



The EU Framework Programme
for Research and Innovation

HORIZON 2020



Multi-partner model Specific Agreement

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Disclaimer

This document is aimed at assisting applicants for Horizon 2020 funding. It shows the full range of provisions that may be applied to this type of grant agreement, and is provided for information purposes only. The legally binding grant agreement will be that which is signed by the parties for each action.

*Research and
Innovation*



EUROPEAN COMMISSION
DG
Directorate
Unit

MULTI-PARTNER MODEL SPECIFIC AGREEMENT

- This model corresponds to the horizontal multi-beneficiary grant agreement. It would have to be further adapted for the ERANET, PCP-PPI, EJP, ERC, MSC and SME Instrument grant agreements.
 - Footnotes **in yellow** will appear in the text generated by the IT system for signature (since they contain definitions or references to legal documents). The other footnotes will not stay in the text (since they are internal instructions only).
 - Text in **grey** indicates that text which figures in the MGA
 - For options [*in italics, in square brackets*]: the applicable option must be chosen in the IT system. Options not chosen will automatically either not appear or appear as 'not applicable'. Options chosen will appear *in italics* without brackets and without the Option title (to allow beneficiaries to easily spot that a specific rule applies).
 - For fields in [**grey in square brackets**] (even if they are part of an option as specified in the previous item): enter the appropriate data in the IT system.
 - The IT system will generate a data sheet confirming the options chosen and the data entered.
 - References in all annexes common with the General MGA to "beneficiary" must be read as "partner".
 - Only annexes 3 (Accession Forms), 3a (Declaration on joint and several liability of linked third parties) and 4 (Model for the certificate on the methodology) of the Model Framework Partnership Agreement (FPA) as well as Annex 4 (Model for the certificate on the financial statements) of the Model Specific Agreement (SGA) are based on the General MGA, but have been adapted to the specific needs of the FPA and SGA.
 - Information on formatting:
styles
 - Information on formatting:
styles
 - CHAPTER style 'Chapter'
 - SECTION style 'Section'
 - SUBSECTION style 'Subsection'
 - ARTICLE 1 style 'Article'
 - 4.1 Estimated budget style 'Subarticle'
 - Text (without list) style 'Normal'
 - Table of Content levels style 'TOC 3', 'TOC 4'
 - Footnotes: Paragraph - special (hanging 0,5) ('Times New Roman', '10 pt')
- attention: text with a list must be formatted manually ('Times New Roman', '12 pt', 'Justified')

Specific Grant Agreement number: [insert number] [insert acronym] [insert call identifier of the master call]

H2020 Model Specific Grant Agreement: December 2013

NUMBER [insert number] — [insert acronym]

This 'Specific Agreement' is **between** the following parties:

on the one part,

[OPTION 1: the European Union ('the EU', represented by the European Commission ('the Commission'))]

[OPTION 2: the European Atomic Energy Community ('Euratom'), represented by the European Commission ('the Commission'))]

[OPTION 3: the [Research Executive Agency (REA)] [European Research Council Executive Agency (ERCEA)] [Innovation and Networks Executive Agency (INEA)] [Executive Agency for Small and Medium-sized Enterprises (EASME)] ('the Agency'), under the powers delegated by the European Commission ('the Commission'))]

represented for the purposes of signature of this Specific Agreement by [[function, [Directorate-General, Directorate, Unit] [Department]], [forename and surname],

and

on the other part,

1. 'the coordinator':

[full official name] [short name] [legal form] [official registration No] established in [official address in full] [VAT number], represented for the purposes of signing the Specific Agreement by [function, forename and surname]

and the following other partners, represented for the purposes of signing the Specific Agreement by the coordinator (see the mandate in Annex 3a of the Framework Partnership Agreement and Article 62 of the Framework Partnership Agreement):

2. [full official name] [short name] [legal form] [official registration No] [official address in full] [VAT number].

[OPTION for partners not carrying out action tasks under this Specific Agreement: X. [full official name (short name)] [legal form], [official registration No], established in [official address in full] [VAT number]]

[OPTION for partners not receiving EU funding under this Specific Agreements: X. [full official name (short name)] [legal form], [official registration No], established in [official address in full] [VAT number], as 'partners not receiving EU funding' (see Article 9),]

[same for each partner]

[OPTION if the JRC is a partner: and X. the Joint Research Centre (JRC) established in [official address in full], if it signs the administrative arrangement (see Annex 3b)].

By entering into the Specific Agreement *[OPTION if the JRC is a partner: or the administrative arrangement]*, the partners accept the grant and agree to implement the specific action under their own responsibility and in accordance with the Framework Partnership Agreement and this Specific Agreement, with all the obligations and conditions they set out.

The Specific Agreement is composed of:

Terms and Conditions

Annex 1	Description of the action
Annex 2	Estimated budget for the action
Annex 3	Models financial statements
Annex 4	Model for the certificate on the financial statements

TERMS AND CONDITIONS

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ARTICLE 1 — SUBJECT OF THE AGREEMENT

This Agreement sets out the specific terms and conditions and rights and obligations applicable to the specific grant awarded to the partners for implementing a specific action under the Framework Partnership Agreement No [insert number] [insert acronym] ('**Framework Partnership Agreement (FPA)**')

ARTICLE 2 — ACTION TO BE IMPLEMENTED

The specific action to be implemented is entitled [insert title of the action in bold] — [insert acronym] ('**action**') and is described in Annex 1.

[OPTION for complementary grants if foreseen in the work programme: The grant is a 'complementary grant' to [the grant agreement(s) under the call(s) for proposals [call identifier(s): H2020 — theme —]] [the following complementary grant agreement(s) No(s):

- [insert number] [insert acronym]
- [insert number] [insert acronym].]

[OPTION for joint actions (joint call with third country or an International Organization): The action is a 'jointly funded action' which must be coordinated with the 'joint action' called [insert the name of the third country or International organization action], as described in Annex 1.]

ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION

The duration of the specific action will be [insert number] months as of [OPTION by default: the first day of the month following the date the Specific Agreement enters into force (see Article 18)] [OPTION if needed for the action: insert date]¹ ('**starting date of the action**').

ARTICLE 4 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATES AND FORMS OF COSTS

4.1 Maximum grant amount

The '**maximum grant amount**' for the specific grant is EUR [insert amount (insert amount in words)].

4.2 Form of grant, reimbursement rates and forms of costs

¹ This date must always be the first day of a month and it must be later than the date of entry into force of the agreement unless authorised otherwise by the authorising officer, if the applicant can demonstrate the need to start the action before the entry into force of the grant agreement. In any case, the starting date should not be earlier than the date of the submission of the grant application (Article 130 FR).

The grant reimburses [OPTION for research actions: **100 %** of the action's eligible costs] [OPTION for innovation actions² if all partners and all linked third parties are non-profit legal entities³: **100%** of the action's eligible costs][OPTION for innovation actions if all partners and all linked third parties are profit legal entities: **70%** of the action's eligible costs] [OPTION for innovation actions if some partners or linked third parties are non-profit legal entities and some are profit legal entities: **100%** of the eligible costs of [the partners] [and] [linked third parties] that are non-profit legal entities and **70%** of the eligible costs of the other partners [and linked third parties]] [OPTION for exceptional cases if foreseen in the work programme: [**...**%] of the action's eligible costs] (see Article 5) ('reimbursement of eligible costs') (see Annex 2).

The estimated eligible costs of the action are EUR [insert amount (insert amount in words)].

Eligible costs (see Article 5) must be declared under the following forms ('forms of costs'):

- (a) for direct **personnel costs** [(excluding personnel costs for the activities in Point (f))]⁴:
- as actually incurred costs ('**actual costs**') or
 - on the basis of an amount per unit calculated by the partner in accordance with its usual cost accounting practices ('**unit costs**').

Personnel costs for **SME owners** or **partners that are natural persons** not receiving a salary (see Points A4 and A5 of Article 5.2) must be declared on the basis of the amount per unit set out in Annex 2 (**unit costs**);

- (b) for direct **costs of subcontracting** [(excluding subcontracting costs for the activities in Point (f))]⁵: as actually incurred costs (**actual costs**);
- (c) [OPTION if foreseen in the work programme: for direct costs of providing financial support to third parties [(excluding costs of financial support given under the activities in Point (f))]⁶: as actually incurred costs (**actual costs**);][OPTION: not applicable;]
- (d) for **other direct costs** [(excluding other direct costs for the activities in Point (f))]⁷: as actually incurred costs (**actual costs**);
- (e) for **indirect costs** [(excluding indirect costs for the activities in Point (f))]⁸: on the basis of a flat-rate applied as set out in Article 6.2, Point E ('**flat-rate costs**');

[(f)[OPTION for specific categories of costs if unit cost foreseen by Commission decision: for cost of [insert cost category or activity]⁹]:

- on the basis of the amount(s) per unit set out in Annex 2 (unit costs) [or]
- [as actually incurred costs (actual costs)]¹⁰[or]
- as a combination of the two.]

² For the definition, see Article 2.1(5a) of the Rules for Participation Regulation (EU) No XX/2013: 'innovation action' means an action primarily consisting of activities directly aiming at producing plans and arrangements or designs for new, altered or improved products, processes or services. For this purpose they may include prototyping, testing, demonstrating, piloting, large-scale product validation and market replication.

³ For the definition, see Article 2.1(10a) Rules for Participation Regulation (EU) No XX/2013: 'non-profit legal entity' means a legal entity which by its legal form is non-profit-making or which has a legal or statutory obligation not to distribute profits to its shareholders or individual members.

⁴ To be used only if option in Point (f) is used.

⁵ To be used only if option in Point (f) is used

⁶ To be used only if option in Point (f) is used

⁷ To be used only if option in Point (f) is used

⁸ To be used only if option in Point (f) is used

⁹ Insert precise name of cost as in the Commission decision authorising the use of the unit cost or lump-sum. For example: costs of 'providing transnational access to research infrastructures'; costs of 'clinical studies'; costs of 'the demonstration of energy efficiency measures in buildings'.

¹⁰ To be used only if the Commission decision authorising the use of the unit cost allows that the partner chooses between actual or unit cost.

[OPTION for specific categories of costs if lump sum costs, foreseen by Commission decision: for costs of [insert cost category or activity]: as the lump sum set out in Annex 2 (lump sum cost).]

ARTICLE 5 — ELIGIBLE AND INELIGIBLE COSTS

5.1 General conditions for costs to be eligible

'Eligible costs' are costs that meet the following criteria:

(a) for **actual costs**:

- (i) they must be actually incurred by the partner;
- (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 (see Article 13);
- (iii) they must be indicated in the estimated budget set out in Annex 2;
- (iv) they must be incurred in connection with the specific action as described in Annex 1 and necessary for its implementation;
- (v) they must be identifiable and verifiable, in particular recorded in the partner's accounts in accordance with the accounting standards applicable in the country where the partner is established and with the partner's usual cost accounting practices;
- (vi) they must comply with the applicable national law on taxes, labour and social security, and
- (vii) they must be reasonable, justified and must comply with the principle of sound financial management, in particular regarding economy and efficiency.

(b) for **unit costs**:

- (i) they must be calculated as follows:

{ amounts per unit set out in Annex 2 or calculated by the partner in accordance with its usual cost accounting practices (see Article 5.2, Point A) }

multiplied by

the number of actual units};

- (ii) the number of actual units must comply with the following conditions:

- the units must be actually used or produced in the period set out in Article 3;
- the units must be necessary for implementing the specific action or produced by it, and
- the number of units must be identifiable and verifiable, in particular supported by records and documentation (see Article 24 FPA).

(c) for **flat-rate costs**:

- (i) they must be calculated by applying the flat-rate set out in Annex 2, and
- (ii) the costs (actual costs or unit costs *[or lump-sum costs]*) to which the flat-rate is applied must comply with the conditions for eligibility set out in this Article.

(d) *[OPTION if lump sum foreseen in Article 4.2: for lump sum costs:*

- (i) *the eligible amount is equal to the amount set out in Annex 2, and*
- (ii) *the corresponding tasks or parts of the specific action must have been properly implemented in accordance with Annex 1.]*

5.2 Specific conditions for costs to be eligible

Costs are eligible if they comply with the general conditions (see above) and the specific conditions set out below for each of the following budget categories:

- A. direct personnel costs;
- B. direct costs of subcontracting;
- C. *[OPTION to be used if Article 7 applies: direct costs of providing financial support to third parties] [OPTION: not applicable:]*

D. other direct costs;

E. indirect costs;

[F. *OPTION for specific categories of costs if unit costs foreseen by Commission decision: costs of [insert cost category or activity]¹¹].*

'Direct costs' are costs that are directly linked to the action implementation and can therefore be attributed to it directly. They must not include any indirect costs (see Point E below).

'Indirect costs' are costs that are not directly linked to the specific action implementation and therefore cannot be attributed directly to it.

A. Direct personnel costs [(not included in Point F)]

Types of eligible personnel costs

A.1 **Personnel costs** are eligible, if they are related to personnel working for the partner under an employment contract (or equivalent appointing act) and assigned to the action. 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).

Partners that are non-profit legal entities¹² may also declare as personnel costs **additional remuneration** for personnel assigned to the specific action (including payments on the basis of supplementary contracts regardless of their nature), if:

- (a) it is part of the partner's usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required;
- (b) the criteria used to calculate the supplementary payments are objective and generally applied by the partner, regardless of the source of funding used.

Additional remuneration for personnel assigned to the action is eligible up to the following amount:

- (a) if the person works full time and exclusively on the action during the full year: up to EUR 8 000;
- (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
- (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 (see below)},

multiplied by

the number of hours that the person has worked on the action during the year}.

A.2 The **costs for natural persons working under a direct contract** with the partner other than an employment contract are eligible personnel costs, if:

- (a) the person works under the partner's instructions and, unless otherwise agreed with the partner, on the partner's premises;
- (b) the result of the work carried out belongs to the partner, and
- (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the partner.

¹¹ Insert precise name of the costs as in the Commission decision authorising the use of the unit cost or lump-sum. For example: costs of 'providing trans-national access to research infrastructure'; costs of 'clinical studies'; costs of 'energy efficiency measures in buildings'

¹² For the definition, see Article 2.1(10a) of Regulation (EU) No XX/2013 of the European Parliament and of the Council of XX laying down the rules for the participation and dissemination in Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020) (OJ L XX, XX, p.XX) ('Rules for Participation Regulation No XX/2013'): 'non-profit legal entity' means a legal entity which by its legal form is non-profit-making or which has a legal or statutory obligation not to distribute profits to its shareholders or individual members.

A.3 The **costs of personnel seconded by a third party against payment** are eligible personnel costs if the conditions in Article 16 of the Framework Partnership Agreement are met.

