existing framework contract confirm that the original signed subcontracting agreements are signed with the legal entity stated in Annex 1 Description of Work of the audited Grant Agreement(s). If the Beneficiary awarded subcontracting on the basis of an existing framework contract, but the name of the subcontractor is different from the one specified in Annex 1 <i>request the Beneficiary to provide the Agency's approval (amendment).</i></p>

GA Art.	Condition to be checked	N.	General procedure to be performed
MGA SME Ph2 – Art. 13	The Agency will assess compliance with best value for money during the evaluation of the proposals (amendment requests to include/modify subcontractors). Assurance can only be given on subcontracts that are described in sufficient detail in the proposal. For already awarded subcontracts: action task(s) that are subcontracted; key information on the award procedure; name of subcontractor; price and object; explanation why the subcontractor and the price are appropriate. Annex 1 will explicitly identify the subcontracts for which assurance is given by the Agency.	4	<p>Review Annex 1 (including any amendments) and identify any subcontracts (i.e. the name of the subcontractor, the task(s) to be subcontracted and the price of subcontracting) for which the assurance given by the Agency is explicitly mentioned.</p> <p>Review if any subcontracting items from your sample (as selected in procedure 7 in the IAP) are related to subcontracts for which the assurance was explicitly given by the Agency.</p> <p>For sampled items which are covered by the Agency's assurance verify that the name of the subcontractor, subcontracted task(s) and the price of subcontracting are identical to those described in the Annex 1. In case of differences request the Beneficiary to provide the Agency's approval (amendment).</p>
MGA SME Ph2 – Art. 13	The Agency will assess compliance with best value for money during the evaluation of the proposals. Assurance can only be given on subcontracts that are described in sufficient detail in the proposal. For future subcontracts: action task(s) to be subcontracted; estimated budget; procedure that will be followed to ensure best value for money. Annex 1 will explicitly identify the subcontracts for which assurance is given by the Agency (for these subcontracts, beneficiaries have assurance that compliance with best value for money will not be challenged in audits – unless it turns out that the beneficiary did not follow the procedure described or concealed information for the purpose of the approval).	5	<p>Review Annex 1 (including any amendments) and identify any procurement procedure for which the assurance given by the Agency is explicitly mentioned.</p> <p>Review if any subcontracting items from your sample (as selected in procedure 7 in the IAP) were subcontracted by the beneficiary using the procedure on which the explicit assurance was given by the Agency.</p> <p>Verify that the procedure as described in Annex 1 (amendments) was followed by the Beneficiary.</p>

ERC

Applicable only for H2020 MGA ERC.

A. Direct Personnel Costs

GA Art.	Condition to be checked	N.	General procedure to be performed
Art. 6.1.(i)	They must be actually incurred by the Beneficiary	1	<p>Select for testing a sample of persons based on the following method:</p> <p>1) If the total personnel costs declared are below the planning materiality level (5% of total costs declared) select for testing only the person with the highest amount declared.</p> <p>2) If the total personnel costs declared are above the planning materiality level (5% of total costs declared) select for testing all the items with a value higher or equal to 10% of the costs declared for personnel costs and add randomly selected persons until you reach either 50% coverage of the personnel costs or a maximum number of 15 persons. A minimum of 5 persons must be selected unless the population is less than 5.</p> <p><i>For a large portion of ERCEA projects, the personnel cost for one person (e.g. the PI) represents 50% of personnel costs declared. In cases where the sampled costs relate to 1 individual only, extend a sample by adding one more individual with a different type of employment contract (if possible).</i></p>
Art.6.2.A.1	Recruitment costs - Recruitment costs are generally not eligible as direct personnel costs, because the beneficiary is required to have the necessary human resources to implement the action. If a beneficiary needs to recruit additional personnel during the action duration, the related costs would be considered part of the entity's normal indirect costs, which under Horizon 2020 are covered by a 25% flat-rate of the eligible direct costs.	2	<p>Identify any claimed costs related to the recruitment procedures (job analysis, announcement, evaluation, selection, etc.).</p> <p><i>For ERC frontier research grants, recruitment costs, if clearly attributable to the action, are eligible as "other direct costs" (because recruitment is part of the activities of such actions).</i></p>

D. Other Direct Costs

GA Art.	Condition to be checked	N.	General procedure to be performed
Art. 38.1.2e	<p>Promoting of the action – visibility of EU funding</p> <p>Unless the [Commission][Agency] requests or agrees otherwise or unless it is impossible, any communication activity related to the action (including in electronic form, via social media, etc.) and any infrastructure, equipment and major results funded by the grant must:</p> <p>(a) display the EU emblem and</p> <p>(b) include the following text:</p> <p><i>"This [infrastructure][equipment][insert type of result] is part of a project that has received funding from the European Research Council (ERC) under the European Union's Horizon 2020 research and innovation programme (grant agreement No [number]"</i></p> <p>When displayed together with another logo, the EU emblem must have appropriate prominence.</p>	3	<p>When verifying the actual existence of the sampled assets by physical inspection, verify whether the EU emblem is displayed and whether <i>for ERC grants the following wording of the text is used:</i></p> <p><i>"Please note that for ERC grants the following wording of the text is used "This [infrastructure][equipment][insert type of result] is part of a project that has received funding from the European Research Council (ERC) under the European Union's Horizon 2020 research and innovation programme (grant agreement No [number]"</i></p> <p>When the EU emblem is displayed together with another emblem or logo, assess whether the EU logo has appropriate prominence.</p>
Art. 6.1.a (v)	Costs charged for equipment must be identifiable and verifiable.	4	<p>Verify the actual existence of the assets by physical inspection. The physical inspection for intangible assets may take form of logging on, demonstration, interviews with staff, etc. <i>If the asset is located in a different location than the one where the audit field work takes place obtain a written confirmation with attached digital photo/evidence of the asset along with its asset registration form from the technical personnel responsible for the safeguard and the maintenance of the asset and co-signed by the principal investigator that the asset exists.</i> If assets do not exist anymore (sold, given for free, destroyed, disposed, etc.) inspect accounting and other documentation to define the date on which the asset is written-off from the asset register.</p>
Art. 6.2 D.3	<p>Open access — Costs related to open access to peer-reviewed scientific publications and research data are eligible, if the eligibility conditions are fulfilled. With explicit agreement by the Commission / Agency, it can also include fees levied for a membership scheme (if this is a requirement for publishing in open access or if membership is a pre-condition for significantly lower article processing charges).</p>	5	<p>Verify by checking the invoice and the nature of the cost if is related to open access. In case of fees levied for a membership scheme enquire if there is explicit agreement by the Commission / Agency.</p> <p><i>In addition to the General procedure to be performed, take into consideration that access to publications and to research data are eligible if incurred during the action duration. See specific conditions in ERC AMGA v.4.0.1 page 378.</i></p>

ERA-NET Cofund

Applicable only for H2020 MGA ERA-NET Cofund.

