



European
Commission

H2020-ITN-2015 Info Day

Finance

Francisca CUESTA SÁNCHEZ

Research Executive Agency
Unit REA-A1

Research
Executive
Agency

Overview



- 1. EU contribution**
- 2. Eligible & ineligible costs**
- 3. Funding mechanism**
- 4. Cost categories**
- 5. Records**
- 6. Parental and maternity leave**
- 7. Partner organisations**
- 8. Subcontracting**
- 9. Participant Guarantee Fund**
- 10. Project financial lifecycle**
- 11. Information sources**

A maximum grant amount

Where is it recorded?

- Grant Agreement - Article 5.1
- Annex 2

For ETN and EJD actions:

- Based on GA, no more than 40% of the maximum grant amount may be allocated to beneficiaries located in the same country or to any one international European interest organisation or international organisation.



H2020 Model Grant Agreement for
Marie Skłodowska-Curie Innovative Training
Networks (H2020 MGA MSC-ITN — Multi)

Eligible and Ineligible Costs

Article 6

Eligible costs:

- Unit costs (defined by the cost categories)
- Units incurred during the action duration
- Necessary for implementing the action
- Number of units must be identifiable and verifiable and supported with evidence
- Burden of proof of unit eligibility on the beneficiary

Ineligible costs:

- Costs which do not comply with the conditions in the GA
- Costs reimbursed under another EU or Euratom grant

**1 unit
=
1 month of
eligible ESR**

Funding Mechanism

- Fully based on unit costs
- 1 researcher month = 1 unit
- Amounts in EUR per unit cost
- Total = unit costs x number of units

1 unit
=
**1 month of
eligible ESR**

Costs categories

A. Costs for Recruited Researchers:

- A.1 Living allowance
- A.2 Mobility allowance
- A.3 Family allowance

B. Institutional Costs:

- B.1 Research, training and networking costs
- B.2 Management and indirect costs

Costs categories summary

**1 unit
=
1 month of
eligible ESR**

Researcher			Institution	
<u>Living allowance*</u>	Mobility allowance	Family allowance	Research, training and networking costs	Management and indirect costs
<u>3 110</u>	600	500	1 800	1 200

*multiplied by the country correction coefficient

Base rates for 2015

A. Costs for recruited researchers

A1. Living allowance:

Employment Contract or Fixed amount fellowship?

Already agreed during grant agreement preparation, in general:

- Fellows should always be paid with employment contract (Type A).
- Fixed amount fellowship (Type B) should only be given where national regulation would prohibit the possibility of appointing a researcher under an employment contract and only with the prior consent of the Project Officer.

What does it include?

Monthly salary for the fellow before any deductions: contributions of both employers and employees to social security, pension, taxation, voluntary deductions.

Living allowance calculation

➤ **Type of contract**

Employment contract (**Type A**) \Rightarrow Monthly ref. rate: EUR 3110

OR

Fixed-amount fellowship (**Type B**) \Rightarrow 50% of Type A rate

- Must be multiplied by the **Country Correction Coefficient** of the recruiting beneficiary (refer to Work Programme **2014-2015**)

Can we pay the fellow less overall?

- No → Breach of the Grant Agreement

Can we pay the fellow more?

- Yes → But any top-up cannot be charged to the project

We operate on a 13 or 14 month pay regime, can we use this?

- Yes → provided the fellow receives the full amount owed and it is clearly stated in the contract with the fellow.

Do we always pay the fellow in euro?

- No → The fellow can be paid in the local currency, but the costs must be reported in euro.

A2. Mobility allowance

For Whom?

All recruited fellows

How much?

EUR 600 per month

Purpose

Contribution to household, relocation and personal travel expenses.

Is the mobility allowance taxed?

- Usually, yes – but it depends on national taxation rules
- Some institutes **may** offer to operate this as a 'virtual real cost' category in accordance with their administrative procedures. This means that fellows can submit receipts for rent, household bills etc. which can be used to grant partial exceptions from tax (**if allowed under national rules**)

A.3 Family allowance

For Whom?