A.4 **Costs of owners of Partners** 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 2 multiplied by the number of actual hours worked on the specific action.

A.5 Costs of '**Partners that are natural persons**' not receiving a salary are eligible personnel costs, if they correspond to the amount per unit set out in Annex 2 multiplied by the number of actual hours worked on the action.

[A.6 [OPTION to be used for trans-national access to research infrastructure: Personnel costs for providing trans-national access to research infrastructure are eligible only if also the conditions set out in Article 8.1 are met.][OPTION to be used for virtual access to research infrastructure: Personnel costs for providing virtual access to research infrastructure are eligible only if also the conditions set out in Article 8.2 are met.]]

Calculation

Personnel costs must be calculated by the partners as follows:

{ {hourly rate
multiplied by
the number of actual hours worked on the specific action } ,
plus
for non-profit legal entities: additional remuneration to personnel assigned to the action under the conditions set out above (Point A.1) } .

The number of actual hours declared for a person must be identifiable and verifiable (see Article 24 FPA).

The total number of hours declared in EU or Euratom grants, for a person for a year, cannot be higher than the annual productive hours used for the calculations of the hourly rate:

{ the number of annual productive hours for a year (see below)
minus
total number of hours declared by the partner for that person for that year, for EU or Euratom grants } .

The '**hourly rate**' is one of the following:

- (a) for personnel costs declared as **actual costs**: the hourly rate is the amount calculated as follows:

{ actual annual personnel costs (excluding additional remuneration) for the person
divided by
the number of annual productive hours } .

The partners must use the annual personnel costs and the number of annual productive hours for each financial year covered by the reporting period concerned. If a financial year is not closed at the end of the reporting period, the partners must use the hourly rate of the last closed financial year available.

For the 'number of annual productive hours', the partners may choose one of the following:

- (i) 1 720 hours for persons working full time (or corresponding pro-rata for persons not working full time);
(ii) the total number of hours worked by the person in the year for the partner, calculated as follows:

{ annual workable hours of the person (according to the employment contract, applicable labour agreement or national law)

plus

overtime worked

minus

absences (such as sick leave and special leave)}.

'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.

If the contract (or applicable collective labour agreement or national working time legislation) does not allow to determine the annual workable hours, this option cannot be used.

- (iii) The 'standard number of annual hours' generally applied by the partner for its personnel in accordance with its usual cost accounting practices. This number must be at least 90% of the 'standard annual workable hours'.

If there is no applicable reference for the standard annual workable hours, this option cannot be used.

For all options, the actual time spent on **parental leave** by a person assigned to the action may be deducted from the number of annual productive hours;

(b) for personnel costs declared on the basis of **unit costs**: the hourly rate is one of the following:

- (i) for SME owners or partner that are natural persons: the hourly rate set out in Annex 2 (see Points A.4 and A.5 above), or
- (ii) for personnel costs declared on the basis of the partner's usual cost accounting practices: the hourly rate calculated by the partner in accordance with its usual cost accounting practices, if:

- the cost accounting practices used 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 partner's accounts, excluding any ineligible cost or costs included in other budget categories.
- The actual personnel costs may be adjusted by the partner on the basis of budgeted or estimated elements. Those elements must be relevant for calculating the personnel costs, reasonable and correspond to objective and verifiable information; and
- the hourly rate is calculated using the number of annual productive hours (see above).

B. Direct costs of subcontracting [(not included in Point F)] (including related duties, taxes and charges such as non-deductible value added tax (VAT) paid by the partner) are eligible if the conditions in Article 18 of the Framework Partnership Agreement are met.

[OPTION to be used for trans-national access to research infrastructure: Subcontracting costs for providing trans-national access to research infrastructure are eligible only if also the conditions set out in Article 8.1.1 are met.]

[OPTION to be used for virtual access to research infrastructure: Subcontracting costs for providing virtual access to research infrastructure are eligible only if also the conditions set out in Article 8.2 are met.]

C. Direct costs of providing financial support to third parties [(not included in Point F)] *[OPTION to be used if foreseen in the work programme: are eligible if the conditions set out in Article 7 are met.]* *[OPTION: not applicable]*

D. Other direct costs [(not included in Point F)]

D.1 Travel costs and related subsistence allowances (including related duties, taxes and charges such as non-deductible value added tax (VAT) paid by the partner) are eligible if they are in line with the partner's usual practices on travel.

[OPTION to be used for trans-national access to research infrastructure: Travel costs for providing trans-national access to research infrastructure are eligible only if also the conditions set out in Article 8.1.1 are met.]

D.2 *[OPTION by default; The depreciation costs for equipment, infrastructure or other assets (new or second-hand) as recorded in the partner's accounts are eligible, if they were purchased in accordance with Article 15 of the Framework Partnership Agreement and written off in accordance with international accounting standards and the partner's usual accounting practices.*

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 partner) are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.

The costs of equipment, infrastructure or other assets **contributed in-kind against payment** are eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets, do not include any financing fees and if the conditions in Article 16 of the Framework Partnership Agreement are met.

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.]

[OPTION (alternative to option above) to be used if foreseen in the work programme¹³: The cost of purchasing equipment, infrastructure or other assets (new or second-hand) (as recorded in the partner's accounts) are eligible if the equipment, infrastructure or other assets was purchased in accordance with Article 15 of the Framework Partnership Agreement.

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 partner) are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.

The costs of equipment, infrastructure or other assets **contributed in-kind against payment** are eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets, do not include any financing fees and if the conditions in Article 16 of the Framework Partnership Agreement are met.]

[OPTION (in addition to one of the two options above) for trans-national and virtual access to research infrastructure: As an exception, the partners must not declare such costs (i.e. costs of renting, leasing, purchasing depreciable equipment, infrastructure and other assets) for providing trans-national or virtual access to research infrastructure (see Article 8).]

D.3 **Costs for other goods and services** (including related duties, taxes and charges such as non-deductible value added tax (VAT) paid by the partner) are eligible if they are:

- (a) purchased specifically for the specific action and in accordance with Article 15 of the Framework Partnership Agreement or
- (b) contributed in kind against payment and in accordance with Article 16 of the Framework Partnership Agreement.

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.

[OPTION to be used for trans-national access to research infrastructure: Costs of other goods and services for providing trans-national access to research infrastructure are eligible only if also the conditions set out in Article 8.1.1 are met.]

[OPTION to be used for virtual access to research infrastructure: Costs of other goods and services for providing virtual access to research infrastructure are eligible only if also the conditions set out in Article 8.2 are met.]

D.4 **[OPTION by default: The capitalised and operating costs of 'large research infrastructure'¹⁴ directly used for the action are eligible, if:**

- (a) the value of the large research infrastructure represents at least 75% of the total fixed assets (at historical value in its last closed balance sheet before the date of the signature of the Agreement or as determined on the basis of the rental and leasing costs of the research infrastructure¹⁵);
- (b) the partner's methodology for declaring the costs for large research infrastructure has been positively assessed by the Commission ('**ex-ante assessment**');
- (c) the partner declares as direct eligible costs only the portion which corresponds to the duration of the action and the rate of actual use for the purposes of the action, and

¹³ To be used as an exception, only if justified by the nature of the action and the context of the use of the equipment or assets, if provided for in the work programme.

¹⁴ '**Large research infrastructure**' means research infrastructure of a total value of at least EUR 20 million, for a partner, calculated as the sum of historical asset values of each individual research infrastructure of that partner, as they appear in its last closed balance sheet before the date of the signature of the Agreement or as determined on the basis of the rental and leasing costs of the research infrastructure.

¹⁵ For the definition see Article 2(f) of Regulation (EU) No XXX/2013 of the European Parliament and of the Council of XX 2013 establishing H2020 - The Framework Programme for Research and Innovation (2014-2020): '**Research infrastructure**' are facilities, resources and services that are used by the research communities to conduct research and foster innovation in their fields. Where relevant, they may be used beyond research, e.g. for education or public services. They include: major scientific equipment (or sets of instruments); knowledge-based resources such as collections, archives or scientific data; e-infrastructures such as data and computing systems and communication networks; and any other infrastructure of a unique nature essential to achieve excellence in research and innovation. Such infrastructures may be 'single-sited', 'virtual' or 'distributed'

(d) they comply with the conditions as further detailed in the Horizon 2020 Grant Manual.]

[OPTION for all topics within calls under Part 'Research Infrastructure' (except for e-Infrastructure topics): not applicable.]

[OPTION to be used if foreseen in the work programme: not applicable.]

E. Indirect costs [(not included in Point F)]

Indirect costs are eligible if they are declared on the basis of the flat-rate of 25% of the eligible direct costs (see Article 4.2 and Points A to D above), from which are excluded:

- (a) costs of subcontracting [and];]
- (b) costs of in-kind contributions provided by third parties which are not used on the partner's premises [and];]
- (c) [OPTION to be used if it is foreseen in the work programme: costs of providing financial support to third parties][OPTION: not applicable][and
- (d) OPTION if Point F applies and the unit or lump sum cost includes indirect costs: [unit costs under Article 4.2(f) and Point F below)][lump sum costs under Article 4.2(f) and Point F below]].

Partners receiving an operating grant¹⁶ financed by the EU or Euratom budget cannot declare indirect costs for the period covered by the operating grant.

[F. OPTION for specific categories of costs if unit costs foreseen by Commission decision: Costs of [insert cost category(ies) or activity(ies)]

Costs of [insert cost category or activity]:

- (a) declared as **unit costs**: are eligible if they correspond to the amount per unit set out in Annex 2 multiplied by the number of actual units, and if [insert eligibility conditions];
- (b) [declared as **actual costs**: are eligible, if they comply with the conditions set out above (Points A to [D])[E] [and if [insert eligibility conditions];]
- (c) [declared as a **combination of the two**: if the part declared as actual costs fulfils the conditions for actual costs and the part declared as unit costs fulfils the conditions for unit costs].

[same for each specific category of costs]

[OPTION for specific lump sum costs (i.e. costs which may be/have to be declared as lump sum costs) if foreseen by Article 4.2(f): Costs of [insert cost category or activity] are eligible if they correspond to the lump sum set out in Annex 2 and the corresponding tasks or parts of the action have been properly implemented in accordance with Annex 1.]

5.3 Conditions for costs of linked third parties to be eligible

[OPTION to be used if Article 19 of the Framework Partnership Agreement applies: Costs incurred by linked third parties are eligible if they fulfil — mutatis mutandis — the general and specific conditions for eligibility set out in this Article (Article 5.1 and 5.2) and Article 19 of the Framework Partnership Agreement.]

[OPTION: not applicable]

5.4 Conditions for in-kind contributions provided by third parties free of charge to be eligible

In-kind contributions provided free of charge are eligible direct costs (for the partner [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 5.1 and 5.2) and Article 17 of the Framework Partnership Agreement.

5.5 Ineligible costs

'Ineligible costs' are:

¹⁶ For the definition, see Article 121(1)(b) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 218, 26.10.2012, p.1) ('Financial Regulation No 966/2012'): 'operating grant' means direct financial contribution, by way of donation, from the budget in order to finance the functioning of a body which pursues an aim of general EU interest or has an objective forming part of and supporting an EU policy.

- (a) costs that do not comply with the conditions set out above (Article 5.1 to 5.4), in particular:
- (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 partner's bank for transfers from the [Commission][Agency];
 - (viii) excessive or reckless expenditure;
 - (ix) deductible VAT;
 - (x) costs incurred during suspension of the implementation of the action (see Article 55 FPA);
- (b) 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 partner is already receiving an operating grant financed by the EU or Euratom budget in the same period.

5.6 Consequences of declaration of ineligible costs

Declared costs that are ineligible will be rejected (see Article 48 FPA).

This may also lead to any of the other measures described in Section 5 of the Framework Partnership Agreement.

ARTICLE 6 — IMPLEMENTATION OF ACTION TASKS BY PARTNERS NOT RECEIVING EU FUNDING

6.1 Rules for the implementation of action tasks by partners not receiving EU funding

[OPTION for partners not receiving EU funding: Partners not receiving EU funding must implement the specific action tasks attributed to them in Annex 1 according to Article 12 of the Framework Partnership Agreement.

Their costs are estimated in Annex 2 but:

- *will not be reimbursed and*
- *will not be taken into account for the calculation of the specific grant (see Article 4 and Article 10 FPA and Article 14 SGA).*

Articles 15 to 20, 24.1.2, 32.4, 33.2, 34.1 [OPTION: with the exception of additional exploitation obligations], 34.2, 36.3, 37.6, 46, 48, 49, 50, 53, 54 of the Framework Partnership Agreement and Article 4, 5, 13.3 (b), 13.4 (b), 13.6, and 14 of the Specific Agreement, do not apply to these partners.

They will not be subject to financial checks, reviews and audits under Article 28 of the Framework Partnership Agreement.

Partners not receiving EU funding may provide in-kind contributions to another partner. In this case, they will be considered as a third party for the purpose of Articles 16 and 17 of the Framework Partnership Agreement.]

[OPTION: not applicable]

6.2 Consequences of non-compliance

[If a partner not receiving EU funding breaches any of its obligations under this Article, its participation of the Agreement may be terminated (see Article 56 FPA).

Such breaches may also lead to any of the other measures described in Section 5 of the Framework partnership Agreement that are applicable to it.]

[OPTION: not applicable]

ARTICLE 7 — FINANCIAL SUPPORT TO THIRD PARTIES

7.1 Rules for providing financial support to third parties

[OPTION to be used if foreseen in the work programme: 7.1.1 The partners must provide financial support in accordance with the conditions set out in Annex 1.

At a minimum, these conditions must include:

- (a) *the maximum amount of financial support for each third party.*

The maximum amount may not exceed EUR 60 000 for each third party, unless it is necessary to achieve the objectives of the specific action as described in Annex 1;

- (b) *the criteria for calculating the exact amount of the financial support;*
(c) *the different types of activity that qualify for financial support, on the basis of a closed list;*
(d) *the persons or categories of persons that may receive financial support, and*
(e) *the criteria for giving financial support.*

The partners must ensure that the Commission [and the Agency], the European Court of Auditors (ECA) and the European Antifraud Office (OLAF) can exercise their rights under Articles 28 and 29 of the Framework Partnership Agreement also towards the third parties receiving financial support.

7.1.2 The partners must ensure that their obligations under Articles 41, 42, 44 and 52 of the Framework Partnership Agreement also apply to the third parties receiving financial support.]

[OPTION: not applicable]

7.2 Financial support in the form of prizes

[OPTION to be used if foreseen in the work programme: 7.2.1 The partners must provide prizes in accordance with the conditions described in Annex 1.