A. Direct Personnel Costs

GA Art.	Condition to be checked	N.	General procedure to be performed
Art. 6.5.(a).(i)	Ineligible costs (other than those not meeting the general and specific criteria)	1	<i>In addition to the general procedures to be performed, for ERA-NET Cofund the costs of organising the calls (i.e. preparation of the call, selection of the projects etc.) or for additional coordination and networking activities of beneficiaries implementing trans-national project themselves are not eligible.</i>

B. Subcontracting

GA Art.	Condition to be checked	N.	General procedure to be performed
Art. 6.5.(a)	Costs declared do not contain ineligible elements. The eligibility of duties depends on the eligibility of the cost item to which they are linked (i.e. in whose price they are included). If the item is eligible, the duty is also eligible. Costs to allow for the participation of disabled people (e.g. costs for sign language interpreters required for dissemination events organised under the action) — May be eligible if they fulfil the general and specific eligibility conditions listed under Articles 6.1 and 6.2. The beneficiaries must keep records (see Article 18) to prove in case of an audit, check or review the actual costs incurred and that they were necessary for the implementation of the action.	2	Confirm that the declared costs for subcontracting do not contain any of following ineligible elements: (i) costs related to return on capital; (ii) debt and debt service charges; (iii) provisions for future losses or debts; (iv) interest owed; (v) doubtful debts; (vi) currency exchange losses; (vii) bank costs charged by the Beneficiary's bank for transfers from the EC; <i>In addition to the General procedure to be performed, confirm that do not contain costs for organising the calls (i.e. preparation of the call, selection of the projects etc.), which are not eligible under the ERA-NET grant.</i>

D. Other Direct Costs

GA Art.	Condition to be checked	N.	General procedure to be performed
Art. 15	ERA-NET Cofund	3	<p>Determine through review of the financial statements if the costs claimed relate to: A.1) costs of providing financial support to third parties implementing trans-national projects; A.2) costs for the implementation of the trans-national projects by the beneficiary or B) direct coordination costs for additional activities.</p> <p>a) If the costs relate to costs of providing financial support to third parties implementing trans-national projects: execute specific audit procedures as outlined in IAP "Other direct costs"/ SPECIFIC CATEGORY ERA-NET COFUND: A.1. Direct Costs of providing financial support to third parties</p> <p>b) if the costs relate to costs for the implementation of the trans-national projects by the beneficiary: for all cost categories perform the audit procedures provided in the IAP for the general H2020 grant agreement.</p> <p>c) if the costs relate to direct coordination costs for additional activities: execute specific audit procedures as outlined in IAP "Other direct costs"/ SPECIFIC CATEGORY ERA-NET COFUND: B. Direct coordination costs of additional activities (29.000EUR/year)</p>

A.1 Direct Costs of providing financial support to third parties

GA Art.	Condition to be checked	N.	General procedure to be performed
Art. 15	<p>For ERA-NET Cofund actions, the beneficiaries may provide financial support to third parties (i.e. pass on the EU support they receive via the ERA-NET Cofund grant to recipients that are not party to the GA, also called 'cascade funding').</p> <p>In this case, the beneficiaries' activity consists in providing financial support, while it is the recipients (third parties) that actually implement the trans-national research and/or innovation projects.</p> <p>ERA-NET Cofund stipulates the 6 eligibility criteria.</p> <p>The selection procedure must be followed by an independent expert observer, who must make a report (see Article 20.2a);</p>	4	<p>Obtain the list of the trans-national projects for which financial support has been provided with the respective total costs per project. Reconcile the total of these costs to the amount claimed under section A.1. For amounts established in other currency than the euro first convert the totals to euro by using the rate as specified in Art.20.6 of the H2020 GA for ERA-NET COFUND.</p> <p>Select sample of projects for testing - 1) if the population of projects is less or equal to 5 items, all items should be tested; or 2) if the population is more than 15 items select for testing a maximum of 15 items. Select for testing all the items with a value higher or equal to 10% of the costs declared under section A.1. Add randomly selected projects until 50% coverage is achieved or the total maximum number of 15 items is reached.</p>

GA Art.	Condition to be checked	N.	General procedure to be performed
Art. 15		5	Obtain the list of final beneficiaries for each selected project. Trace the final beneficiaries for which costs have been claimed to the initial projects' proposals. Obtain an understanding about eventual changes compared to the initially foreseen final beneficiaries.
Art. 15		6	Verify that the final beneficiaries have signed the acceptance of grants' forms.
Art. 15		7	Review the agreements between the Beneficiary and the final beneficiaries for clauses ensuring to the European Commission / Agency, European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) their rights under Articles 22 and 23 of the Grant Agreement(s).
Art. 15		8	Verify that valid expense claim forms have been received by the grant's Beneficiary before any reimbursement to final beneficiaries. Reconcile the sum of the valid expense claim forms from the final beneficiaries to the costs claimed by project.
Art. 15		9	Obtain an overview of ex-post audits on the costs declared by the final beneficiaries in accordance with the national applicable rules and an overview of identified costs' adjustments. Trace the eventual costs' adjustments proposed by the ex-post audits carried out according to national funding rules to the final claim to the EC.
Art. 15		10	Verify whether EU financial support was distributed to the final beneficiaries by tracing the payments to the grant's Beneficiary's bank account(s).
Art. 15		11	Verify that the amounts of financial support to final beneficiaries reconcile with the ones set forth in the Annex 1 of the grant agreement.
Art. 15		12	Obtain evidence of national funding payments to final beneficiaries.
Art. 15		13	Verify that the national funding payments meet the criteria as set forth in Annex 1 of the grant agreement.

