



FP7 Financial Aspects and Project Management

INFO DAY on Socio-Economic Sciences and Humanities

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Funding Schemes

- This call: Coordination and **Support** Actions (CSA - supporting): At least 1 independent legal entity
- Memo: other project types
 - Coordination and Support Actions (coordinating): At least 3 independent legal entities
 - Collaborative projects - Large-scale integrating projects (FP7-SSH-2010): At least 7 independent legal entities with minimum EC contribution €6.5M
 - Collaborative projects - small or medium-scale focused research projects (FP7-SSH-2010): At least 3 independent legal entities



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Forms of Grants

- Reimbursement of direct and indirect eligible costs according to:
 - ✓ **the legal status of the organisation**
 - ✓ **the funding scheme**
 - ✓ **the type of activity**
- Lump sum amounts, in particular as option for participants from ICPC

Principles of co-financing and non-profit



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Reimbursement rates per type of activity

- **Management of the consortium:** up to **100%**
- **Other activities:** up to **100%**
- **Not applicable:**
 - **RTD activities:**
 - Up to **50%** of eligible costs
 - Up to **75%** for:
Non profit public bodies, secondary and higher education Establishments, research organisations and SMEs
 - **Demonstration activities:** up to **50%**



Upper funding limits

Maximum reimbursement rates	Research and technological development activities (*)	Demonstration activities	Management of the consortium activities	Other activities
Network of excellence	50% 75% (**)		100%	100%
Collaborative project (****)	50% 75% (**)	50%	100%	100%
Coordination and support action			100% (***)	100% (***)

(*) Research and technological development includes scientific coordination.

(**) For *beneficiaries* that are non profit public bodies, secondary and higher education establishments, research organisations and SMEs

(***)The reimbursement of indirect eligible costs, in the case of coordination and support actions, may reach a maximum 7% of the direct eligible costs, excluding the direct eligible costs for subcontracting and the costs of reimbursement of resources made available by third parties which are not used on the premises of the beneficiary.

(****) Including research for the benefit of specific groups (in particular SMEs).





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Eligible Costs

The reimbursement of beneficiaries shall be based on their eligible **direct and **indirect** costs**



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Eligible Costs

– Eligible

- Actual/average personnel costs
- Incurred during duration of project
- In accordance with the usual accounting and management principles of beneficiary
- Recorded in the accounts of beneficiary
- Used for the sole purpose of achieving the objectives of the project

– **Non-eligible** (identifiable indirect taxes including VAT...)



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Direct costs

- No cost models
- All beneficiaries report **all their real direct costs**
- Personnel costs: total remuneration of the **actual hours worked on the project** by permanent or temporary employees **directly hired by the beneficiary.**



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Indirect Costs

The cost models are relevant for the legal status of the participants:

a) Actual indirect costs

b) Flat rate

c) Special case of CSA

As CSAs are financed at 100%, indirect costs are limited to 7%



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c) Special case of CSA

- The reimbursement of indirect costs cannot exceed a maximum of **7%** of the direct eligible costs (personnel+other excluding subcontracting)
- This 7% is not a flat rate, it is a maximum reimbursement rate



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a) Indirect Costs: actual

1) Real indirect costs

2) Simplified method:

A participant may use a **simplified method** to calculate its indirect costs at the level of the legal entity



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b) Indirect Costs: flat rate

- 1) **Standard flat rate of 20%**
- 2) **Special *transitional* flat rate of 60%** only applicable for funding schemes with RTD activities* for:
 - Non-profit Public Bodies
 - Secondary and Higher Education establishments
 - Research Organisations
 - SME

* Not applicable for **CSA**

Calculation = Flat rate * Direct costs (personnel+other direct costs) **excluding** subcontracting & resources from 3rd parties not used on the premises of the beneficiary



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Third parties

- Beneficiaries should have the capacity to carry out the work themselves:
- 3rd party: any legal entity which **does not sign the GA**
- Third parties:
 - making their resources available to a beneficiary
 - carrying out part of the work:
 - ✓ Subcontracting
 - ✓ Special Clause 10



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Subcontracting

- **Core** parts of the project **cannot** be subcontracted
- Tasks and estimation of costs duly described and justified **in Annex I**
- Principle of best value for money
- Charging a price (profit for the subcontractor)
- Subcontracting should not occur between beneficiaries
- External support services may be subcontracted for minor tasks: not in Annex I



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Community Financial Contribution

- Total requested EC contribution \leq Maximum EC contribution fixed in negotiation
- Determined by applying the upper funding limits per activity and per beneficiary to the estimated actual eligible costs per beneficiary
- Cannot give rise to any profit: EC contribution \leq eligible costs-receipts



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Payment modalities

- 1. Pre-financing** (45 days after entry into force of GA=date of signature by EC)
- 2. Interim payments** based on financial statements (EC contribution= amounts justified & accepted * funding rate)
- 3. Final payment**



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Key competences in EU collaborative research

➤ Excellence in Research

- Need to deliver excellent scientific work and output
- Researchers need to be able to concentrate on research

➤ Excellence in Management

- Monitoring of objectives
- Efficient decision making process
- Reporting
- Accountability



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Management tasks according to FP7 Grant agreement and guide to financial issues

Management tasks (100% reimbursed)	
Management as an activity	Tasks of the coordinator
Maintenance of the consortium agreement	Administration of the EC financial contribution (allocation between beneficiaries and activities)
Overall legal, ethical, financial and administrative management (including obtaining audit certificates)	Keeping records and financial accounts of distribution of EC contribution
Implementation of competitive calls for new beneficiaries (if foreseen in Annex I)	Information of the Commission on the EC contribution and transfer to beneficiaries
Any other management activity foreseen by the annexes of the contract, except coordination of RTD activities, i.e. "scientific coordination"	Review of consistency of reports
	Monitoring the compliance by beneficiaries with their contractual obligations



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Guidance documents on Financial Aspects

- Standard model GA: Annex II
- Negotiation guidance notes
- Guide to financial issues
- Consortium agreement checklist
- Reporting guidelines

http://cordis.europa.eu/fp7/find-doc_en.html



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Information

- **FP7 Enquiry Helpdesk →**

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

- **FP7 Documents and guidance →**

http://cordis.europa.eu/fp7/find-doc_en.html



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**Thank you very much for
your attention!**