At a minimum, these conditions must include:

- (a) *the conditions for participation;*
(b) *the award criteria;*
(c) *the amount of the prize, and*
(d) *the payment arrangements.*

The partners must ensure that the Commission [and the Agency], the European Court of Auditors (ECA) and the European Antifraud Office (OLAF) can exercise their rights under Articles 28 and 29 of the Framework Partnership Agreement also towards the third parties receiving a prize.

7.2.2 The partners must ensure that their obligations under Articles 41, 42, 44 and 52 of the Framework Partnership Agreement also apply to the third parties receiving a prize.]

[OPTION: not applicable]

7.3 Consequences of non-compliance

[If a partner breaches any of its obligations under Articles 7.1.1 or 7.2.1, the costs related to the financial support or prize will be ineligible (see Article 5) and will be rejected (see Article 48 FPA).

If a partner breaches any of its obligations under Articles 7.1.2 or 7.2.2, the specific grant may be reduced (see Article 49 FPA).

Such breaches may also lead to any of the other measures described in Section 5 of the Framework Partnership Agreement.]

[OPTION: not applicable]

ARTICLE 8 — PROVISION OF TRANS-NATIONAL OR VIRTUAL ACCESS TO RESEARCH INFRASTRUCTURE

8.1 Rules for providing trans-national access to research infrastructure

[OPTION trans-national access to research infrastructure: 8.1.1 'Access providers'¹⁷ must provide access to research infrastructure or installations¹⁸ in accordance with the following conditions:

(a) *access which must be provided:*

The access must be free-of-charge trans-national access to research infrastructure or installations for selected user-groups.

This access must include the logistical, technological and scientific support and the specific training that is usually provided to external researchers using the infrastructure.

(b) *categories of users that may have access:*

Trans-national access must be provided to selected 'user-groups', i.e. teams of one or more researchers (users) led by a 'user group leader'.

The user group leader and the majority of the users must work in a country other than the country(ies) where the installation is located.

This rule does not apply:

- if access is provided by an International organisation, the Joint Research Centre (JRC), an ERIC or similar legal entities;

- in case of remote access to a set of installations located in different countries offering the same type of service.

Only user groups that will disseminate the results they have generated under the action may benefit from the access, unless the users are working for SMEs.

Access for user groups with a majority of users not working in a EU or associated country is limited to 20% of the total amount of units of access provided under the grant, unless a higher percentage is foreseen in Annex 1;

(c) *procedure and criteria for selecting user groups:*

The user groups must request access by submitting (in writing) a description of the work that they wish to carry out and the names, nationalities and home institutions of the users.

*The user groups must be selected by a **selection panel** set up by the access providers.*

The selection panel must be composed of international experts in the field, at least half of them independent from the partners, unless otherwise specified in Annex 1.

The selection panel must assess all proposals received and recommend a short-list of the user groups that should benefit from access.

The selection panel must base its selection on scientific merit, taking into account that priority should be given to user groups composed of users who:

- have not previously used the installation and*
- are working in countries where no equivalent research infrastructure exist.*

It will apply the principles of transparency, fairness and impartiality.

[OPTION: *In addition, the partners must comply with the following additional rules for the selection of user groups: [...]*¹⁹;

(d) *other conditions:*

The access provider must request written approval from the [Commission][Agency] (see Article 58) for the selection of user groups requiring visits to the installation(s) exceeding 3 months, unless such visits are foreseen in Annex 1.

8.1.2 In addition, the access provider must:

¹⁷ **'Access provider'** means a partner or linked third party that is in charge of providing access to one or more research infrastructure or installations, or part of them, as described in Annex 1.

¹⁸ **'Installation'** means a part or a service of a research infrastructure that could be used independently from the rest. A research infrastructure consists of one or more installations.

¹⁹ If the authorising officer considers necessary to give priority to certain categories of users.

- advertise widely, including on a dedicated website, the access offered under the Specific Agreement;
- promote equal opportunities in advertising the access and take into account the gender dimension when defining the support provided to users;
- ensure that users comply with the terms and conditions of the Framework and Specific Agreements;
- ensure that its obligations under Articles 41, 42, 44 and 52 also apply to the users.]

[OPTION: not applicable]

8.2 Rules for providing virtual access to research infrastructure

[OPTION virtual access to research infrastructure: 'Access providers'²⁰ must provide access to research infrastructure or installations²¹ in accordance with the following conditions:

- (a) access which must be provided:

The access must be free-of-charge virtual access to research infrastructure or installations.

'Virtual access' means open and free access through communication networks to resources needed for research, without selecting or identifying the researchers to whom access is provided;

- (b) other conditions:

The access provider must have the virtual access services assessed periodically by a board composed of international experts in the field, at least half of whom must be independent from the partners, unless otherwise specified in Annex I.]

[OPTION: not applicable]

8.3 Consequences of non-compliance

[If a partner breaches any of its obligations under Articles 8.1.1 and 8.2, the costs of access will be ineligible (see Article 5) and will be rejected (see Article 48 FPA).

If a partner breaches any of its obligations under Articles 8.1.2, the specific grant may be reduced (see Article 49 FPA).

Such breaches may also lead to any of the other measures described in Section 5 of the Framework Partnership Agreement.]

[OPTION: not applicable]

ARTICLE 9 — SUPPORT TO OR IMPLEMENTATION OF TRANS-NATIONAL PROJECTS

Not applicable

ARTICLE 10 — ADDITIONAL RULES FOR THE PURCHASE OF GOODS, WORKS AND SERVICES

[OPTION: In addition to the rules set out in Article 15 of the Framework Partnership Agreement, the partners must — if the value of the purchase exceeds EUR [...] — comply with the following rules: [...].²²][OPTION: not applicable]

ARTICLE 11 — ADDITIONAL RULES FOR THE IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS

[OPTION: In addition to the rules set out in Article 18 of the Framework Partnership Agreement, the partners must — if the value of the subcontract to be awarded exceeds EUR [...] — comply with the following rules: [...].²³]

²⁰ 'Access provider' means a partner or linked third party that is in charge of providing access to one or more research infrastructures or installations, or part of them, as described in Annex I.

²¹ 'Installation' means a part or a service of a research infrastructure that could be used independently from the rest. A research infrastructure consists of one or more installations.

²² If the authorising officer decides to set specific rules, they should have due regard for the principle of proportionality taking into account the value of the contracts and the relative size of the EU contribution in relation to the total cost of the action and the risk. Specific rules must be based on the rules contained in the Financial Regulation. Simply citing the FR without specifying the applicable provisions should be avoided. Specific rules may only be set for the award of contracts of a value higher than EUR 60 000. The authorising officer may set a threshold higher than EUR 60 000 on the basis of a risk assessment.

²³ If the authorising officer decides to set specific rules, they should have due regard for the principle of proportionality taking into account the value of the contracts and the relative size of the EU contribution in relation to the total cost of the action and the risk. Specific rules must be based on the rules contained in the

[OPTION for actions involving PCP or PPI: In addition, for the pre-commercial procurement (PCP) or procurement of innovative solutions (PPI), the partners must follow a transparent and non-discriminatory procedure, including at least the following:

- (a) an **'open market consultation'** published in the Official Journal of the European Union via a **'prior information notice (PIN)'** and promoted and advertised widely;
- (b) a **'contract notice'** allowing for a time-limit for receipt of tenders of at least 2 months, published in the Official Journal of the European Union and promoted and advertised widely;
- (c) a **'request for tenders'** based on functional or performance-based specifications (that take into account the outcome of the open market consultation) and describing the practical set-up for the implementation of the subcontract(s);
- (d) an objective and non-discriminatory **evaluation** of the tenders and **award** of subcontract(s) to the tender(s) offering **best value for money**;
- (e) a **'contract award notice'** published in the Official Journal of the European Union.

The partners must also ensure that every prior information notice, contract notice or contract award notice published in relation to the subcontracting includes the following disclaimer:

“This procurement receives funding under the European Union’s Horizon 2020 research and innovation programme under the grant agreement No [number]. The EU is however not participating as a contracting authority in this procurement.”]

[OPTION only for actions involving PPI: Participation in PPI tendering procedures must be open on equal terms to tenderers from EU Member States, associated countries and other countries with which the EU has an agreement in the field of public procurement. If the WTO Government Procurement Agreement applies, PPI subcontracts must also be open to tenderers from States that have ratified this agreement.

*If the procurement of the innovative solution (PPI) consists (and is limited to) buying a set of prototypes and/or test products that were developed during a preceding PCP Cofund action, the partners do not need to make an open market consultation, contract notice and contract award notice under Points (a), (b) and (e) above. In this case, they must make a **request for offers** from at least **three providers** (including the providers that participated in the preceding PCP), in accordance with the negotiated procedure without publication under Directives 2004/18/EC and 2004/17/EC²⁴.]*

[OPTION only for actions involving PCP: The subcontracts for pre-commercial procurement must provide for the following:

- the ownership, by the subcontractors, of the intellectual property rights on the results that they generate;
- the right of the buyers to access results — on a royalty-free basis — for their own use;
- the right of the buyers to grant (or to require the subcontractors to grant) non-exclusive licences to third parties to exploit the results — under fair and reasonable conditions — (without the right to sub-licence);
- the obligation of the subcontractors to transfer back to the buyers the ownership of intellectual property generated by subcontractors during the PCP, if subcontractors fail to commercially exploit the results within the period set out in the subcontract;
- the right of the buyers to publish — at the time of the contract award notice — the identity of the winning tenderers and a project summary provided by the winning tenderers, and to publish — after R&D has finished and after consulting the subcontractors — summaries of the results as well as the identities of the subcontractors that successfully completed the last phase of the PCP.

The partners must ensure that the majority of the research and development work done by the subcontractor(s) (including the work of the main researchers) is located in the EU Member States or associated countries ('place of performance obligation').]

[OPTION: not applicable]

ARTICLE 12 — SUBMISSION OF DELIVERABLES

The coordinator must submit the **'deliverables'** identified in Annex 1, in accordance with the timing and conditions set out in it.

ARTICLE 13 — REPORTING — PAYMENT REQUESTS

13.1 General obligation to submit reports

The coordinator must submit to the [Commission][Agency] (see Article 58 FPA) technical and financial reports, including requests for payment.

Financial Regulation. Simply citing the FR without specifying the applicable provisions should be avoided. Specific rules may only be set for the award of contracts of a value higher than EUR 60 000. The authorising officer may set a threshold higher than EUR 60 000 on the basis of a risk assessment.

²⁴ See Articles 28 and 31(2)(a) of Directive 2004/18 and Article 40(3)(b) of Directive 2004/17/EC.

The reports must be drawn up using the forms and templates provided by the [Commission][Agency] in the electronic exchange system (see Article 58 FPA).

13.2 Reporting periods

The specific action is divided into the following 'reporting periods':

- RPI: from month 1 to month [X]
- RP2: from month [X+1] to month [Y]
- RP3: from month [Y+1] to month [Z]
- [same for other RPs]
- RPN: from month [N+1] to [the last month of the project.]

13.3 Periodic reports

The coordinator must submit a periodic report within 60 days following the end of each reporting period.

The **periodic report** must include the following:

(a) a '**periodic technical report**' containing:

- (i) an **explanation of the work carried out** by the partners;
- (ii) an **overview of the progress** towards the objectives of the specific action, including milestones and deliverables identified in Annex 1.

This report must include explanations justifying the differences between work expected to be carried out in accordance with Annex 1 and that actually carried out.

The report must also detail the exploitation and dissemination of the results and — if required in Annex 1 — an updated '**plan for the exploitation and dissemination of the results**';[.]

[OPTION for providing access to research infrastructures: The report must detail the access activity, indicating the members of the selection panel, the selection procedure, the exact amount of access provided to the user groups, the description of their work, and information on the users (including names, nationality and home institutions).]
[OPTION for providing access to virtual services The reports must detail the access activity, with statistics on the virtual access provided in the period, including quantity, geographical distribution of users and, whenever possible, information/statistics on scientific outcomes (publications, patents, ...) acknowledging the use of the infrastructure];

- (iii) a **summary** for publication by the [Commission][Agency];
- (iv) the answers to the '**questionnaire**', covering issues related to the action implementation and the economic and societal impact, notably in the context of the Horizon 2020 key performance indicators and the Horizon 2020 monitoring requirements;

(b) a 'periodic financial report' containing:

- (i) an '**individual financial statement**' (see Annex 3) from each partner [and from each linked third party] , for the reporting period concerned.

The individual financial statement must detail the eligible costs (actual costs, unit costs, flat-rate costs [and lump sum costs]; see Article 5) for each budget category (see Annex 2).

The partners [and linked third parties] must declare all eligible costs, even if — for actual costs, unit costs and flat-rate costs — they exceed the amounts indicated in the estimated budget (see Annex 2). Amounts which are not declared in the individual financial statement will not be taken into account by the [Commission][Agency].

If an individual financial statement is not submitted for a reporting period, it may be included in the periodic financial report for the next reporting period.

The individual financial statements of the last reporting period must also detail the **receipts of the specific action** (see Article 10 FPA).

Each partner [and each linked third party] must **certify** that:

- the information provided is full, reliable and true;
- the costs declared are eligible (see Article 5);
- the costs can be substantiated by adequate records and supporting documentation (see Article 24 FPA) that will be produced upon request (see Article 23 FPA) or in the context of checks, reviews, audits and investigations (see Article 28 FPA), and

- for the last reporting period: that all the receipts have been declared (see Article 10 FPA);
- (ii) an **explanation of the use of resources** and the information on subcontracting (see Article 18 FPA) and in-kind contributions provided by third parties (see Articles 16 and 17 FPA) from each partner *[and from each linked third party]*, for the reporting period concerned;
- (iii) **[OPTION if the JRC is a partner: information on the amount of each interim payment and payment of the balance to be transferred by the Commission to the Joint Research Centre (JRC);][OPTION: not applicable;]**
- (iv) a **'periodic summary financial statement'** (see Annex 3), created automatically by the electronic exchange system, consolidating the individual financial statements for the reporting period concerned and including — except for the last reporting period — the **request for interim payment**.

13.4 Final report

In addition to the periodic report for the last reporting period, the coordinator must submit the final report within 60 days following the end of the last reporting period.

The **final report** must include the following:

- (a) a **'final technical report'** with a summary for publication containing:
 - (i) an overview of the results and their exploitation and dissemination;
 - (ii) the conclusions on the specific action, and
 - (iii) the socio-economic impact of the specific action;
- (b) a **'final financial report'** containing:
 - (i) a **'final summary financial statement'** (see Annex 3), created automatically by the electronic exchange system, consolidating the individual financial statements for all reporting periods and including the **request for payment of the balance** and
 - (ii) a **'certificate on the financial statements'** (drawn up in accordance with Annex 4) for each partner *[and for each linked third party]*, if it requests a total contribution of EUR 325 000 or more, as reimbursement of actual costs and unit costs calculated on the basis of its usual cost accounting practices (see Articles 4.2 and 5.2. Point A).