B. Direct coordination costs of additional activities

GA Art.	Condition to be checked	N.	General procedure to be performed
Art. 6.2.B	<p>Direct coordination costs for additional activities are eligible, if they correspond to the amount per unit set out in Annex 2a multiplied by the number of actual years in which the beneficiary has carried out the 'additional activities' described in Annex 1.</p> <p>Beneficiaries that implement transnational projects (partially or fully) themselves cannot declare direct coordination costs for additional activities</p>	14	Verify if the beneficiary implements, partially or fully, the transnational project under audit.
Art. 6.2.B		15	Obtain an understanding of the additional activities carried out. Interview staff of the beneficiary to obtain information about the nature of the activities, obtain the annual programs for additional activities for each year under review, review Annex 1 of the ERA-NET grant and the progress reports, obtain supporting documents (meeting minutes, participants lists, presentations given and reports produced during/after the meetings etc.).
Art. 6.2.B		16	Verify if the additional activities programmed for each year under audit are carried out in full during the year.
Art. 6.2.B		17	<p>1. Verify that the number of units equals the period during which additional activities were carried out, with the period formatted as years (e.g. 6 months = 0.5 years).</p> <p>2. Verify that the claimed amount equals the number of units x EUR 29 000.</p>

Marie Skłodowska-Curie Actions

Applicable only for H2020 MGA MSCA.

GA Art.	Condition to be checked	N.	General procedure to be performed																																																				
Art. 6.1 & 6.2	COST CALCULATION: The costs claimed for recruited researchers, seconded staff and the institutional costs must comply with the Grant Agreement. The units declared correspond to the actual number of months spent by the researchers on the research training activities (ITN & IF & COFUND) or by the seconded staff members on the Research and Innovation activities (RISE).	1	<p>Obtain the calculation of the total number of units claimed by the beneficiary. The costs reported must be equal to the actual number of units (person-months) multiplied by the unit costs, taking into consideration that for the living allowance in ITN and IF (not in COFUND) the country correction coefficient is applicable. In addition, the family status affects the family allowance in ITN and IF (0 EUR or 500 EUR). Verify that the appropriate unit costs, as per the Work Programme of the year in which the grant was awarded, were used to calculate the total cost claim. Obtain the overall calculation and check the number of units with contractual documentation, payroll records, access rights, lab books or other evidence as made available by the beneficiary, in order to substantiate the number of months spent by the researchers on the relevant action, taking into consideration the limit of months (Procedure n°2). This test is not a sample. It must be applied to 100% of the amount claimed. The rates for 2014 through 2017 (i.e. for projects funded from the respective annual budgets) are:</p> <table border="1"> <thead> <tr> <th colspan="6">ITN & IF Cost Categories</th> </tr> <tr> <th></th> <th colspan="3">Costs for recruited researchers</th> <th colspan="2">Institutional costs</th> </tr> <tr> <th></th> <th>Living Allowance (correction coefficient)</th> <th>Mobility Allowance</th> <th>Family Allowance*</th> <th>Research, training & networking costs</th> <th>Management & indirect costs</th> </tr> </thead> <tbody> <tr> <td>ITN</td> <td>3 110</td> <td>600</td> <td>500</td> <td>1 800</td> <td>1 200</td> </tr> <tr> <td>IF</td> <td>4 650</td> <td>600</td> <td>500</td> <td>800</td> <td>650</td> </tr> </tbody> </table> <p>*Family = be married / be in a relationship with equivalent status to a marriage recognised by the legislation of the country or region where it was formalised / have dependent children who are actually being maintained by the researcher.</p> <table border="1"> <thead> <tr> <th colspan="3">RISE Cost Categories</th> </tr> <tr> <th rowspan="2">Costs for seconded staff members (top-up allowance)</th> <th colspan="2">Institutional Costs</th> </tr> <tr> <th>Research, training & networking costs</th> <th>Management & indirect costs</th> </tr> </thead> <tbody> <tr> <td>2 000</td> <td>1 800</td> <td>700</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="3">COFUND Cost Categories*</th> </tr> <tr> <th></th> <th>Costs for researchers</th> <th>Institutional costs**</th> </tr> </thead> <tbody> <tr> <td>ESR</td> <td>3710</td> <td rowspan="2">650</td> </tr> <tr> <td>ER</td> <td>5250</td> </tr> </tbody> </table> <p>* These costs are subject to a co-funding rate of 50%. ** The institutional unit cost for COFUND only encompasses the management costs of beneficiaries; indirect costs are not covered; they may be funded through other resources including EU programmes other than Horizon 2020. Costs for student registration, access to student services (library, computing etc.), teaching, supervision, examination and graduation can only be covered by the institutional unit costs.</p>	ITN & IF Cost Categories							Costs for recruited researchers			Institutional costs			Living Allowance (correction coefficient)	Mobility Allowance	Family Allowance*	Research, training & networking costs	Management & indirect costs	ITN	3 110	600	500	1 800	1 200	IF	4 650	600	500	800	650	RISE Cost Categories			Costs for seconded staff members (top-up allowance)	Institutional Costs		Research, training & networking costs	Management & indirect costs	2 000	1 800	700	COFUND Cost Categories*				Costs for researchers	Institutional costs**	ESR	3710	650	ER	5250
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GA Art.	Condition to be checked	N.	General procedure to be performed																		
			<p>All rates above are indicated in EUR per person-month. Costs not incurred during the periods of research training activity (e.g. during maternity / parental leave) are ineligible.</p> <p>If not in EURO : daily rate of the ECB website or the average monthly accounting rate over the reporting period, using the currency converter on the Commission's website. For ease of implementation the allowances can be calculated using a conservative exchange rate if a corrective payment is made at the end of the period.</p>																		
Art. 6.2		2	<p>Review the contractual documentation and payroll records which indicate the number of months spent by the researchers on the relevant action.</p> <p>The support granted to eligible researchers will cover the following periods for which the fellow worked for the action full time (unless the REA has approved otherwise):</p> <table border="1" data-bbox="659 757 1366 1115"> <thead> <tr> <th>Programs</th> <th>Months</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>ITN</td> <td>3-36</td> <td></td> </tr> <tr> <td>IF European</td> <td>12-24</td> <td></td> </tr> <tr> <td>IF Global</td> <td>24-36</td> <td>The last 12 months must be in Europe as a mandatory return phase.</td> </tr> <tr> <td>RISE</td> <td>1-12</td> <td>Secondments may be split into several stays not exceeding 12 months in total and not going beyond the project duration. The splits must be justified and considered beneficial for the transfer of knowledge activities. The exchanged staff members should be guaranteed full reintegration into the sending institution thus maximising the impact of the action for knowledge sharing and long-term collaboration</td> </tr> <tr> <td>COFUND</td> <td>min 3</td> <td></td> </tr> </tbody> </table> <p>i.e.: for ITN, between 3 months minimum and 36 months maximum.</p> <p>ITN: Person-months linked to shorter contracts will not be eligible. However, this requirement is linked to the duration of the contract and not to the actual duration of the training. Thus, if the contract is set out for a longer duration, but the training is interrupted within the first three months for reasons not related to the beneficiary (e.g. the researcher resigns), the costs may still be claimed.</p>	Programs	Months	Comments	ITN	3-36		IF European	12-24		IF Global	24-36	The last 12 months must be in Europe as a mandatory return phase.	RISE	1-12	Secondments may be split into several stays not exceeding 12 months in total and not going beyond the project duration. The splits must be justified and considered beneficial for the transfer of knowledge activities. The exchanged staff members should be guaranteed full reintegration into the sending institution thus maximising the impact of the action for knowledge sharing and long-term collaboration	COFUND	min 3	
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15.1.1.		3	<p>COFUND: The rates quoted are the unit costs, however there is a minimum total remuneration cost which must be respected (as per the GA and Work Programme). The amount is 2597 EUR per month for EARLY-STAGE researchers (ESR) and 3675 EUR per month for EXPERIENCED Researchers (ER).</p> <p>i.e.: For ESR, the contribution to the fellow will be (3710 / 2) for the EC and the total financed by the counterpart should be at least 742 EUR in order to reach the 2597 EUR minimum.</p> <p>For researchers recruited under a fixed-amount-fellowship agreement: the total costs for each fixed-amount fellowship are equal to or higher than 1.298,50 EUR (for ESR) and 1.837,50 EUR (for ER).</p> <p>The difference between an ESR and an ER is detailed here below, see procedure 11.</p> <p>Use the payroll records requested under procedure 1 and the employment contracts/fellowship agreements of the researchers, CVs and representations regarding ESR and ER categorisation to determine the eligibility and to compare the total remuneration amounts per month to the relevant minimums.</p>																		