All recruited fellows who have family* at the time of recruitment.

How much?

EUR 500 per month

What if the family status changes during the project?

The mobility allowance is calculated on the family status at the time of recruitment to the project. It does not change.

**'Family' means persons linked to the researcher by marriage (or a relationship with equivalent status to a marriage recognised by the legislation of the country where this relationship was formalised) or dependent children who are actually being maintained by the researcher.*

B. Institutional costs

- B.1 Research, training and networking costs
- B.2 Management and indirect costs

*"The eligibility of the **Institutional costs** is linked to the eligibility of the **costs for the recruited researcher**"*

B.1 Research, training and networking costs

How much?

Fixed amount of EUR 1 800 per implemented person-month

What is it used for?

To contribute to expenses related to, for example:

- Research costs
- Training courses
- Participation of researchers in training events and conferences
- Secondments (including travel and accommodation)
- Co-ordination between participants
- Tuition fees (if applicable)

How is it distributed between the beneficiaries?

- Calculated according to the person-months per beneficiary.
- The full amount must be reported by the beneficiary paying the fellow.
- The consortium can agree to distribute it differently, in which case it should be addressed in the consortium agreement, but not in the reports.

What if we don't implement as many fellow months as foreseen in GA?

- The fixed amount of EUR 1 800 applies to the implemented fellow months; therefore, the maximum allowable for category B1 by the end of the project is as follows: total person-months implemented x 1 800.

B.2 Management and indirect costs

How much?

- Fixed amount of EUR 1 200 per implemented person-month

How much is for management and how much is for overheads?

- It is a decision of the consortium how best to use this contribution for the proper implementation of the action. **Ensure enough budget is allocated to implement the management tasks described in Annex 1.**

How is it distributed between the beneficiaries?

- It is a decision of the consortium. Usually the coordinator retains the largest share of the management costs. The distribution should be addressed in the consortium agreement.

What if we don't implement as many researcher months as foreseen?

- The fixed rate of EUR 1 200 applies to the implemented person-months; therefore, the maximum allowable is: total eligible person-months implemented x 1 200.

B.2 Management and indirect costs

What is it used for?

- Costs associated with the preparation of the reports and other documents required by the REA:
 - Researcher declarations, deliverables, 1st year progress report, periodic reports and final report.
- Personnel costs of the Project Manager.
- Maintenance of the consortium agreement.
- The overall legal, ethical, financial and administrative management for each of the beneficiaries.
- Indirect costs of the action.

Records*

What records do we need to prove the number of units declared?

- Evidence of the eligibility of the fellow in terms of researcher experience, mobility and family status (e.g. CVs, copies of diplomas, ...)
- Employment contract/agreement with the fellow.
- Proof of payment of the researcher's allowances and of the deductions for social security etc.
- Evidence that the fellow worked (**full time**, unless the REA has approved otherwise) exclusively on the action at the beneficiary's premises (or on secondment): this can include lab books, conference abstracts, library records, etc.
- Records and other supporting documentation on scientific and technical implementation of the action.

Is the fellow obliged to keep timesheets?

- No → Timesheets are not an obligation for MSC Fellows but can be used if in line with local practices.

***Records must be kept for 5 years after payment of the balance**

Parental and Maternity Leave

Can a fellow take maternity or parental leave?

- Yes, in accordance with national legislation.

Are the costs of the leave eligible under the action?

- No, the researcher's activity in the action is suspended during the maternity/parental leave.

Partner Organisations

How are the costs of Partner Organisations reimbursed?

- The costs of Partner Organisations can be reimbursed by one of the beneficiaries.
- It is for the beneficiary(ies) and partner organisation(s) concerned to reach a mutual agreement on arrangements for reimbursement.