13.5 Information on cumulative expenditure incurred

[OPTION for big grants with reporting periods beyond 18 months²⁵: In addition to the reporting requirements set out above (Article 13.1 to 13.3), the coordinator must inform the [Commission][Agency] by [31 December][30 November] each year of the cumulative expenditure incurred by the partners from the start date of the specific action.

This information is required for the [Commission's][Agency's] accounting purposes and will not be used to calculate the final grant amount.]

[OPTION: not applicable.]

13.6 Currency for financial statements and conversion into euro

Financial statements must be drafted in euro.

Partners *[and linked third parties]* with accounting established in a currency other than the euro must convert costs incurred in another currency into euro at the average of the daily exchange rates published in the C series of the Official Journal of the European Union calculated over the corresponding reporting period.

If no daily euro exchange rate is published in the Official Journal of the European Union for the currency in question, it must be converted at the average of the monthly accounting rates published on the Commission's website calculated over the corresponding reporting period.

Partners *[and linked third parties]* with accounting established in euro must convert costs incurred in another currency into euro according to their usual accounting practices.

13.7 Language of reports

All reports (technical and financial reports, including financial statements) must be submitted in the language of the Specific Agreement.

13.8 Consequences of non-compliance — Suspension of the payment deadline — Termination

²⁵ To be added in the case of grants of more than EUR 5 million for which a pre-financing is paid and the reporting periods for interim payments or payments of the balance exceed eighteen months.

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If the reports submitted do not comply with this Article, the [Commission][Agency] may suspend the payment deadline (see Article 53 FPA) and apply any of the other measures described in Section 5 of the Framework Partnership Agreement.

If the coordinator breaches its obligation to submit the reports and if it fails to comply with this obligation within 30 days following a written reminder sent by the [Commission][Agency], the Specific Agreement may be terminated (see Article 56 FPA).

ARTICLE 14 — PAYMENTS AND PAYMENT ARRANGEMENTS

14.1 Payments to be made

The following payments will be made to the coordinator:

- one **pre-financing payment**;
- one or more **interim payments**, on the basis of the request(s) for interim payment (see Article 13), and
- one **payment of the balance**, on the basis of the request for payment of the balance (see Article 13).

14.2 Pre-financing payment — Amount — Amount retained for the Guarantee Fund

The aim of the pre-financing is to provide the partners with a float.

It remains the property of the EU until the payment of the balance.

The amount of the pre-financing payment will be EUR [insert amount (insert amount in words)].

The [Commission][Agency] will — except if Article 54 of the Framework Partnership Agreement applies — make the pre-financing payment to the coordinator within 30 days from the starting date of the specific action (see Article 3) or from the entry into force of the Specific Agreement (see Article 18), whichever is the latest.

An amount of EUR [insert amount (insert amount in words)], corresponding to 5% of the maximum grant amount (see Article 4.1), is retained by the [Commission][Agency] from the pre-financing payment and transferred into the '**Guarantee Fund**'.

[OPTION if the JRC is a partner: Moreover, the part of the pre-financing payment related to the Joint Research Centre (JRC) ([insert amount (insert amount in words)]) is not paid to the coordinator, but kept by the [Commission][Agency] for the JRC]

14.3 Interim payments — Amount — Calculation

Interim payments reimburse the eligible costs incurred for the implementation of the specific action during the corresponding reporting periods.

The [Commission][Agency] will pay to the coordinator the amount due as interim payment within 90 days from receiving the periodic report (see Article 13), except if Articles 53 or 54 of the Framework Partnership Agreement apply.

Payment is subject to the approval of the periodic report. Its approval does not imply recognition of the compliance, authenticity, completeness or correctness of its content.

The **amount due as interim payment** is calculated by the [Commission][Agency] in the following steps:

Step 1 – Application of the reimbursement rates

Step 2 – Limit to 90% of the maximum grant amount

14.3.1 Step 1 — Application of the reimbursement rates

The reimbursement rate(s) (see Article 4.2) are applied to the eligible costs (actual costs, unit costs, flat-rate costs [and lump sum costs]; see Article 5) declared by the partners [and the linked third parties] (see Article 13) and approved by the [Commission][Agency] (see above) for the concerned reporting period.

14.3.2 Step 2 — Limit to 90% of the maximum grant amount

The total amount of pre-financing and interim payments must not exceed 90% of the maximum grant amount set out in Article 4.1. The maximum amount for the interim payment will be calculated as follows:

{90% of the maximum grant amount (see Article 4.1)

minus

{pre-financing and previous interim payments}.

14.4 Payment of the balance — Amount — Calculation — Release of the amount retained for the Guarantee Fund

Specific Grant Agreement number: [insert number] [insert acronym] [insert call identifier of the master call]

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The payment of the balance reimburses the remaining part of the eligible costs incurred by the partners for the implementation of the specific action.

If the total amount of earlier payments is greater than the final grant amount (see Article 10 FPA), the payment of the balance takes the form of a recovery (see Article 50 FPA).

If the total amount of earlier payments is lower than the final grant amount, the [Commission][Agency] will pay the balance within 90 days from receiving the final report (see Article 13), except if Articles 53 or 54 of the Framework Partnership Agreement apply.

Payment is subject to the approval of the final report. Its approval does not imply recognition of the compliance, authenticity, completeness or correctness of its content.

The **amount due as the balance** is calculated by the [Commission][Agency] by deducting the total amount of pre-financing and interim payments (if any) already made, from the final grant amount determined in accordance with Article 10 of the Framework Partnership Agreement:

{final grant amount (see Article 10 of the Framework Partnership Agreement)

minus

{pre-financing and interim payments (if any) made}).

At the payment of the balance, the amount retained for the Guarantee Fund (see above) will be released and:

- if the balance is positive: the amount released will be paid in full to the coordinator together with the amount due as the balance;
- if the balance is negative (payment of the balance taking the form of recovery): it will be deducted from the amount released (see Article 50 FPA). If the resulting amount:
 - is positive, it will be paid to the coordinator
 - is negative, it will be recovered.

The amount to be paid may however be offset — without the partner's consent — against any other amount owed to a partner by the Commission or an executive agency (from the EU or Euratom budget), up to the maximum EU contribution indicated, for that partner, in the estimated budget (see Annex 2).

14.5 Notification of amounts due

When making payments, the [Commission][Agency] will formally notify to the coordinator the amount due, specifying whether it concerns an interim payment or the payment of the balance.

For the payment of the balance, the notification will also specify the final grant amount.

In the case of reduction of the specific grant or recovery of undue amounts, the notification will be preceded by the contradictory procedure set out in Articles 49 and 50 FPA.

14.6 Currency for payments

The [Commission][Agency] will make all payments in euro.

14.7 Payments to the coordinator — Distribution to the partners

Payments will be made to the coordinator.

Payments to the coordinator will discharge the [Commission][Agency] from its payment obligation.

The coordinator must distribute the payments between the partners without unjustified delay.

Pre-financing may however be distributed only:

- a) if the minimum number of partners set out in the call for proposals has acceded to the Framework and Specific Agreement (see Article 62 FPA) and
- b) to partners that have entered into the Specific Agreement (see Article 62 FPA).

14.8 Bank account for payments

All payments will be made to the following bank account:

Name of bank: [...]
Address of branch: [...]
Full name of the account holder: [...]
Full account number (including bank codes): [...]
[IBAN code: [...]]²⁶

14.9 Costs of payment transfers

The cost of the payment transfers is borne as follows:

- the [Commission][Agency] bears the cost of transfers charged by its bank;
- the partner bears the cost of transfers charged by its bank;
- the party causing a repetition of a transfer bears all costs of the repeated transfer.

14.10 Date of payment

Payments by the [Commission][Agency] are considered to have been carried out on the date when they are debited to its account.

14.11 Consequences of non-compliance

14.11.1 If the [Commission][Agency] does not pay within the payment deadlines (see above), the partners are entitled to **late-payment interest** at the rate applied by the European Central Bank (ECB) for its main refinancing operations in euros ('reference rate'), plus three and a half points. The reference rate is the rate in force on the first day of the month in which the payment deadline expires, as published in the C series of the *Official Journal of the European Union*.

If the late-payment interest is lower than or equal to EUR 200, it will be paid to the coordinator only upon request submitted within two months of receiving the late payment.

Late-payment interest is not due if all partners are EU Member States (including regional and local government authorities or other public bodies acting on behalf of a Member State for the purpose of the Framework Partnership Agreement and the Specific Agreement).

Suspension of the payment deadline or payments (see Articles 53 and 54 FPA) will not be considered as late payment.

Late-payment interest covers the period running from the day following the due date for payment (see above), up to and including the date of payment.

Late-payment interest is not considered for the purposes of calculating the final grant amount.

14.11.2 If the coordinator breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49 FPA) and the Specific Agreement or the participation of the coordinator may be terminated (see Article 56 FPA).

Such breaches may also lead to any of the other measures described in Section 5 of the Framework Partnership Agreement.

²⁶ BIC or SWIFT code applies to for countries if the IBAN code does not apply.

ARTICLE 15 — ADDITIONAL RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND AND RESULTS

15.1 Background

15.1.1 Access rights for other partners, for other specific actions

[OPTION if foreseen in the work programme: If necessary to implement the action, the partners must also give each other — under the conditions set out in Article 31 of the Framework Partnership Agreement — access to their background, for the purposes of the other specific actions under the partnership.]

[OPTION: not applicable]

15.1.2 Access rights for third parties

[OPTION for access to research infrastructures: The access provider must — unless it is subject to legal restrictions or limits, including those imposed by the rights of third parties (including personnel) — give access to the users to the background of the access provider needed to implement the action.

The access provider must inform the users as soon as possible of any restriction which might substantially affect the granting of access rights.]

[OPTION: not applicable]

15.2 Results

15.2.1 Additional exploitation obligations

[OPTION for additional exploitation obligations if foreseen in the work programme: In addition to the exploitation obligations set out in Article 34 of the Framework Partnership Agreement, the partners must — up to four years after the period set out in Article 3 — comply with the additional exploitation obligations set out in Annex 1.]

[OPTION for results that could contribute to standards if foreseen in the work programme: If the results of a specific action could reasonably be expected to contribute to European or international standards, the partner concerned must — up to four years after the period set out in Article 3 of the Specific Agreement — inform the [Commission][Agency].]

[OPTION: not applicable]

15.2.2 Additional dissemination obligations

[OPTION for additional dissemination obligations if foreseen in the work programme: In addition to the dissemination obligations set out in Article 35 Framework Partnership Agreement, the partners must comply with the additional dissemination obligations set out in Annex 1.]

[OPTION for additional dissemination obligations for interoperability if foreseen in the work programme: Moreover in addition to the dissemination obligations set out in Article 35 Framework Partnership Agreement, the partners must — up to four years after the period set out in Article 3 — disseminate any technical specifications of the results that are needed for interoperability.]

[OPTION for additional dissemination obligations for cross-border interoperability if foreseen in the work programme: Moreover, in addition to the dissemination obligations set out in Article 35 Framework Partnership Agreement, the partners must — up to four years after the period set out in Article 3 — disseminate the deliverables relating to cross-border interoperability (see Annex 1) and any results needed for cross-border interoperability (in particular common technical specifications and software components).]

[OPTION for specific actions participating in the open access to Research Data Pilot: Regarding the digital research data generated in the specific action ('data'), the partners must:

- (a) deposit in a research data repository and take measures to make it possible for third parties to access, mine, exploit, reproduce and disseminate — free of charge for any user — the following:
 - (i) the data, including associated metadata, needed to validate the results presented in scientific publications as soon as possible;
 - (ii) other data, including associated metadata, as specified and within the deadlines laid down in the '**data management plan**' (see Annex 1);
- (b) provide information — via the repository — about tools and instruments at the disposal of the partners and necessary for validating the results (and — where possible — provide the tools and instruments themselves).

This does not change the obligation to protect results in Article 33 of the Framework Partnership Agreement, the confidentiality obligations in Article 42 of the Framework Partnership Agreement the security obligations in Article 43 of the Framework Partnership Agreement, or the obligations to protect personal data in Article 45 of the Framework Partnership Agreement, all of which still apply.

As an exception, the partners do not have to ensure open access to specific parts of their research data if the achievement of the action's main objective, as described in Annex I, would be jeopardised by making those specific parts of the research data openly accessible. In such case, the data management plan must contain the reason for not giving access]

[OPTION: not applicable]

15.2.3 Right of the [Commission][Agency] to object to a transfer of ownership or the licencing of results

[OPTION for EU grants: The [Commission][Agency] may — up to four years after the period set out in Article 3 — object to a transfer of ownership or the exclusive licencing of results, if:

- (a) it is to a third party established in a non-EU country not associated with Horizon 2020 and*
- (b) the [Commission][Agency] considers that the transfer or licence is not in line with EU interests regarding competitiveness or is inconsistent with ethical principles or security considerations.*

A partner that intends to transfer ownership or grant an exclusive licence must formally notify the [Commission][Agency] before the intended transfer or licencing takes place and:

- identify the specific results concerned;*
- describe in detail the new owner or licensee and the planned or potential exploitation of the results, and*
- include a reasoned assessment of the likely impact of the transfer or licence on EU competitiveness and its consistency with ethical principles and security considerations.*

The [Commission][Agency] may request additional information.

If the [Commission][Agency] decides to object to a transfer or exclusive licence, it must formally notify the partner concerned within 60 days of receiving notification (or any additional information it has requested).

No transfer or licencing may take place in the following cases:

- pending the [Commission][Agency] decision, within the period set out above;*
- if the [Commission][Agency] objects;*
- until the conditions are complied with, if the [Commission][Agency] objection comes with conditions.*

[OPTION for Euratom grants: The Commission may [OPTION:— up to four years after the period set out in Article 3 —] object to a transfer of ownership or the exclusive or non-exclusive licencing of results, if:

- (a) it is to a third party established in a non-EU country not associated to the Euratom research and training programme 2014-2018, and*
- (b) the Commission considers that the transfer or licence is not in line with the EU interests regarding competitiveness or is inconsistent with ethical principles or security considerations.*

Security considerations include the defence interests of the Member States under Article 24 of the Euratom Treaty.

A partner that intends to transfer ownership or grant a licence must formally notify the Commission before the intended transfer or licencing takes place and:

- identify the specific results concerned;*
- describe in detail the results, the new owner or licensee and the planned or potential exploitation of the results, and*
- include a reasoned assessment of the likely impact of the transfer or licence on EU competitiveness and its consistency with ethical principles and security considerations.*

The Commission may request additional information.

If the Commission decides to object to a transfer or licence, it will formally notify the partner concerned within 60 days of receiving notification (or any additional information requested).