GA Art.	Condition to be checked	N.	General procedure to be performed
		4	COFUND: The beneficiary may have also committed to provide additional allowances to the researchers or to top up the minimum salary rate. This will be clearly stated in Annex 1, which must be checked by the controller. Compare the total salary amounts per month to the relevant minimums, plus top-ups.
		5	For beneficiaries that already receive an EU/EURATOM operating grant, the amount of the management and indirect costs is halved. Identify via representations from the Beneficiary and Commission whether the Beneficiary is receiving an operating (not action) grant. Compare the management and indirect costs charged to the appropriate ratio to identify if the amount has been correctly halved.
Art. 6 (ITN, IF),	DOCUMENTATION : The costs reported must be supported by appropriate supporting documents evidencing the effective attendance of the fellow.	6	IF/ITN/COFUND: Verify that an employment contract/equivalent direct contract (with equivalent benefits, including social security coverage) or, if otherwise not possible under national law, a fixed amount fellowship written agreement with minimum social security coverage, is available and signed by the researcher. ITN, IF, COFUND: in case of a fixed amount fellowship the living allowance will be reduced by 50%. Check that the contract matches the relevant dates and conditions and has been signed. RISE: The controller must identify that the formal link between the staff member and the sending organisation provides to the sending organisation the legal means under national law to supervise and instruct the seconded staff member according to GA obligations.

GA Art.	Condition to be checked	N.	General procedure to be performed
Art. 15.1.1 (COFUND)		7	<p><u>For calls launched on the basis of the work programme(s) in force before 25 July 2016.</u></p> <p>Check, based on all kind of evidence that the researcher worked exclusively and full-time (or part-time, if agreed with REA otherwise) for the project within the beneficiary's premises, the premises of a partner organisation during a secondment, (for example lab book, attendance list, conference abstract, library records, travel expenses, etc.). Check e.g. the CV, time-sheets if available, reports to supervisor, meeting minutes, e-mail exchanges etc. and other open sources (internet) whether the researcher showed that he worked on other activities than the project.</p> <p>Identify if there are any periods where no evidence can be provided for participation in the project while working for the entity.</p> <p>For stays in another entity (e.g. in EID or EJD) or secondments (e.g. in ETN) during the period as foreseen in Annex I will have to be properly documented (e.g. copy of travel/accommodation documents, report to supervisor, time-sheets etc.).</p> <p><u>For calls launched on the basis of the work programme(s) in force on or after 25 July 2016.</u></p> <p>Check, based on all kind of evidence that the researcher worked exclusively and full-time (or part-time, if agreed with REA otherwise) for the project within the beneficiary's premises, the premises of a partner organisation during a secondment, or the premises of an entity with a capital or legal link to the beneficiary/partner organisation mentioned in Annex I to the GA (only in ITN, IF and RISE, not in COFUND) (for example lab book, attendance list, conference abstract, library records, travel expenses, etc.). Check e.g. the CV, time-sheets if available, reports to supervisor, meeting minutes, e-mail exchanges etc. and other open sources (internet) whether the researcher showed that he worked on other activities than the project.</p> <p>Identify if there are any periods where no evidence can be provided for participation in the project while working for the entity.</p> <p>If the population is more than 25 items, do a random selection sample covering 75% of the contribution.</p>
		8	<p>Verify that the Beneficiary did not receive any contribution from another EU funding programme for any of the cost items funded under the MSCA grant, except for COFUND where matching funds (received by the beneficiary not the researcher) can come from EU funds other than Horizon 2020 funds.</p> <p>Obtain management representations and 3rd party documentation provided by the Beneficiary (i.e. list of projects granted by the EU to the Beneficiary, etc.). Ensure that management representations are not contradictory with other evidence obtained in the assignment.</p>

