HORIZON 2020

Reporting and Payments

Legal Basis
Types of payments (Article 21)

1. One pre-financing
2. One or several *interim payments*
3. One *payment of the balance*

Disclaimer: Information not legally binding
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

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### Pre-financing: example

<table>
<thead>
<tr>
<th>EXAMPLE</th>
<th>Maximum grant amount (Article 5.1)</th>
<th>Funding rate</th>
<th>Reporting periods</th>
<th>Guarantee Fund (5% x 1 000 000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 000 000</td>
<td>100%</td>
<td>3</td>
<td>50 000</td>
<td></td>
</tr>
</tbody>
</table>

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

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

**Pre-financing Payment**

\[
283 334 \text{ €} + 50 000 \text{ €} = 333 334 \text{ €}
\]

Transferred to the consortium

Transferred to the Guarantee Fund

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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

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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)

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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 $\sum$ payments made $< \text{final grant amount}$: payment
- If $\sum$ payments made $> \text{final grant amount}$:
  - 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

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**Final grant amount: example**

<table>
<thead>
<tr>
<th>EXAMPLE</th>
<th>Maximum grant amount</th>
<th>Approved eligible costs</th>
<th>Funding rate</th>
<th>If Receipts</th>
<th>If Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>200</td>
<td>220</td>
<td>100%</td>
<td>30</td>
<td>20</td>
</tr>
</tbody>
</table>

**Step 1**

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

\[
220 \times 100\% = 220
\]

**Step 2**

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

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

Lower between (190; (200 - 20)) \Rightarrow 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
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 ≥ 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