No transfer or licencing may take place in the following cases:

- pending the Commission decision, within the period set out above;*
- if the Commission objects;*
- until the conditions are complied with, if the Commission objection comes with conditions.]*

[OPTION: not applicable]

15.2.4 Access rights for other partners, for other specific actions

[OPTION if foreseen in the WP: The partners must give each other — under the conditions set out in Article 37 of the Framework Partnership Agreement — access to their results for the purposes of the other specific actions under the framework partnership.]

[OPTION: not applicable]

15.2.5 Access rights for EU institutions, bodies, offices or agencies and EU Member States

[OPTION by default for EU grants: The partners must give access to their results — on a royalty-free basis — to EU institutions, bodies, offices or agencies, for developing, implementing or monitoring EU policies or programmes.

Such access rights are limited to non-commercial and non-competitive use.

This does not change the right to use any material, document or information received from the partners for communication and publicising activities (see Article 44 FPA).]

[OPTION for calls under specific objective ‘Secure societies - Protecting freedom and security of Europe and its citizens’: The partners must give access to their results — on a royalty-free basis — to EU institutions, bodies, offices and agencies as well as EU Member States’ national authorities, necessary for developing, implementing or monitoring their policies or programmes in this area.

Such access rights are limited to non-commercial and non-competitive use.

Access is conditional on an agreement to define specific conditions ensuring that:

- (a) the access will be used only for the intended purpose and
- (b) appropriate confidentiality obligations are in place.

The requesting EU Member State or EU institution, body, office or agency must inform all other EU Member States of such a request.

This does not change the security obligations in Article 43 of the Framework Partnership Agreement, which still apply.]

[OPTION for Euratom grants: The partners must give access to their results — on a royalty-free basis — to the European Atomic Energy Community (Euratom) and its joint undertakings, for developing, implementing and monitoring Euratom policies and programmes or for compliance with obligations assumed through international cooperation with third countries and international organisations.

As an exception to Article 37.1 of the Framework Partnership Agreement, such access rights include the right to authorise third parties to use the results in public procurement and the right to sublicense and are limited to non-commercial and non-competitive use.]

15.2.6 Access rights for third parties

[OPTION for additional access rights for complementary grant agreements if foreseen in the work programme: The partners must give — under the conditions set out in Article 37 of the Framework Partnership Agreement — access to their results to complementary partners, for the purposes of the complementary grant agreement(s) (see Article 2).]

[OPTION for additional access rights for interoperability if foreseen in the work programme: The partners must give third parties — up to four years after the period set out in Article 3 and [OPTION: under fair and reasonable conditions (see Article 31 FPA)][OPTION: on a royalty-free basis] — access to their results needed for interoperability.]

[OPTION for additional access rights for cross-border interoperability if foreseen in the work programme: The partners must give third parties — up to four years after the period set out in Article 3 and on a royalty-free basis — access to their results needed for interoperability, in particular for implementing the results in EU Member States or associated countries that are not participating in the specific action.

Partners must give access to software components under an EU public license (or compatible licenses) and must comply with any additional requirements set out in Annex I]

[OPTION for access to research infrastructures: The access provider must give the users access rights to the results, if needed to implement the action.]

[OPTION: not applicable]

ARTICLE 16 — DIVISION OF PARTNERS’ ROLES AND RESPONSIBILITIES [— RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES] [— RELATIONSHIP WITH PARTICIPANTS OF A JOINT ACTION]

16.1 Relationship with complementary beneficiaries— Collaboration agreement

[OPTION for complementary grants if foreseen in the work programme]: The partners must conclude a written ‘**collaboration agreement**’ with the complementary beneficiaries to coordinate the work under the Specific Agreement and the complementary grant agreement(s) (see Article 2), covering for instance:

- efficient decision making processes and
- settlement of disputes.

The coordination agreement must not contain any provision contrary to the Framework Partnership and the Specific Agreement.

The partners and complementary beneficiaries must create and participate in common boards and advisory structures to decide on collaboration and synchronisation of activities, including on management of outcomes, common approaches towards standardisation, SME involvement, links with regulatory and policy activities, and commonly shared dissemination and awareness raising activities.

The partners must give access to their results to the complementary beneficiaries, for the purposes of the complementary grant agreement(s) (see Article 37 FPA).

The partners must share the technical reports (see Article 13). The confidentiality obligations in Article 42 of the Framework Partnership Agreement apply.]

[OPTION: not applicable]

16.2 Relationship with partners of a joint action — Coordination agreement

[OPTION for joint actions (joint call with a third country or an international organisation): The partners must conclude a ‘**coordination agreement**’ with the participants of the third country or international organisation action (see Article 2), covering for instance:

- the internal organisation of the participants in both actions, including the decision making procedures;
- rules on intellectual property rights (for example regarding protection, dissemination, use and access rights);
- the settlement of internal disputes;
- liability, indemnification and confidentiality arrangements between the participants in both actions.

The coordination agreement must not contain any provision contrary to the Framework Partnership and the Specific Agreement.

[OPTION: not applicable]

ARTICLE 17 — ADDITIONAL GROUNDS FOR TERMINATION

[OPTION for joint actions (joint call with a third country or an international organisation): In addition to the grounds for termination set out in Article 56 of the Framework Partnership Agreement, the [Commission][Agency] may terminate the Specific Agreement, if:

- (a) the third country or international organisation action (see Article 2) has not started by the date specified in Annex 1
- (b) the third country or international organisation action (see Article 2) is terminated or can no longer contribute to the action.

The termination will **take effect**:

- for terminations under Point (b) above: on the day specified in the notification (see above);
- for terminations under Point (a) above: on the day after notification is received by the coordinator.]

[OPTION: not applicable]

ARTICLE 18 — ENTRY INTO FORCE OF THE SPECIFIC AGREEMENT

The Specific Agreement will enter into force on the day of signature by the [Commission][Agency] or the coordinator, depending on which is later.

SIGNATURES

For the coordinator

[function/forename/surname]
[electronic signature]

For the [Commission][Agency]

[forename/surname]
[electronic signature]

Specific Grant Agreement number: [insert number] [insert acronym] [insert call identifier of the master call]

H2020 Model Specific Grant Agreement: December 2013

Done in [English] on [electronic time stamp]

Done in [English] on [electronic time stamp]

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MODEL ANNEX 2 FOR SPECIFIC GRANT AGREEMENT

ESTIMATED BUDGET FOR THE ACTION

ANNEX 2

Form of costs****	Estimated eligible* costs (per budget category)											EU contribution			
	A. Direct personnel costs		B. Direct costs of subcontracting	[C. Direct costs of fin. support]	D. Other direct costs	E. Indirect costs	[F. Costs of ...]		Total costs	Reimbursement rate %	Maximum EU contribution ***	Maximum grant amount			
	A.1 Personnel	A.2 Natural persons under direct contract	A.3 Seconded persons	A.4 SME owners without salary	A.5 Beneficiaries that are natural persons without salary	D.1 Travel	D.2 Equipment	D.3 Other goods and services	D.4 Costs of large research infrastructure	[F.1 Costs of ...]**	[F.2 Costs of ...]**				
	[A.6 Personnel for providing access to research infrastructure]														
	Actual	Unit ①	Unit ②		Actual	Actual	Actual	Flat-rate ③	Unit ④		Unit ⑤				
			XX EUR/hour					25%	XX EUR/hour						
	(a)	Total (b)	No hours	Total (c)	(d)	(e)	(f)	(g)=0,25x((a)+(b)+(c)+(f)+[(h1)] ^⑤ +[(h2)] ^⑥ -(m))	No units	Total (h1)	Total (h2)	(i) = (a)+(b)+(c)+(d)+(e)+(f)+(g)+(h1)+(h2)	(j)	(k)	(l)
Beneficiary 1															
Linked third party 1a															
Linked third party 1b															
...															
Total Beneficiary 1															
Beneficiary 2															
Linked third party 2a															
Linked third party 2b															
...															
Total Beneficiary 2															
...															
Total Consortium															

Additional information	
Information for indirect costs :	Information for auditors:
Costs of in-kind contributions not used on premises	Declaration of costs under Point D.4
(m)	Yes/No
Beneficiary 1	
Linked third party 1a	
Linked third party 1b	
...	
Total Beneficiary 1	
Beneficiary 2	
Linked third party 2a	
Linked third party 2b	
...	
Total Beneficiary 2	
...	
Total Consortium	

* See Article 5 of the Specific Grant Agreement for conditions for costs to be eligible

** Depending on its type, this cost will or will not include indirect costs.

Costs that include indirect costs are: costs of energy efficiency measures in buildings, costs of providing trans-national access to research infrastructure and costs of clinical studies.

*** This is the theoretical amount of EU contribution if the reimbursement rate is applied to all the budgeted costs. The theoretical amount of EU contribution for the action is capped by the maximum grant amount.

**** See Article 4 of the Specific Grant Agreement for forms of costs

① unit : hours worked on the action; costs per unit (hourly rate) : calculated according to beneficiary's usual accounting practice

② unit : hours worked on the action; cost per unit : XX EUR

③ flat rate : 25% of eligible direct costs, from which are excluded: direct costs of subcontracting, costs of in-kind contributions not used on premises, direct costs of financial support, and unit costs declared under Point F if they include indirect costs

④ unit : ... ; costs per unit : XX EUR

⑤ unit : costs per unit (the units, the costs per unit and the estimated number of units will be agreed with the beneficiaries in a separate document that becomes part of Annex 2 of their specific grant agreement)

⑥ only unit costs **not including indirect costs** to be added

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MODEL ANNEX 3 FOR SPECIFIC GRANT AGREEMENT

FINANCIAL STATEMENT FOR [BENEFICIARY [name]/ LINKED THIRD PARTY [name]]

Eligible* costs (per budget category)												Receipts	EU contribution			Additional information	
A. Direct personnel costs				B. Direct costs of subcontracting	[C. Direct costs of fin. support]	D. Other direct costs		E. Indirect costs	[F. Costs of ...]			Total costs	Receipts	Reimbursement rate %	Maximum EU contribution ***	Requested EU contribution	Information for indirect costs :
A.1 Personnel		A.4 SME owners without salary				D.1 Travel	D.4 Costs of large research infrastructure		[F.1 Costs of ...] **	[F.2 Costs of ...]**			Receipts of the action, to be reported in the last reporting period, according to Article 5.3.3				Costs of in-kind contributions not used on premises
A.2 Natural persons under direct contract		A.5 Beneficiaries that are natural persons without salary				D.2 Equipment											
A.3 Seconded persons [A.6 Personnel for providing access to research infrastructure]						D.3 Other goods and services											
Form of costs****	Actual	Unit ①		Actual	Actual	Actual	Actual	Flat-rate ③	Unit ④		Unit ⑤						
			XX EUR/hour					25%	XX EUR/unit								
	(a)	Total (b)		(d)	(e)	(f)	(g)	(h)=0,25x((a)+(b)+(c)+(f)+(g)+[(i1)] ^⑤ +[(i2)] ^⑤ -(o))	No units	Total (i1)	Total (i2)	(j) = (a)+(b)+(c)+(d)+(e)+(f)+(g)+(h)+(i1)+(i2)	(k)	(l)	(m)	(n)	(o)

The beneficiary/linked third party hereby confirms that:
 The information provided is complete, reliable and true.
 The costs declared are eligible (see Article 5 SGA).
 The costs can be substantiated by adequate records and supporting documentation that will be produced upon request or in the context of checks, reviews, audits and investigations (see Articles 23, 24 and 28 FPA).
 For the last reporting period: that all the receipts have been declared (see Article 4 SGA).

① The beneficiary/linked party must declare all eligible costs, even if - for actual costs, unit costs and flat-rate costs - they exceed the amounts indicated in the estimated budget (see Annex 2). Amounts not declared in the individual financial statement will not be taken into account by the [Commission]/[Agency]

* See Article 5 of the Specific Grant Agreement for conditions for costs to be eligible

** Depending on its type, this cost will or will not include indirect costs.

Costs that include indirect costs are: costs of energy efficiency measures in buildings, costs of providing trans-national access to research infrastructure and costs of clinical studies.

*** This is the theoretical amount of EU contribution if the reimbursement rate is applied to all the reported costs. At the payment of the balance, the theoretical amount of EU contribution for the action is capped by the maximum grant amount.

**** See Article 4 of the Specific Grant Agreement for forms of costs

① unit : hours worked on the action; costs per unit (hourly rate) : calculated according to beneficiary's usual accounting practice

② unit : hours worked on the action; cost per unit : XX EUR

③ flat rate : 25% of eligible direct costs, from which are excluded: direct costs of subcontracting, costs of in-kind contributions not used on premises, direct costs of financial support, and unit costs declared under Point F if they include indirect costs

④ unit : ... ; costs per unit : XX EUR

⑤ unit : costs per unit (the units and the costs per unit are set out in Annex 2 of the Specific grant agreement)

⑥ only unit costs **not including indirect costs** to be added

MODEL FOR THE CERTIFICATE ON THE FINANCIAL STATEMENTS

- For options *[in italics in square brackets]*: choose the applicable option. Options not chosen should be deleted.
- For fields in *[grey in square brackets]*: enter the appropriate data

Terms of Reference for an Independent Report of Factual Findings on costs declared under a Specific Agreement financed under the Horizon 2020 Research and Innovation Framework Programme

This document sets out the ‘**Terms of Reference (ToR)**’ under which

[OPTION 1: [insert name of the partner] (‘the Partner’)] [OPTION 2: [insert name of the linked third party] (‘the Linked Third Party’), third party linked to the Partner [insert name of the partner] (‘the Partner’)]

agrees to engage

[insert legal name of the auditor] (‘the Auditor’)

to produce an independent report of factual findings (‘the Report’) concerning the Financial Statement(s)²⁷ drawn up by the *[Partner] [Linked Third Party]* for the Horizon 2020 specific agreement *[insert number of the specific agreement, title of the specific action, acronym and duration from/to]* (‘the Agreement’), and

to issue a Certificate on the Financial Statements’ (‘CFS’) referred to in Article 13 of the Specific Agreement based on the compulsory reporting template stipulated by the Commission.

The Agreement has been concluded under the Horizon 2020 Research and Innovation Framework Programme (H2020) between the Partner and *[OPTION 1: the European Union, represented by the European Commission (‘the Commission’)] [OPTION 2: the European Atomic Energy Community (Euratom,) represented by the European Commission (‘the Commission’)] [OPTION 3: the [Research Executive Agency (REA)] [European Research Council Executive Agency (ERCEA)] [Innovation and Networks Executive Agency (INEA)] [Executive Agency for Small and Medium-sized Enterprises (EASME)] (‘the Agency’), under the powers delegated by the European Commission (‘the Commission’).]*

The *[Commission] [Agency]* is mentioned as a signatory of the Agreement with the *Partner* only. The *[European Union][Euratom][Agency]* is not a party to this engagement.