GA Art.	Condition to be checked	N.	General procedure to be performed
	EFFECTIVE PAYMENT: The costs claimed must be incurred during the duration of the project. The researchers must be remunerated on a monthly basis according to the Grant Agreement.	9	<p>ITN, IF, COFUND: Review the following supporting documents (contractual documentation, payroll records) in order to reconcile the amount claimed in the Form C and the payroll, proceeding as follows: detailed breakdown of annual personnel costs for the months claimed from the payroll (total cost of the researcher including taxes and contribution to social security insurances), indicating per person the category, the monthly rate, the number of months charged compared to the cost claimed.</p> <p>The personnel cost should be at least equal to the cost claimed. Total remuneration costs should at least cover the total living, mobility and family (if applicable) allowance or, if applicable, fixed-amount fellowship costs + total mobility allowance + family (if applicable) allowance.</p> <p>This test is not a sample. It must be applied to 100% of the amount claimed.</p>
		10	<p>ITN, IF, COFUND:</p> <p>Obtain bank statements supporting the payment to the researcher. In case of batch payment, the total amount has to be reconciled with the payments made by the Beneficiary exclusively; obtain the breakdown per individual payment.</p> <p>Verify that the bank statements substantiate the payment of the net remuneration (amount that remains after withholdings deducted from employee's gross pay).</p> <p>Ensure net pay is not contradictory with other employment costs already checked.</p> <p>This test is not a sample. It must be applied to 100% of the amount claimed.</p> <p>For RISE: Verify that the unit costs under Category A is used in full to cover the travel, subsistence and accommodation costs of the seconded staff member (direct payments to staff members, invoices for hotels, travel tickets, etc.).</p>
Art.6 (ITN),	ELIGIBILITY: it must be verified that the researchers were eligible for the project and that the mobility rule was complied with.	11	<p>IF/ITN/COFUND:</p> <p><u>For calls launched on the basis of the work programme 2014-15.</u> Early-stage researchers (ESR) shall at the time of recruitment (ITN, COFUND) or secondment (RISE) by the host organisation, be in the first four years (full-time equivalent research experience) of their research careers and have not been awarded a doctoral degree. Experienced researchers (ER) shall, at the time of the relevant deadline for submission of proposals (IF), recruitment (COFUND) or secondment (RISE) by the host organisation, be in possession of a doctoral degree or have at least four years of full-time equivalent research experience.</p> <p><u>For calls launched on the basis of the work programme(s) 2016-17 in force before 25 July 2016.</u> Early-stage researchers (ESR): at the time of recruitment (ITN, COFUND-Doctoral Programmes) or secondment (RISE) by the host organisation, researchers shall be in the first four years (full time equivalent research experience) of their research careers and not been awarded a doctoral degree. Experienced Researcher (ER): shall at the time of the call deadline (IF) or recruitment (COFUND-Fellowship Programmes) or secondment (RISE) by the host organisation, be in possession of a doctoral degree or have at least four years of full-time equivalent research experience.</p>

GA Art.	Condition to be checked	N.	General procedure to be performed
			<p><u>For calls launched on the basis of the work programme(s) 2016-17 in force after 25 July 2016.</u></p> <p>Early-stage researchers (ESR): at the date of recruitment (ITN) or at the date of recruitment or the deadline of the co-funded programme's call (COFUND DP) , researchers shall be in the first four years (full-time equivalent research experience) of their research careers and have not been awarded a doctoral degree.</p> <p>Experienced Researchers (ER): shall at the date of the call deadline (IF) or at the date of recruitment or the deadline of the co-funded programme's call (COFUND-FP) be in possession of a doctoral degree (A medical doctor degree will not be accepted by itself as equivalent to a doctoral degree. To be considered as experienced researchers, medical doctors need to provide the certificates of a doctoral degree or information on their research experience) or have at least four years of full-time equivalent research experience.</p> <p>Full-time equivalent research experience: is measured from the date when a researcher obtained the degree entitling him/her to embark on a doctorate (either in the country in which the degree was obtained or in the country in which the researcher is recruited or seconded) - even if a doctorate was never started or envisaged.</p> <p>Full-time equivalent research experience: is measured from the date when a researcher obtained the degree which would formally entitle him or her to embark on a doctorate, either in the country in which the degree was obtained or in the country in which the researcher is recruited or seconded, irrespective of whether or not a doctorate is or was envisaged.</p> <p>Obtain CVs, copies of the qualifications of researchers and all kind of private/public information (available on internet: i.e. LinkedIn, etc.) made available by the beneficiary.</p> <p>Verify that the documents do not indicate longer or shorter periods of full time research experience, or that the researcher has or not a doctorate.</p> <p>For ESR, verify that the ESR would be allowed to embark on a doctorate with the title he/she was holding at the time of recruitment (in most countries at least Master's degree).</p> <p>Control on long-term residence for IF - Global Fellowship and IF – Reintegration Panel:</p> <p>The controllers must check that the 5-year condition for long-term residents is fulfilled for non-nationals of EU Member States or H2020 associated countries.</p> <p>Obtain CVs, copies of the qualifications of researchers and all kind of private/public information (available on internet: i.e. LinkedIn, etc.) made available by the beneficiary.</p> <p>Verify that the documents do not indicate longer or shorter periods of full time research experience, or that the researcher has or not a doctorate.</p> <p>For ESR, verify that the ESR would be allowed to embark on a doctorate with the title he/she was holding at the time of recruitment (in most countries at least Master's degree but in some also BA degree).</p> <p>Control on long-term residence for IF - Global Fellowship and IF – Reintegration Panel:</p> <p>The controllers must check that the 5-year condition for long-term residents is fulfilled for non-nationals of EU Member States or associated countries. Long-term residence means a period of full-time research activity in the EU or Horizon 2020 associated countries of at least 5 consecutive years.</p>

