



# HORIZON 2020

## Reporting and Payments

### Legal Basis

# Types of payments (Article 21)



One *pre-financing*



One or several *interim payments*



One *payment of the balance*

# Payments

- Payments will be made to the **coordinator** to the **bank account** established in the grant agreement
- Coordinator must distribute the payments to the beneficiaries without **unjustified delay**
- The coordinator will inform about the **distribution of the payments**: if the Commission/Agency requires it, in the event of a recovery at payment of the balance, if the participation of a beneficiary is terminated
- If the Commission/Agency does not pay within the deadline, the beneficiaries are entitled to a **late-payment interest**

# 1. At the signature of the grant

## One *pre-financing payment*

### When

- Within 30 days from the signature of the grant or 10 days before the starting date, whichever is latest

### How much

- Usually = maximum grant amount / number of periods
- Retention 5 % of maximum grant for Guarantee Fund

### Characteristics

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

# Pre-financing: example

EXAMPLE			
Maximum grant amount (Article 5.1)	Funding rate	Reporting periods	Guarantee Fund (5 % x 1 000 000)
<b>1 000 000</b>	<b>100%</b>	<b>3</b>	<b>50 000</b>

Usual pre-financing = maximum grant amount / number of periods

$$1\ 000\ 000\ \text{€} / 3 = 333\ 334\ \text{€}$$

## Pre-financing Payment

$$\begin{array}{l} 283\ 334\ \text{€} \\ \text{Transferred to the} \\ \text{consortium} \end{array} + \begin{array}{l} 50\ 000\ \text{€} \\ \text{Transferred to the} \\ \text{Guarantee Fund} \end{array} = 333\ 334\ \text{€}$$

# 2.1 After the end of each interim period

## Periodic report

⇒ submitted by **coordinator 60 days after end of reporting period**

### **Periodic Technical Report**

- ✓ explanation of the work carried out
- ✓ overview of progress (milestones and deliverables)
- ✓ summary for publication
- ✓ plan for the exploitation and dissemination of results (if required)
- ✓ answers to the questionnaire

### **Periodic Financial Report**

- ✓ Financial Statement (individual & summary)
- ✓ Explanation of the use of the resources

## 2.2 After the end of each interim period

### An interim payment

#### When

- 90 days from reception of periodic reports

#### How much

- EU contribution corresponding to the eligible costs incurred in the reporting period
- Limit = 90 % of the maximum grant amount

#### Characteristics

- Ineligible costs will be rejected and not taken into account for the payment

# 3.1 After the end of the last reporting period

## Final report

⇒ submitted by **coordinator 60 days after end of last reporting period**

In addition to the periodic report

### **Final Technical Report**

- ✓ Summary for publication, containing:
- ❖ overview of results and their exploitation & dissemination
- ❖ conclusions of the action and its socioeconomic impact

### **Final Financial Report**

- ✓ Summary Financial Statement
- ✓ Certificate on Financial Statement (if needed)



## 3.2 After the end of the last reporting period

### A payment of the balance

#### When

- 90 days from reception of final reports

#### How much

- Reimburses the remaining part of the eligible cost incurred
- Includes the release of the Guarantee Fund (GF)

#### Characteristics

- **If  $\Sigma$  payments made < final grant amount :** *payment*
- **If  $\Sigma$  payments made > final grant amount :** *recovery* → first by offsetting with GF released, if not enough, by a recovery order
- If applicable: receipts & reduction of the grant will be taken into account to determine the final grant amount

# Final grant amount: example

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

## Step 1

Total approved eligible costs X reimbursement rate (100% research actions/70% and 100% innovation actions)

$$220 * 100 \% = 220$$

## Step 2

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

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

## Step 3

**If reduction due to the no-profit rule**

(Profit (only if positive) = Step 2 + receipts – Eligible cost)

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

## Step 4

If reduction due to improper implementation or breach obligations under GA, the lower between Step 3 and the reduced maximum grant

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



## The consortium is late: no reports on time

- ➡ The Commission/Agency will send a reminder
- ➡ The payment deadline is suspended
- ➡ If still not submitted after 30 days, the Commission/Agency **may terminate the grant agreement !**



## One beneficiary is late: its report is not ready

- ➡ The Coordinator may decide to submit the reports without that beneficiary
- ➡ Beneficiary's costs will be considered 'zero' for this reporting period, but it can declare its costs with the next reporting period

# Reporting: what happens after submission?

## The Commission / Agency analyse the reports and:



The reports are complete and satisfactory, so it pays



The reports are incomplete / further information is needed:



Commission/Agency request information to coordinator



Payment deadline is suspended



In exceptional cases the Commission / Agency may:



Reject the reports giving justification



Suspend the payments for one or more beneficiaries



Terminate the grant

# Reminders for the financial reports

- The reports must be in the language of the agreement: generally **English**
- The financial reports must be **in €**
- **Linked third parties** fill in a separate financial statement but only their beneficiaries can encode it in the IT system
- Don't forget to submit the **Certificate on the financial statements** (for beneficiaries and/or the linked third parties), if needed
  - \* as part of the final report
  - \* when total EU contribution claimed by the beneficiary on the basis of actual costs + unit costs for average personnel  $\geq$  EUR 325.000 (excluding e.g. flat rates !)



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**Thank you  
for your attention!**

... and stay with us for the explanations on the practical aspects