²⁷ By which costs under the Agreement are declared (see template ‘Model Financial Statements’ in Annex 4 to the Specific Grant Agreement).

1.1 Subject of the engagement

The coordinator must submit to the [Commission][Agency] the final report within 60 days following the end of the last reporting period which should include, amongst other documents, a CFS for each *partner* and for each linked third party that requests a total contribution of EUR 325 000 or more, as reimbursement of actual costs and unit costs calculated on the basis of its usual cost accounting practices (see Article 13 of the Specific Agreement). The CFS must cover all reporting periods of the partner or linked third party indicated above.

The *Partner* must submit to the coordinator the CFS for itself and for its linked third party(ies), if the CFS must be included in the final report according to Article 13 of the Specific Agreement..

The CFS is composed of two separate documents:

- The Terms of Reference ('the ToR') to be signed by the [Partner] [Linked Third Party] and the Auditor;
- The Auditor's Independent Report of Factual Findings ('the Report') to be issued on the Auditor's letterhead, dated, stamped and signed by the Auditor (or the competent public officer) which includes the agreed-upon procedures ('the Procedures') to be performed by the Auditor, and the standard factual findings ('the Findings') to be confirmed by the Auditor.

If the CFS must be included in the final report according to Article 13 of the Specific Agreement, the request for payment of the balance relating to the Agreement cannot be made without the CFS. However, the payment for reimbursement of costs covered by the CFS does not preclude the [Commission,][Agency,] the European Anti-Fraud Office and the European Court of Auditors from carrying out checks, reviews, audits and investigations in accordance with Article 28 of the Framework Partnership Agreement.

1.2 Responsibilities

The [Partner] [Linked Third Party]:

- must draw up the Financial Statement(s) for the action financed by the Agreement in compliance with the obligations under the Agreement. The Financial Statement(s) must be drawn up according to the [Partner's] [Linked Third Party's] accounting and book-keeping system and the underlying accounts and records;
- must send the Financial Statement(s) to the Auditor;
- is responsible and liable for the accuracy of the Financial Statement(s);
- is responsible for the completeness and accuracy of the information provided to enable the Auditor to carry out the Procedures. It must provide the Auditor with a written representation letter supporting these statements. The written representation letter must state the period covered by the statements and must be dated;
- accepts that the Auditor cannot carry out the Procedures unless it is given full access to the [Partner's] [Linked Third Party's] staff and accounting as well as any other relevant records and documentation.

The Auditor:

- [Option 1 by default: is qualified to carry out statutory audits of accounting documents in accordance with Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC or similar national regulations].

- [Option 2 if the Partner or Linked Third Party has an independent Public Officer: is a competent and independent Public Officer for which the relevant national authorities have established the legal capacity to audit the Partner].
- [Option 3 if the Partner or Linked Third Party is an international organisation: is an [internal] [external] auditor in accordance with the internal financial regulations and procedures of the international organisation].

The Auditor:

- must be independent from the Partner [and the Linked Third Party], in particular, it must not have been involved in preparing the [Partner's] [Linked Third Party's] Financial Statement(s);
- must plan work so that the Procedures may be carried out and the Findings may be assessed;
- must adhere to the Procedures laid down and the compulsory report format;
- must carry out the engagement in accordance with this ToR;
- must document matters which are important to support the Report;
- must base its Report on the evidence gathered;
- must submit the Report to the [Partner] [Linked Third Party].

The Commission sets out the Procedures to be carried out by the Auditor. The Auditor is not responsible for their suitability or pertinence. As this engagement is not an assurance engagement, the Auditor does not provide an audit opinion or a statement of assurance.

1.3 Applicable Standards

The Auditor must comply with these Terms of Reference and with²⁸:

- the International Standard on Related Services ('ISRS') 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as issued by the International Federation of Accountants (IFAC);
- the *Code of Ethics for Professional Accountants* issued by the IFAC. Although ISRS 4400 states that independence is not a requirement for engagements to carry out agreed-upon procedures, the [Commission] [Agency] requires that the Auditor also complies with the Code's independence requirements.

The Auditor's Report must state that there is no conflict of interests in establishing this Report between the Auditor and the Partner [and the Linked Third Party], and must specify - if the service is invoiced - the total fee paid to the Auditor for providing the Report.

1.4 Reporting

The Report must be written in the language of the Agreement (see Article 13).

Under Article 28 of the Framework Partnership Agreement, the [Commission] [Agency], the European Anti-Fraud Office and the Court of Auditors have the right to audit any work that is carried out under the specific action and for which costs are declared from [the European Union] [Euratom]. This includes work related to this engagement. The Auditor must provide access to all working papers (e.g. recalculation of hourly rates, verification of the time declared for the action) related to this assignment if the [Commission] [Agency], the European Anti-Fraud Office or the European Court of Auditors requests them.

²⁸ Supreme Audit Institutions applying INTOSAI-standards may carry out the Procedures according to the corresponding International Standards of Supreme Audit Institutions and code of ethics issued by INTOSAI instead of the International Standard on Related Services ('ISRS') 4400 and the Code of Ethics for Professional Accountants issued by the IFAC.

Specific Grant Agreement number: [insert number] [insert acronym] [insert call identifier of the master call]

H2020 Model Specific Grant Agreement: December 2013

1.5 Timing

The Report must be provided by [dd Month yyyy].

1.6 Other terms

[The [Partner] [Linked Third Party] and the Auditor can use this section to agree other specific terms, such as the Auditor’s fees, liability, applicable law, etc. Those specific terms must not contradict the terms specified above.]

[legal name of the Auditor]	[legal name of the [Partner]][Linked Third Party]
[name & function of authorised representative]	[name & function of authorised representative]
[dd Month yyyy]	[dd Month yyyy]
Signature of the Auditor	Signature of the [Partner][Linked Third Party]

Independent Report of Factual Findings on costs declared under Horizon 2020 Research and Innovation Framework Programme

(To be printed on the Auditor's letterhead)

To
[name of contact person(s)], [Position]
[[Partner's] [Linked Third Party's] name]
[Address]
[dd Month yyyy]

Dear [Name of contact person(s)],

As agreed under the terms of reference dated [dd Month yyyy]

with [OPTION 1: [insert name of the partner] ('the Partner')] [OPTION 2: [insert name of the linked third party] ('the Linked Third Party'), third party linked to the Partner [insert name of the partner] ('the Partner')],

we

[name of the auditor] ('the Auditor'),

established at

[full address/city/state/province/country],

represented by

[name and function of an authorised representative],

have carried out the procedures agreed with you regarding the costs declared in the Financial Statement(s)²⁹ of the [Partner] [Linked Third Party] concerning the specific grant agreement

[insert specific agreement reference: number, title of the action and acronym] ('the Agreement'),

with a total cost declared of

[total amount] EUR,

and a total of actual costs and 'direct personnel costs declared as unit costs calculated in accordance with the [Partner's] [Linked Third Party's] usual cost accounting practices' declared of

[sum of total actual costs and total direct personnel costs declared as unit costs calculated in accordance with the [Partner's] [Linked Third Party's] usual cost accounting practices] EUR

and **hereby provide our Independent Report of Factual Findings ('the Report')** using the compulsory report format agreed with you.

The Report

Our engagement was carried out in accordance with the terms of reference ('the ToR') appended to this Report. The Report includes the agreed-upon procedures ('the Procedures') carried out and the standard factual findings ('the Findings') examined.

²⁹ By which the Partner declares costs under the Specific Agreement (see template 'Model Financial Statement' in Annex 3 to the Specific Agreement).

The Procedures were carried out solely to assist the [Commission] [Agency] in evaluating whether the [partner's] [Linked Third Party's] costs in the accompanying Financial Statement(s) were declared in accordance with the Agreement. The [Commission] [Agency] draws its own conclusions from the Report and any additional information it may require.

The scope of the Procedures was defined by the Commission. Therefore, the Auditor is not responsible for their suitability or pertinence. Since the Procedures carried out constitute neither an audit nor a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, the Auditor does not give a statement of assurance on the Financial Statements.

Had the Auditor carried out additional procedures or an audit of the [Partner's] [Linked Third Party's] Financial Statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to its attention and would have been included in the Report.

Not applicable Findings

We examined the Financial Statement(s) stated above and considered the following Findings not applicable:

Explanation (to be removed from the Report):

If a Finding was not applicable, it must be marked as 'N.A.' ('Not applicable') in the corresponding row on the right-hand column of the table and means that the Finding did not have to be corroborated by the Auditor and the related Procedure(s) did not have to be carried out.

The reasons of the non-application of a certain Finding must be obvious i.e.

- i) if no cost was declared under a certain category then the related Finding(s) and Procedure(s) are not applicable;*
- ii) if the condition set to apply certain Procedure(s) are not met the related Finding(s) and those Procedure(s) are not applicable. For instance, for Partners with accounts established in a currency other than euro' the Procedure and Finding related to 'partners with accounts established in euro' are not applicable. Similarly, if no additional remuneration is paid, the related Finding(s) and Procedure(s) for additional remuneration are not applicable.*

List here all Findings considered not applicable for the present engagement and explain the reasons of the non-applicability.

....

Exceptions

Apart from the exceptions listed below, the [Partner] [Linked Third Party] provided the Auditor all the documentation and accounting information needed by the Auditor to carry out the requested Procedures and evaluate the Findings.

Explanation (to be removed from the Report):

- If the Auditor was not able to successfully complete a procedure requested, it must be marked as 'E' ('Exception') in the corresponding row on the right-hand column of the table. The reason such as the inability to reconcile key information or the unavailability of data that prevents the Auditor from carrying out the Procedure must be indicated below.*
- If the Auditor cannot corroborate a standard finding after having carried out the corresponding procedure, it must also be marked as 'E' ('Exception') and, where possible,*

the reasons why the Finding was not fulfilled and its possible impact must be explained here below.

List here any exceptions and add any information on the cause and possible consequences of each exception, if known. If the exception is quantifiable, include the corresponding amount.

....

Example (to be removed from the Report):

- 1. The Partner was unable to substantiate the Finding number 1 on ... because*
- 2. Finding number 30 was not fulfilled because the methodology used by the partner to calculate unit costs was different from the one approved by the Commission. The differences were as follows: ...*
- 3. After carrying out the agreed procedures to confirm the Finding number 31, the Auditor found a difference of _____ EUR. The difference can be explained by ...*

Further Remarks

In addition to reporting on the results of the specific procedures carried out, the Auditor would like to make the following general remarks:

Example (to be removed from the Report):

- 1. Regarding Finding number 8 the conditions for additional remuneration were considered as fulfilled because ...*
- 2. In order to be able to confirm the Finding number 15 we carried out the following additional procedures:*

Use of this Report

This Report may be used only for the purpose described in the above objective. It was prepared solely for the confidential use of the [Partner] [Linked Third Party] and the [Commission] [Agency], and only to be submitted to the [Commission] [Agency] in connection with the requirements set out in Article 13 of the Specific Agreement. The Report may not be used by the [Partner] [Linked Third Party] or by the [Commission] [Agency] for any other purpose, nor may it be distributed to any other parties. The [Commission] [Agency] may only disclose the Report to authorised parties, in particular to the European Anti-Fraud Office (OLAF) and the European Court of Auditors.

This Report relates only to the Financial Statement(s) submitted to the [Commission] [Agency] by the [Partner] [Linked Third Party] for the Agreement. Therefore, it does not extend to any other of the [Partner's] [Linked Third Party's] Financial Statement(s).

There was no conflict of interest³⁰ between the Auditor and the Partner [and Linked Third Party] in establishing this Report. The total fee paid to the Auditor for providing the Report was EUR [] (including EUR [] of deductible VAT).

³⁰ A conflict of interest arises when the Auditor's objectivity to establish the certificate is compromised in fact or in appearance when the Auditor for instance:

- was involved in the preparation of the Financial Statements;

- stands to benefit directly should the certificate be accepted;

Specific Grant Agreement number: [insert number] [insert acronym] [insert call identifier of the master call]

H2020 Model Specific Grant Agreement: December 2013

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance.

[legal name of the Auditor]
[name and function of an authorised representative]
[dd Month yyyy]
Signature of the Auditor

-
- has a close relationship with any person representing the partner;
 - is a director, trustee or partner of the partner; or
 - is in any other situation that compromises his or her independence or ability to establish the certificate impartially.

Agreed-upon procedures to be performed and standard factual findings to be confirmed by the Auditor

The European Commission reserves the right to i) provide the auditor with additional guidance regarding the procedures to be followed or the facts to be ascertained and the way in which to present them (this may include sample coverage and findings) or to ii) change the procedures, by notifying the Partner in writing. The procedures carried out by the auditor to confirm the standard factual finding are listed in the table below.

If this certificate relates to a Linked Third Party, any reference here below to ‘the Partner’ is to be considered as a reference to ‘the Linked Third Party’.

The ‘result’ column has three different options: ‘C’, ‘E’ and ‘N.A.’:

- ‘C’ stands for ‘confirmed’ and means that the auditor can confirm the ‘standard factual finding’ and, therefore, there is no exception to be reported.
- ‘E’ stands for ‘exception’ and means that the Auditor carried out the procedures but cannot confirm the ‘standard factual finding’, or that the Auditor was not able to carry out a specific procedure (e.g. because it was impossible to reconcile key information or data were unavailable),
- ‘N.A.’ stands for ‘not applicable’ and means that the Finding did not have to be examined by the Auditor and the related Procedure(s) did not have to be carried out. The reasons of the non-application of a certain Finding must be obvious i.e. i) if no cost was declared under a certain category then the related Finding(s) and Procedure(s) are not applicable; ii) if the condition set to apply certain Procedure(s) are not met then the related Finding(s) and Procedure(s) are not applicable. For instance, for ‘Partners with accounts established in a currency other than the euro’ the Procedure related to ‘partners with accounts established in euro’ is not applicable. Similarly, if no additional remuneration is paid, the related Finding(s) and Procedure(s) for additional remuneration are not applicable.