GA Art.	Condition to be checked	N.	General procedure to be performed
		12	<p>Inter-sectorial mobility: Applicable only after final period: For ITN-EID, each researcher shall spend at least 50% of the months working on the action with one or more beneficiaries or partner organisations from the non-academic sector. Note that at the level of the interim report, the EID project may deviate from the 50/50% principle if more academic work is planned in the 1st period.</p> <p>Verify for each researcher that he/she spent at least 50% of the months in the non-academic sector by checking:</p> <ol style="list-style-type: none"> 1) the beneficiary/partner organisation where the researcher worked and determine if they fall within the academic or the non-academic sector and 2) that at least 50% of units declared correspond to months spent in the non-academic sector.
Art. 15.1.1		13	<p><u>For calls launched on the basis of the work programme 2014-15.</u></p> <p>At the time of the relevant deadline for submission of proposals (IF), or recruitment by the host organisation (ITN, COFUND Doctoral Programmes (FP) and COFUND Fellowship Programmes (DP)), researchers shall not have resided or carried out their main activity (work, studies, etc.) in the country of their host organisation for more than 12 months in the 3 years immediately prior to the reference date. Compulsory national service and/or short stays such as holidays are not taken into account. As far as international European interest organisations or international organisations are concerned, this rule does not apply to the hosting of eligible researchers. However the appointed researcher shall not have spent more than 12 months in the 3 years immediately prior to the reference date, depending on the action, in the same appointing organisation.</p> <p>In the Career Restart Panel and the Reintegration Panel in IF, researchers shall not have resided or carried out their main activity in the country of their host organisation for more than 3 years in the 5 years immediately prior to the relevant deadline for submission of proposals.</p> <p><u>For calls launched on the basis of the work programme(s) 2016-17 in force before 25 July 2016.</u></p> <p>Researchers may not have resided or carried out their main activity (work, studies, etc.) in the country of their host organisation for more than 12 months in the 3 years immediately before the reference date: the call deadline (IF), or recruitment (ITN/COFUND Doctoral programmes (DP)) or either of these two points in time (COFUND Fellowship programmes (FP)). Compulsory national service and/or short stays such as holidays are not taken into account.</p> <p>For 'international European interest organisations' or 'international organisations', the researchers may not have spent more than 12 months in the 3 years immediately before the call deadline/recruitment, in the same appointing organisation.</p> <p>For IF Society and Enterprise Panel, Career Restart Panel and Reintegration Panel or equivalent activities under COFUND, researchers may not have resided or carried out their main activity in the country of their host organisation for more than 3 years in the 5 years immediately before the reference date.</p>

GA Art.	Condition to be checked	N.	General procedure to be performed
			<p><u>For calls launched on the basis of the work programme(s) 2016-17 in force after 25 July 2016.</u></p> <p>Mobility rules: At the time of the relevant deadline for submission of proposals (IF), or recruitment by the host organisation (ITN), or either of these two points in time (COFUND), researchers shall not have resided or carried out their main activity (work, studies, ...) in the country of their host organisation for more than 12 months in the 3 years immediately prior to the reference date. Compulsory national service, short stays such as holidays and time spent as part of a procedure for obtaining refugee status under the Geneva Convention (1951 Refugee Convention and the 1967 Protocol) are not taken into account. As far as international European interest organisations or international organisations are concerned, this rule does not apply to the hosting of eligible researchers. However the appointed researcher shall not have spent more than 12 months in the 3 years immediately prior to the reference date, depending on the action, in the same appointing organisation.</p> <p>In the Career Restart Panel, the Reintegration Panel as well as the Society and Enterprise Panel in IF (and for equivalent activities under COFUND), researchers shall not have resided or carried out their main activity in the country of their host organisation for more than 3 years in the 5 years immediately prior to the relevant deadline for submission of proposals.</p> <p>For researchers with refugee status, as defined by the Geneva Convention (1951 Refugee Convention and the 1967 Protocol):</p> <ul style="list-style-type: none"> - The time needed to process the application for refugee status (i.e. before refugee status is conferred) will not be counted as 'period of residence/activity in the country of the beneficiary'. - Concerning only the Reintegration Panel of the European Fellowships or any Global Fellowship, any time spent obtaining refugee status in a Member State or Associated Country will be deemed as counting towards the minimum 5-year period of full-time research activity to acquire long-term resident status. <p>Obtain management representations and 3rd party documentation provided by the Beneficiary (i.e. ID card or a residence permit, registration documents, lease agreement, bills, etc., - non exhaustive list) to verify that the aforementioned rules have been observed.</p>
15.1.1		14	<p>COFUND: the mobility rules may deviate from the standard rules but only if it is explicitly stated in Annex 1 and for already existing programmes only. Researchers that are already permanently employed by the entity where the research training activities take place are not eligible for funding under COFUND.</p> <p>Obtain management representations and 3rd party documentation provided by the beneficiary (employment contracts, CVs and all kind of private/public information) that will confirm the above condition. Ask Annex 1 and check deviation.</p>