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
A	ACTUAL PERSONNEL COSTS AND UNIT COSTS CALCULATED BY THE PARTNER IN ACCORDANCE WITH ITS USUAL COST ACCOUNTING PRACTICE		
	<p>The Auditor draws a sample of persons whose costs were declared in the Financial Statement(s) to carry out the procedures indicated in the consecutive points of this section A.</p> <p><i>(The sample should be selected randomly so that it is representative. Full coverage is required if there are fewer than 10 people (including employees, natural persons working under a direct contract and personnel seconded by a third party), otherwise the sample should have a minimum of 10 people, or 10% of the total, whichever number is the highest)</i></p> <p>The Auditor sampled [] people out of the total of [] people.</p>		

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
A.1	<p>PERSONNEL COSTS</p> <p><u>For the persons included in the sample and working under an employment contract or equivalent act (general procedures for individual actual personnel costs and personnel costs declared as unit costs)</u></p> <p>To confirm standard factual findings 1-5 listed in the next column, the Auditor reviewed following information/documents provided by the Partner:</p> <ul style="list-style-type: none"> ○ a list of the persons included in the sample indicating the period(s) during which they worked for the action, their position (classification or category) and type of contract; ○ the payslips of the employees included in the sample; ○ reconciliation of the personnel costs declared in the Financial Statement(s) with the accounting system (project accounting and general ledger) and payroll system; ○ information concerning the employment status and employment conditions of personnel included in the sample, in particular their employment contracts or equivalent; ○ the Partner’s usual policy regarding payroll matters (e.g. salary policy, overtime policy, variable pay); ○ applicable national law on taxes, labour and social security and ○ any other document that supports the personnel costs declared. <p>The Auditor also verified the eligibility of all components of the retribution (see Article 5 SGA) and recalculated the personnel costs for employees included in the sample.</p>	<p>1) The employees were i) directly hired by the Partner in accordance with its national legislation, ii) under the Partner’s sole technical supervision and responsibility and iii) remunerated in accordance with the Beneficiary’s usual practices.</p> <p>2) Personnel costs were recorded in the Partner's accounts/payroll system.</p> <p>3) Costs were adequately supported and reconciled with the accounts and payroll records.</p> <p>4) Personnel costs did not contain any ineligible elements.</p> <p>5) There were no discrepancies between the personnel costs charged to the action and the costs recalculated by the Auditor.</p>	
	<p><i>Further procedures if ‘additional remuneration’ is paid</i></p> <p>To confirm standard factual findings 6-9 listed in the next column, the Auditor:</p> <ul style="list-style-type: none"> ○ reviewed relevant documents provided by the Partner (legal form, legal/statutory 	<p>6) The Partner paying “additional remuneration” was a non-profit legal entity.</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>obligations, the Partner’s usual policy on additional remuneration, criteria used for its calculation...);</p> <ul style="list-style-type: none"> ○ recalculated the amount of additional remuneration eligible for the action based on the supporting documents received (full-time or part-time work, exclusive or non-exclusive dedication to the action, etc.) to arrive at the applicable FTE/year and pro-rata rate (see data collected in the course of carrying out the procedures under A.2 ‘Productive hours’ and A.4 ‘Time recording system’). <p><i>IF ANY PART OF THE REMUNERATION PAID TO THE EMPLOYEE IS NOT MANDATORY ACCORDING TO THE NATIONAL LAW OR THE EMPLOYMENT CONTRACT ("ADDITIONAL REMUNERATION") AND IS ELIGIBLE UNDER THE PROVISIONS OF ARTICLE 5.2.A.1, THIS CAN BE CHARGED AS ELIGIBLE COST TO THE ACTION UP TO THE FOLLOWING AMOUNT:</i></p> <p>(A) <i>IF THE PERSON WORKS FULL TIME AND EXCLUSIVELY ON THE ACTION DURING THE FULL YEAR: UP TO EUR 8 000/YEAR;</i></p> <p>(B) <i>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</i></p> <p>(C) <i>IF THE PERSON DOES NOT WORK EXCLUSIVELY ON THE ACTION: UP TO A PRO-RATA AMOUNT CALCULATED IN ACCORDANCE TO ARTICLE 5.2.A.1.</i></p>	<p>7) The amount of additional remuneration paid corresponded to the Partner’s usual remuneration practices and was consistently paid whenever the same kind of work or expertise was required.</p>	
		<p>8) The criteria used to calculate the additional remuneration were objective and generally applied by the Partner regardless of the source of funding used.</p>	
		<p>9) The amount of additional remuneration included in the personnel costs charged to the action was capped at EUR 8,000 per FTE/year (up to the equivalent pro-rata amount if the person did not work on the action full-time during the year or did not work exclusively on the action).</p>	
	<p><i>Additional procedures in case “unit costs calculated by the Partner in accordance with its usual cost accounting practices” is applied:</i></p> <p>Apart from carrying out the procedures indicated above to confirm standard factual findings 1-5 and, if applicable, also 6-9, the Auditor carried out following procedures to confirm standard factual findings 10-13 listed in the next column:</p> <ul style="list-style-type: none"> ○ obtained a description of the Partner's usual cost accounting practice to calculate unit 	<p>10) The personnel costs included in the Financial Statement were calculated in accordance with the Partner's usual cost accounting practice. This methodology was consistently used in all H2020 actions.</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>costs;</p> <ul style="list-style-type: none"> ○ reviewed whether the Partner's usual cost accounting practice was applied for the Financial Statements subject of the present CFS; ○ verified the employees included in the sample were charged under the correct category (in accordance with the criteria used by the Partner to establish personnel categories) by reviewing the contract/HR-record or analytical accounting records; ○ verified that there is no difference between the total amount of personnel costs used in calculating the cost per unit and the total amount of personnel costs recorded in the statutory accounts; ○ verified whether actual personnel costs were adjusted on the basis of budgeted or estimated elements and, if so, verified whether those elements used are actually relevant for the calculation, objective and supported by documents. 	<p>11) The employees were charged under the correct category.</p> <p>12) Total personnel costs used in calculating the unit costs were consistent with the expenses recorded in the statutory accounts.</p> <p>13) Any estimated or budgeted element used by the Partner in its unit-cost calculation were relevant for calculating personnel costs and corresponded to objective and verifiable information.</p>	
	<p><u>For natural persons included in the sample and working with the Partner under a direct contract other than an employment contract, such as consultants (no subcontractors).</u></p> <p>To confirm standard factual findings 14-18 listed in the next column the Auditor reviewed following information/documents provided by the Partner:</p> <ul style="list-style-type: none"> ○ the contracts, especially the cost, contract duration, work description, place of work, ownership of the results and reporting obligations to the Partner; ○ the employment conditions of staff in the same category to compare costs and; ○ any other document that supports the costs declared and its registration (e.g. invoices, accounting records, etc.). 	<p>14) The natural persons reported to the Partner (worked under the Partner's instructions).</p> <p>15) They worked on the Partner's premises (unless otherwise agreed with the Partner).</p> <p>16) The results of work carried out belong to the Partner.</p> <p>17) Their costs were not significantly different from those for staff who performed similar tasks under an employment contract with the Partner.</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p><u>For personnel seconded by a third party and included in the sample (not subcontractors)</u></p> <p>To confirm standard factual findings 19-22 listed in the next column, the Auditor reviewed following information/documents provided by the Partner:</p> <ul style="list-style-type: none"> ○ their secondment contract(s) notably regarding costs, duration, work description, place of work and ownership of the results; ○ if there is reimbursement by the Partner to the third party for the resource made available (in-kind contribution against payment): any documentation that supports the costs declared (e.g. contract, invoice, bank payment, and proof of registration in its accounting/payroll, etc.) and reconciliation of the Financial Statement(s) with the accounting system (project accounting and general ledger) as well as any proof that the amount invoiced by the third party did not include any profit. ○ if there is no reimbursement by the Partner to the third party for the resource made available (in-kind contribution free of charge): a proof of the actual cost borne by the Third Party for the resource made available free of charge to the Partner such as a statement of costs incurred by the Third Party and proof of the registration in the Third Party's accounting/payroll,; ○ any other document that supports the costs declared (e.g. invoices, etc.). 	18) The costs were supported by audit evidence and registered in the accounts.	
		19) Seconded personnel reported to the Partner and worked on the Partner's premises (unless otherwise agreed with the Partner).	
		20) The results of work carried out belong to the Partner.	
		<p><i>If personnel is seconded against payment:</i></p> <p>21) The costs declared were supported with documentation and recorded in the Partner's accounts. The third party did not include any profit.</p>	
		<p><i>If personnel is seconded free of charge:</i></p> <p>22) The costs declared did not exceed the third party's cost as recorded in the accounts of the third party and were supported with documentation.</p>	
A.2	<p>PRODUCTIVE HOURS</p> <p>To confirm standard factual findings 23-28 listed in the next column, the Auditor reviewed relevant documents, especially national legislation, labour agreements and contracts and time records of the persons included in the sample, to verify that:</p>	23) The Partner applied method [choose one option and delete the others]	

[A: 1720 hours]

[B: the 'total number of hours

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<ul style="list-style-type: none"> ○ the annual productive hours applied were calculated in accordance with one of the methods described below, ○ the full-time equivalent (FTEs) ratios for employees not working full-time were correctly calculated. <p>If the Partner applied method B, the auditor verified that the correctness in which the total number of hours worked was calculated and that the contracts specified the annual workable hours.</p> <p>If the Partner applied method C, the auditor verified that the ‘annual productive hours’ applied when calculating the hourly rate were equivalent to at least 90 % of the ‘standard annual workable hours’. The Auditor can only do this if the calculation of the standard annual workable hours can be supported by records, such as national legislation, labour agreements, and contracts.</p> <p><i>PARTNER'S PRODUCTIVE HOURS' FOR PERSONS WORKING FULL TIME SHALL BE ONE OF THE FOLLOWING METHODS:</i></p> <p><i>A. 1720 ANNUAL PRODUCTIVE HOURS (PRO-RATA FOR PERSONS NOT WORKING FULL-TIME)</i></p> <p><i>B. THE TOTAL NUMBER OF HOURS WORKED BY THE PERSON FOR THE PARTNER IN THE YEAR (THIS METHOD IS ALSO REFERRED TO AS ‘TOTAL NUMBER OF HOURS WORKED’ IN THE NEXT COLUMN). THE CALCULATION OF THE TOTAL NUMBER OF HOURS WORKED WAS DONE AS FOLLOWS: ANNUAL WORKABLE HOURS OF THE PERSON ACCORDING TO THE EMPLOYMENT CONTRACT, APPLICABLE LABOUR AGREEMENT OR NATIONAL LAW PLUS OVERTIME WORKED MINUS ABSENCES (SUCH AS SICK LEAVE OR SPECIAL LEAVE).</i></p> <p><i>C. THE STANDARD NUMBER OF ANNUAL HOURS GENERALLY APPLIED BY THE PARTNER FOR ITS PERSONNEL IN ACCORDANCE WITH ITS USUAL COST ACCOUNTING PRACTICES (THIS METHOD IS ALSO REFERRED TO AS ‘TOTAL ANNUAL PRODUCTIVE HOURS’ IN THE NEXT COLUMN). THIS NUMBER MUST BE AT LEAST 90% OF THE STANDARD ANNUAL WORKABLE HOURS.</i></p> <p><i>‘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</i></p>	<p>worked’]</p> <p>[C: ‘annual productive hours’ used correspond to usual accounting practices]</p> <p>24) Productive hours were calculated annually.</p> <p>25) For employees not working full-time the full-time equivalent (FTE) ratio was correctly applied.</p> <p><i>If the Partner applied method B.</i></p> <p>26) The calculation of the number of ‘annual workable hours’, overtime and absences was verifiable based on the documents provided by the Partner.</p> <p><i>If the Partner applied method C.</i></p> <p>27) The calculation of the number of ‘standard annual workable hours’ was verifiable based on the documents provided by the Partner.</p> <p>28) The ‘annual productive hours’ used for calculating the hourly rate were consistent with the usual cost accounting practices of the Partner and were equivalent to at least 90 % of</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<i>THE EMPLOYMENT CONTRACT, APPLICABLE COLLECTIVE LABOUR AGREEMENT OR NATIONAL WORKING TIME LEGISLATION.</i>	the 'annual workable hours'.	
A.3	<p>HOURLY PERSONNEL RATES</p> <p><u>D) For unit costs calculated in accordance to the Partner's usual cost accounting practice (unit costs):</u></p> <p>If the Partner has a "Certificate on Methodology to calculate unit costs " (CoMUC) approved by the Commission, the Partner provides the Auditor with a description of the approved methodology and the Commission's letter of acceptance. The Auditor verified that the Partner has indeed used the methodology approved. If so, no further verification is necessary.</p> <p>If the Partner does not have a "Certificate on Methodology" (CoMUC) approved by the Commission, or if the methodology approved was not applied, then the Auditor:</p> <ul style="list-style-type: none"> ○ reviewed the documentation provided by the Partner, including manuals and internal guidelines that explain how to calculate hourly rates; ○ recalculated the unit costs (hourly rates) of staff included in the sample following the results of the procedures carried out in A.1 and A.2. <p><u>II) For individual hourly rates:</u></p> <p>The Auditor:</p> <ul style="list-style-type: none"> ○ reviewed the documentation provided by the Partner, including manuals and internal guidelines that explain how to calculate hourly rates; ○ recalculated the hourly rates of staff included in the sample following the results of the procedures carried out in A.1 and A.2. 	<p>29) The Partner applied [<i>choose one option and delete the other</i>]:</p> <p>[Option I: "Unit costs (hourly rates) were calculated in accordance with the Partner's usual cost accounting practices"]</p> <p>[Option II: Individual hourly rates were applied]</p> <p><i>For option I concerning unit costs and if the Partner applies the methodology approved by the Commission (CoMUC):</i></p> <p>30) The Partner used the Commission-approved methodology to calculate hourly rates. It corresponded to the organisation's usual cost accounting practices and was applied consistently for all activities irrespective of the source of funding.</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p><u>“UNIT COSTS CALCULATED BY THE PARTNER IN ACCORDANCE WITH ITS USUAL COST ACCOUNTING PRACTICES”:</u> <i>IT IS CALCULATED BY DIVIDING THE TOTAL AMOUNT OF PERSONNEL COSTS OF THE CATEGORY TO WHICH THE EMPLOYEE BELONGS VERIFIED IN LINE WITH PROCEDURE A.1 BY THE NUMBER OF FTE AND THE ANNUAL TOTAL PRODUCTIVE HOURS OF THE SAME CATEGORY CALCULATED BY THE PARTNER IN ACCORDANCE WITH PROCEDURE A.2.</i></p> <p><u>HOURLY RATE FOR INDIVIDUAL ACTUAL PERSONAL COSTS:</u> <i>IT IS CALCULATED BY DIVIDING THE TOTAL AMOUNT OF PERSONNEL COSTS OF AN EMPLOYEE VERIFIED IN LINE WITH PROCEDURE A.1 BY THE NUMBER OF ANNUAL PRODUCTIVE HOURS VERIFIED IN LINE WITH PROCEDURE A.2.</i></p>	<p><i>For option I concerning unit costs and if the Partner applies a methodology not approved by the Commission:</i></p> <p>31) The unit costs re-calculated by the Auditor were the same as the rates applied by the Partner.</p> <p><i>For option II concerning individual hourly rates:</i></p> <p>32) The individual rates re-calculated by the Auditor were the same as the rates applied by the Partner.</p>	
A.4	<p>TIME RECORDING SYSTEM</p> <p>To verify that the time recording system ensures the fulfilment of all minimum requirements and that the hours declared for the action were correct, accurate and properly authorised and supported by documentation, the Auditor made the following checks for the persons included in the sample that declare time as worked for the action on the basis of time records:</p> <ul style="list-style-type: none"> ○ description of the time recording system provided by the Partner (registration, authorisation, processing in the HR-system); ○ its actual implementation; ○ time records were signed at least monthly by the employees (on paper or electronically) and authorised by the project manager or another manager; ○ the hours declared were worked within the project period; ○ there were no hours declared as worked for the action if HR-records showed absence due to holidays or sickness (further cross-checks with travels are carried out in B.1 below) ; ○ the hours charged to the action matched those in the time recording system. 	<p>33) All persons recorded their time dedicated to the action on a daily/ weekly/ monthly basis using a paper/computer-based system. <i>(delete the answers that are not applicable)</i></p> <p>34) Their time-records were authorised at least monthly by the project manager or other superior.</p>	
		<p>35) Hours declared were worked within the project period and were consistent with the presences/absences recorded in</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p><i>ONLY THE HOURS WORKED ON THE ACTION CAN BE CHARGED. ALL WORKING TIME TO BE CHARGED SHOULD BE RECORDED THROUGHOUT THE DURATION OF THE PROJECT, ADEQUATELY SUPPORTED BY EVIDENCE OF THEIR REALITY AND RELIABILITY (SEE SPECIFIC PROVISIONS BELOW FOR PERSONS WORKING EXCLUSIVELY FOR THE ACTION WITHOUT TIME RECORDS).</i></p> <p><u>If the persons are working exclusively for the action and without time records</u></p> <p>For the persons selected that worked exclusively for the action without time records, the Auditor verified evidence available demonstrating that they were in reality exclusively dedicated to the action and that the Partner signed a declaration confirming that they have worked exclusively for the action.</p>	<p>HR-records.</p> <p>36) There were no discrepancies between the number of hours charged to the action and the number of hours recorded.</p> <p>37) The exclusive dedication is supported by a declaration signed by the Partner's and by any other evidence gathered.</p>	
B	COSTS OF SUBCONTRACTING		
B.1	<p>The Auditor obtained the detail/breakdown of subcontracting costs and sampled [REDACTED] cost items selected randomly (full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest).</p> <p>To confirm standard factual findings 38-42 listed in the next column, the Auditor reviewed the following for the items included in the sample:</p> <ul style="list-style-type: none"> ○ the use of subcontractors was foreseen in Annex I; ○ subcontracting costs were declared in the subcontracting category of the Financial Statement; ○ supporting documents on the selection and award procedure were followed; ○ the Partner ensured best value for money (key elements to appreciate the respect of this principle are the award of the subcontract to the bid offering best price-quality ratio, under conditions of transparency and equal treatment. In case an existing framework contract was used the Partner ensured it was established on the basis of the principle of best value for money under conditions of transparency and equal treatment). 	<p>38) The use of claimed subcontracting costs was foreseen in Annex I and costs were declared in the Financial Statements under the subcontracting category.</p> <p>39) There were documents of requests to different providers, different offers and assessment of the offers before selection of the provider in line with internal procedures and</p>	

procurement rules. Subcontracts were awarded in accordance with the principle of best value for money.

(When different offers were not

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>In particular,</p> <ul style="list-style-type: none"> i. if the Partner acted as a contracting authority within the meaning of Directive 2004/18/EC or of Directive 2004/17/EC, the Auditor verified that the applicable national law on public procurement was followed and that the subcontracting complied with the Terms and Conditions of the Agreement. ii. if the Partner did not fall under the above-mentioned category the Auditor verified that the Partner followed their usual procurement rules and respected the Terms and Conditions of the Agreement.. <p>For the items included in the sample the Auditor also verified that:</p> <ul style="list-style-type: none"> o the subcontracts were not awarded to other Partners in the consortium; o there were signed agreements between the Partner and the subcontractor; o there was evidence that the services were provided by subcontractor; 	<p><i>collected the Auditor explains the reasons provided by the Partner under the caption “Exceptions” of the Report. The Commission will analyse this information to evaluate whether these costs might be accepted as eligible)</i></p> <p>40) The subcontracts were not awarded to other Partners of the consortium.</p> <p>41) All subcontracts were supported by signed agreements between the Partner and the subcontractor.</p> <p>42) There was evidence that the services were provided by the subcontractors.</p>	
C	COSTS OF PROVIDING FINANCIAL SUPPORT TO THIRD PARTIES		
C.1	<p>The Auditor obtained the detail/breakdown of the costs of providing financial support to third parties and sampled [REDACTED] cost items selected randomly <i>(full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest).</i></p> <p>The Auditor verified that the following minimum conditions were met:</p> <ul style="list-style-type: none"> a) the maximum amount of financial support for each third party did not exceed EUR 60 000, unless explicitly mentioned in Annex I; b) the financial support to third parties was agreed in Annex I of the Agreement and the 	<p>43) All minimum conditions were met</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	other provisions on financial support to third parties included in Annex I were respected.		
D	OTHER ACTUAL DIRECT COSTS		
D.1	<p>COSTS OF TRAVEL AND RELATED SUBSISTENCE ALLOWANCES</p> <p>The Auditor sampled [REDACTED] cost items selected randomly (<i>full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is the highest</i>).</p> <p>The Auditor inspected the sample and verified that:</p> <ul style="list-style-type: none"> ○ travel and subsistence costs were consistent with the Partner 's usual policy for travel. In this context, the Partner provided evidence of its normal policy for travel costs (e.g. use of first class tickets, reimbursement by the Partner on the basis of actual costs, a lump sum or per diem) to enable the Auditor to compare the travel costs charged with this policy; ○ travel costs are correctly identified and allocated to the action (e.g. trips are directly linked to the action) by reviewing relevant supporting documents such as minutes of meetings, workshops or conferences, their registration in the correct project account, their consistency with time records or with the dates/duration of the workshop/conference; ○ no ineligible costs or excessive or reckless expenditure was declared. 	<p>44) Costs were incurred, approved and reimbursed in line with the Partner 's usual policy for travels.</p> <p>45) There was a link between the trip and the action.</p> <p>46) The supporting documents were consistent with each other regarding subject of the trip, dates, duration and reconciled with time records and accounting.</p> <p>47) No ineligible costs or excessive or reckless expenditure was declared.</p>	
D.2	<p>DEPRECIATION COSTS FOR EQUIPMENT, INFRASTRUCTURE OR OTHER ASSETS</p> <p>The Auditor sampled [REDACTED] cost items selected randomly (<i>full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is the highest</i>).</p> <p>For “equipment, infrastructure or other assets” [from now on called “asset(s)”] selected in the sample the Auditor verified that:</p> <ul style="list-style-type: none"> ○ the assets were acquired in conformity with the Partner's internal guidelines and procedures; 	<p>48) Procurement rules, principles and guides were followed.</p> <p>49) There was a link between the grant agreement and the asset charged to the action.</p> <p>50) The asset charged to the action was traceable to the accounting records and the underlying documents.</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<ul style="list-style-type: none"> ○ they were correctly allocated to the action (with supporting documents such as delivery note invoice or any other proof demonstrating the link to the action) ○ they were entered in the accounting system; ○ the extent to which the assets were used for the action (as a percentage) was supported by reliable documentation (e.g. usage overview table); <p>The Auditor recalculated the depreciation costs and verified that they were in line with the applicable rules in the Partner's country and with the Partner's usual accounting policy (e.g. depreciation calculated on the acquisition value).</p> <p>The Auditor verified that no ineligible costs such as deductible VAT, exchange rate losses, excessive or reckless expenditure were declared (see Article 5 SGA).</p>	<p>51) The depreciation method used to charge the asset to the action was in line with the applicable rules of the Partner's country and the Partner's usual accounting policy.</p> <p>52) The amount charged corresponded to the actual usage for the action.</p> <p>53) No ineligible costs or excessive or reckless expenditure were declared.</p>	
D.3	<p>COSTS OF OTHER GOODS AND SERVICES</p> <p>The Auditor sampled [REDACTED] cost items selected randomly (<i>full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest</i>).</p> <p>For the purchase of goods, works or services included in the sample the Auditor verified that:</p> <ul style="list-style-type: none"> ○ the contracts did not cover tasks described in Annex 1; ○ they were correctly identified, allocated to the proper action, entered in the accounting system (traceable to underlying documents such as purchase orders, invoices and accounting); ○ the goods were not placed in the inventory of durable equipment; ○ the costs charged to the action were accounted in line with the Partner's usual accounting practices; ○ no ineligible costs or excessive or reckless expenditure were declared (see Article 5 SGA). <p>In addition, the Auditor verified that these goods and services were acquired in conformity with</p>	<p>54) Contracts for works or services did not cover tasks described in Annex 1.</p> <p>55) Costs were allocated to the correct action and the goods were not placed in the inventory of durable equipment.</p> <p>56) The costs were charged in line with the Partner's accounting policy and were adequately supported.</p> <p>57) No ineligible costs or excessive or reckless expenditure were declared. For internal invoices/charges only the cost element was charged, without</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>the Partner 's internal guidelines and procedures, in particular:</p> <ul style="list-style-type: none"> ○ if Partner acted as a contracting authority within the meaning of Directive 2004/18/EC or of Directive 2004/17/EC, the Auditor verified that the applicable national law on public procurement was followed and that the procurement contract complied with the Terms and Conditions of the Agreement. ○ if the Partner did not fall into the category above, the Auditor verified that the Partner followed their usual procurement rules and respected the Terms and Conditions of the Agreement. <p>For the items included in the sample the Auditor also verified that:</p> <ul style="list-style-type: none"> ○ the Partner ensured best value for money (key elements to appreciate the respect of this principle are the award of the contract to the bid offering best price-quality ratio, under conditions of transparency and equal treatment. In case an existing framework contract was used the Auditor also verified that the Partner ensured it was established on the basis of the principle of best value for money under conditions of transparency and equal treatment); <p><i>SUCH GOODS AND SERVICES INCLUDE, FOR INSTANCE, CONSUMABLES AND SUPPLIES, DISSEMINATION (INCLUDING OPEN ACCESS), PROTECTION OF RESULTS, SPECIFIC EVALUATION OF THE ACTION IF IT IS REQUIRED BY THE AGREEMENT, CERTIFICATES ON THE FINANCIAL STATEMENTS IF THEY ARE REQUIRED BY THE AGREEMENT AND CERTIFICATES ON THE METHODOLOGY, TRANSLATIONS, REPRODUCTION.</i></p>	<p>any mark-ups.</p> <p>58) Procurement rules, principles and guides were followed. There were documents of requests to different providers, different offers and assessment of the offers before selection of the provider in line with internal procedures and procurement rules. The purchases were made in accordance with the principle of best value for money.</p> <p><i>(When different offers were not collected the Auditor explains the reasons provided by the Partner under the caption "Exceptions" of the Report. The Commission will analyse this information to evaluate whether these costs might be accepted as eligible)</i></p>	
D.4	<p>AGGREGATED CAPITALISED AND OPERATING COSTS OF RESEARCH INFRASTRUCTURE</p> <p>The Auditor ensured the existence of a positive ex-ante assessment (issued by the EC Services) of the cost accounting methodology of the Partner allowing it to apply the guidelines on direct costing for large research infrastructures in Horizon 2020.</p>	<p>59) The costs declared as direct costs for Large Research Infrastructures (in the appropriate line of the Financial Statement) comply with the methodology</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p><i>In the cases that a positive ex-ante assessment has been issued (see the standard factual findings 59-60 on the next column),</i> The Auditor ensured that the Partner has applied consistently the methodology that is explained and approved in the positive ex ante assessment;</p> <p><i>In the cases that a positive ex-ante assessment has NOT been issued (see the standard factual findings 61 on the next column),</i> The Auditor verified that no costs of Large Research Infrastructure have been charged as direct costs in any costs category;</p> <p><i>In the cases that a draft ex-ante assessment report has been issued with recommendation for further changes (see the standard factual findings 61 on the next column),</i></p> <ul style="list-style-type: none"> The Auditor followed the same procedure as above (when a positive ex-ante assessment has NOT yet been issued) and paid particular attention (testing reinforced) to the cost items for which the draft ex-ante assessment either rejected the inclusion as direct costs for Large Research Infrastructures or issued recommendations. 	<p>described in the positive ex-ante assessment report.</p> <p>60) Any difference between the methodology applied and the one positively assessed was extensively described and adjusted accordingly.</p> <p>61) The direct costs declared were free from any indirect costs items related to the Large Research Infrastructure.</p>	
E	USE OF EXCHANGE RATES		
E.1	<p>a) For Partners with accounts established in a currency other than euros</p> <p>The Auditor sampled [REDACTED] cost items selected randomly and verified that the exchange rates used for converting other currencies into euros were in accordance with the following rules established in the Agreement (full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest):</p> <p><i>COSTS INCURRED IN ANOTHER CURRENCY SHALL BE CONVERTED INTO EURO AT THE AVERAGE OF THE DAILY EXCHANGE RATES PUBLISHED IN THE C SERIES OF OFFICIAL JOURNAL OF THE EUROPEAN UNION (https://www.ecb.int/stats/exchange/eurofxref/html/index.en.html), DETERMINED OVER THE CORRESPONDING REPORTING PERIOD.</i></p> <p><i>IF NO DAILY EURO EXCHANGE RATE IS PUBLISHED IN THE OFFICIAL JOURNAL OF THE EUROPEAN UNION FOR THE CURRENCY IN QUESTION, CONVERSION SHALL BE MADE AT THE AVERAGE OF THE MONTHLY ACCOUNTING RATES ESTABLISHED BY THE COMMISSION AND PUBLISHED ON ITS WEBSITE</i></p>	<p>62) The exchange rates used to convert other currencies into Euros were in accordance with the rules established of the Specific Grant Agreement and there was no difference in the final figures.</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>(http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm), DETERMINED OVER THE CORRESPONDING REPORTING PERIOD.</p>		
	<p>b) For Partners with accounts established in euros</p> <p>The Auditor sampled [REDACTED] cost items selected randomly and verified that the exchange rates used for converting other currencies into euros were in accordance with the following rules established in the Agreement (full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest):</p> <p><i>COSTS INCURRED IN ANOTHER CURRENCY SHALL BE CONVERTED INTO EURO BY APPLYING THE PARTNER'S USUAL ACCOUNTING PRACTICES.</i></p>	63) The Partner applied its usual accounting practices.	

[legal name of the audit firm]

[name and function of an authorised representative]

<dd Month yyyy>

<Signature of the Auditor>