GA Art.	Condition to be checked	N.	General procedure to be performed
Art 6.2.		15	<p>RISE: The staff members eligible for funded secondments in RISE must fulfil the following cumulative conditions:</p> <ol style="list-style-type: none"> 1. Be actively engaged in or linked to research and/or innovation activities at the sending organisation for at least six months (full-time equivalent) prior to the first period of secondment. 2. The formal link between the staff member and the sending organisation provides to the sending organisation the legal means under national law to supervise and instruct the seconded staff member according to GA obligations during the secondment 3. Support the research and innovation activities of the project. 4. Be one of the following: <ul style="list-style-type: none"> - an 'early stage researcher' (i.e. in the first four years of his/her research career and not have a doctoral degree); - an 'experienced researcher' (i.e. in possession of a doctoral degree or have at least four years of research experience), or - administrative, managerial or technical staff supporting research and innovation activities under the action <p>Obtain management representations and 3rd party documentation provided by the Beneficiary (i.e. the CV showing the researcher's seniority, activity reports, articles). To confirm the above conditions. Conditions 1 and 3 are set up in article 6.2 Specific conditions for costs to be eligible.</p>
Art 32.1 (a)	Obligations towards recruited researchers: the Beneficiary has to respect the various recruitment and working conditions (Art. 32)	16	<p>Charter and Code (ITN, IF, RISE (Art. 32), COFUND (Art. 15)): the Beneficiary has to take all measures to implement the principles set out in the Commission Recommendation on the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers and ensure that the researchers are aware of them. Check that the researcher has been informed about the C&C.</p>
Art 32.1 (b)		17	<p>VACANCIES PUBLICATIONS (ITN, COFUND): the publication of the vacancies/calls must be advertised internationally, including on the websites requested by REA. Obtain a print out of the EURAXESS Jobs Portal registration for the specific post and any international advertising on the internet to confirm the above condition.</p>
Art 32.1. (c)		18	<p>RECRUITMENT PROCEDURE (ITN, COFUND): this procedure must be open, transparent, merit-based, impartial and equitable on the basis of:</p> <ol style="list-style-type: none"> 1) their specific skills and the relevance of their research experience; 2) the impact of the proposed training on the researcher's career; 3) a fair gender balance (by promoting genuine equal access opportunities between men and women throughout the recruitment process. <p>Obtain the vacancies lists and the report of the recruitment procedure, compare with all the CVs received.</p> <p>Obtain the procedure of the beneficiary and check that it was carried out with due respect to the above criteria.</p>
Art 32.1. (d)		19	<p>CONFLICT OF INTEREST (ITN, COFUND): ensure that no conflict of interest exists in or arises from the recruitment procedure. Check whether a self-declaration from the beneficiary exists.</p>

GA Art.	Condition to be checked	N.	General procedure to be performed
Art 32.1.(e)		20	<p>WORKING CONDITIONS (ITN, IF, COFUND): ensure that the researchers enjoy at the place of the implementation at least the same standards and working conditions as those applicable to local researchers holding a similar position.</p> <p>Obtain management representations confirming that the MSCA researchers have equal access to facilities, research equipment etc. and are treated in the same way (and are equally supported) as locally recruited researchers by the beneficiary.</p>
Art 32.1.(f)		21	<p>EMPLOYMENT CONTRACT (ITN, IF): employment contract, other direct contract or fixed-amount-fellowship agreement specify:</p> <ol style="list-style-type: none"> 1) the starting date and duration of the research training activities under the action 2) the monthly support for the researcher under this Agreement (in Euro or the currency in which the remuneration is paid). 3) the obligation of the researcher to work exclusively for the action 4) the obligation of the researcher not to receive for activities carried out in the frame of the action, other incomes than those received from the beneficiary (or any other entity referred to in the annex 1. 5) the obligation of the researcher to inform the beneficiary as soon as possible of any events or circumstances likely to affect the Agreement (see art 17) 6) the arrangements related to the intellectual property rights between the beneficiary and the researcher during implementation of the action and afterwards 7) the obligation of the researcher to maintain confidentiality (see Art 36) 8) the obligation of the researcher to ensure the visibility of EU funding in communications or publications and in applications for the protection of results (Art 27, 28, 29 and 38) <p>Obtain the researcher's employment contract or corresponding agreement and check that all the points 1) to 8) are specified.</p>
Art 32.1.(h)		22	<p>INFORMATION TO THE RESEARCHER (ITN, IF, RISE): the beneficiary has to inform the researcher on the following aspects:</p> <ol style="list-style-type: none"> 1) the description, conditions, location and the timetable for the implementation of the research training/secondment activities under the action and the name of the supervisor 2) the rights and obligations of the beneficiary toward the researcher under this Agreement 3) the obligation of the researcher to complete and submit - at the end of the training/secondment - the evaluation questionnaire and - two years later- follow-up questionnaire provided by the REA 4) For ITN/IF: <ul style="list-style-type: none"> · Obtain the researcher's employment contract or corresponding agreement, · Regarding the information, the Beneficiary should have notified the Researcher about key elements of the grant: <ol style="list-style-type: none"> a) basic facts about the MSCA programme (including researcher's rights and obligations) and where to look for details (MSCA website, Participant portal, MSCA Alumni Association (MCAA)...) b) specific action in question (planned secondments, events,...) c) whom they have appointed to supervise him/her for the duration of the research training activities, including during secondments to partner organisations.

GA Art.	Condition to be checked	N.	General procedure to be performed
Art 32.1. (l to m)		23	<p>ITN, and IF: Ensure that:</p> <ol style="list-style-type: none"> 1) the researchers do not receive , for activities carried out in the frame of the action, other incomes than those received from the beneficiary (or any other entity referred in the Annex 1) 2) the Beneficiary host the researcher at their premises and provide training as well as the necessary means for implementing the action 3) the researcher is adequately supervised 4) a career development plan is established and support its implementation (ITN only) 5) when applicable, ensure that the researcher has appropriate exposure to the non-academic sector <ul style="list-style-type: none"> · Review the accounting entries in order to ascertain whether other income has been recorded under the action. Regarding the potential double financing of the action, the auditor has to raise the question to the Beneficiary. Review the accounting entries in order to ascertain whether other income has been recorded under the action. · Review the supporting documents evidencing the trainings made for the fellow; · Review documents evidencing the implementation of the action; · Review documents evidencing that the researcher was hosted at the beneficiary's premises (only after 25 July 2016: or the premises of an entity with a capital or legal link to the beneficiary mentioned in Annex I to the GA); · Verify whether the researcher is supervised, for example by checking evidence that demonstrates that reports were submitted, self-declaration from the researcher or management representations, etc.. Note that the frequency of formal reports may vary depending on the experience of the researcher.
		24	<p>IF only: The beneficiary has to support the secondment of the researcher in a Member State or H2020 associated country (a secondment is not mandatory, but in case it is undertaken, the beneficiary needs to support the researcher):</p> <ul style="list-style-type: none"> · for actions with a duration up to 18 months: for a maximum of three months · or for actions with a duration of more than 18 months: for a maximum of six months. <p>Obtain from the Beneficiary the evidence of support to the researcher.</p>
Art 32.1. (n)		25	<p>ITN: Secondments are possible for up to 30% of the fellowship duration (except for EID and EJD – where time spent at other participating organisations, in line with the proposal description, is not affected by this limitation (ITN only).</p> <p>According to the documentation collected from the Beneficiary (i.e. contract agreement, research activity reports, etc.) evaluate whether the limit of 30% of the actual months spent have been respected as described above.</p>
Art 32.1 (b)		26	<p>RISE: Ensure that the rights and obligations of the seconded staff members remain unchanged during the secondment.</p> <p>Obtain evidence that salary paid/employment conditions and obligations in the contract agreement before and during the secondment were the same (given the top-up allowance is intended to cover only the additional costs during secondments, the normal salary of the seconded staff needs to remain upheld and unchanged during the secondment – i.e. the beneficiary cannot substitute the normal salary with the top-up allowance)</p>

GA Art.	Condition to be checked	N.	General procedure to be performed
Art 32.1(c)		27	RISE: Ensure that the seconded staff members are reintegrated after the secondment. Verify if the seconded staff members have been reintegrated after the secondment (either through a new employment contract after the secondment or under the existing employment contract)
Art 32.1(d)		28	RISE, COFUND: Ensure that the seconded staff members enjoy at the place of the implementation at least the same standards and working conditions as those applicable to local persons holding a similar position. Obtain information to ensure that the working conditions – e.g. access to labs, access to background and results, etc. – for the seconded staff member are at least as good as for local staff holding a similar position
Art 32.1 (e)		29	RISE: The seconded staff members are covered by an appropriate medical insurance scheme. Check if the seconded staff members are covered by a medical insurance scheme for the duration of their secondment, either foreseen in their employment contract or purchased additionally for the time of secondment
Art 32.1 (f)		30	RISE: The researcher must be seconded full time, unless duly justified for reasons associated with personal or family reasons. The researcher cannot hold two MSCA grants at the same time. Obtain the employment contracts or other type of working agreement and review in particular the full time aspect of the job.
Art 32.1 (h)		31	RISE: The seconded staff must be informed about: <ul style="list-style-type: none"> · the arrangements related in the intellectual property rights between the beneficiary and the seconded staff members – during the implementation of the secondment and afterwards; · the obligation of the seconded staff members to maintain confidentiality; Obtain the employment contract or other types of working agreements and review those statements as well as all other relevant correspondence with the staff member.

GA Art.	Condition to be checked	N.	General procedure to be performed
Art 15.1.2.		32	<p>COFUND: The Beneficiary must:</p> <ul style="list-style-type: none"> · ensure that researchers are provided with the means to carry out the research training activities (including the infrastructure, equipment and products); · ensure that researchers receive appropriate assistance in all administrative procedures before national authorities; · ensure that researchers are employed full-time, unless duly justified for reasons associated with personal or family reasons; · ensure that researchers work exclusively on the research training activities; · ensure that the research training activities (including activities raising ethical issues and research on human embryos or human embryonic stem cell) comply with the ethical principles set out in Article 34; · ensure that the researchers are informed that they are 'Marie Skłodowska-Curie fellows'; · ensure that researchers are paid in accordance with their contract (employment contract, other direct contract or fixed-amount fellowship agreement); · ensure that the contract (employment contract, other direct contract or fixed-amount fellowship agreement) complies with the provisions of this Agreement and specifies the research training activities; · ensure that the contract (employment contract, other direct contract or fixed-amount fellowship agreement) specifies arrangements relating to confidentiality and intellectual property rights (in particular to access to background, use of foreground, promoting the action) — during the research training activities and afterwards; · inform the researchers about their obligation to complete and submit — at the end of the research training activities — the evaluation questionnaire and — two years later — follow-up questionnaire provided by the Agency; · in case of partner organisations implementing the programmes: ensure that the Commission and the Agency, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Article 22 and 23 also towards those third parties; Obtain the employment contracts/fellowship agreements and review in particular the full aspect of the requirements.
Art 38.1.1	Promoting the Action: Visibility of the EU funding	34	<p>PROMOTION OF THE ACTION AND RESULTS (ITN, IF, RISE, COFUND):</p> <p>The beneficiaries must promote the action and its results by providing targeted information to multiple audiences (including the media and the public) in a strategic and effective manner. This does not change the dissemination obligations in Art 29, the confidentiality obligations in Art 36 or the security obligations in Art 37, all of which still apply. Before engaging in a communication activity expected to have mainstream media coverage the beneficiaries must inform the Agency (Art 52).</p> <p>Obtain management representations and 3rd party documentation provided by the auditee (all the communication support developed to satisfy the conditions: prints, TV, radio, electronic means, etc.</p>

GA Art.	Condition to be checked	N.	General procedure to be performed
Art 38.1.2		35	<p>INFORMATION ON EU FUNDING EU EMBLEM - ITN/IF/RISE/COFUND: Unless the REA requests or agrees otherwise or unless it is impossible, any communication activity related to the action (including in electronic form, via social media,...) and any infrastructure, equipment and major results funded by the grant must: a) display the EU emblem and b) include the following statement: For communication activities: "This project has received the European union's Horizon 2020 research and innovation programme under the Marie Skłodowska-Curie grant agreement N°..... . For infrastructure, equipment and major results: "This (infrastructure, equipment, type of result) is part of a project that has received funding from the EU Horizon's 2020 research innovation programme under Marie Skłodowska-Curie grant agreement N°..... . When displayed together with another logo, the EU emblem must have appropriate prominence.</p> <p>Obtain all the communication support and check the existence of the EU emblem, its prominence and whether it is mentioned that the activities were financed under the Marie Skłodowska-Curie Actions.</p>