Subcontracting

- ❑ The coordinator's core tasks cannot be delegated to another beneficiary or subcontracted to any third party (see Article 41.2).
- ❑ *In case of need, the normal institutional and national practices have to be followed.*

Participant Guarantee Fund (PGF)



- Set up to manage the financial risks and is managed by the European Investment Bank.
 - No collective financial responsibility between project beneficiaries.
- 5% of the maximum Grant amount is retained from the pre-financing and paid into the Fund.
- The interest generated covers the risks incurred by the non-reimbursement of amounts due by the beneficiaries
- The money paid into the Fund will be returned to the consortium at the end of the action.

The Coordinator must inform the REA as soon as possible in case of financial difficulties that any of the beneficiaries are facing.

Project financial lifecycle

Maximum payments

**Pre-financing
65%**

**Interim payment
25%**

**Payment of
the balance
10%**

START of the project

END of the project

Pre-financing

How Much?

65% of maximum grant amount

- 60% of max grant amount → consortium
- 5% of max grant amount → Guarantee Fund

Who owns the pre-financing?

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

How is it distributed among the beneficiaries?

- That is a decision of the consortium and should be addressed in the consortium agreement

Interim payment

How Much?

Up to 25% of maximum grant amount

- Based on costs claimed in the 1st periodic report
- A reimbursement of accepted costs

Do we need to submit documents to claim it?

- Yes → a periodic report & individual financial statements

Who owns the interim payment?

- Consortium, this is a payment based on cost statements

Who receives the interim payment?

- Coordinator, who distributes it among the consortium

Some examples

Action max grant amount = **€1.000.000**

Prefinancing paid = **€650.000**

→ Coordinator receives: **€600.000**

→ Guarantee Fund receives: **€ 50.000**

EXAMPLE 1

Submits Period 1 cost claim for €400,000

Maximum amount payable for interim
period = €250,000

Balance remaining payable = €100,000

EXAMPLE 2

Submits Period 1 cost claim for €150,000

Maximum amount payable for interim
period = €150,000 i.e. amount claimed

Balance remaining payable = €200,000

Payment of the Balance

How Much?

- The payment of the balance owed to the consortium based on the final accepted costs

Do we need to submit documents to claim it?

- Yes → payment is made based on the information in the submitted reports and the individual financial statements

What if our final costs are higher than foreseen in the GA?

- Payment is capped at the maximum amount in the grant agreement and any amounts exceeding this will not be reimbursed

What if our final costs are lower than foreseen in the GA?

- The financial settlement will be adjusted according to the implementation of the action

Payment of the Balance

Who receives the payment of the balance?

- The payment is made to the coordinator who distributes it among the consortium members

How do we receive the Guarantee Fund amount?

- The financial settlement, including the Guarantee Fund, will be adjusted according to the implementation of the action

Individual financial statement

Automatically filled in from Researcher Declarations

Number of units: to be filled in by the beneficiary

Automatically filled in based on unit costs

MODEL ANNEX 4
STATEMENT FOR BENEFICIARIES

ANNEX 4

		Eligible* costs (per budget category)										EU contribution		
		A.1. Salaries and allowances			A.2. Family allowance			B. Institutional costs				Reimbursement rate %	Maximum EU contribution **	Maximum grant amount
		allowance	allowance	allowance	B.1. Infrastructure, training and networking costs		B.2. Management and indirect costs							
Form of costs***		Unit	Unit	Unit	Unit		Unit				(f) = (a)+(b)+(c)+(d)+(e)	(h)	(i)	
		Costs per unit	Total (a) ****	Costs per unit	Total (b) ****	Costs per unit	Total (d) ****	Costs per unit	Total (e) ****					
Beneficiary	Name of the fellows *****													
	Number of units (research months)													
Total Beneficiary														
Total														

Checkbox: I confirm that the total amount of the allowances used (including compulsory deductions) for the researcher is equal to or higher than the living allowance, the mobility allowance and the family allowance as set out in Annex 2 of the Agreement or any underpayments in Reporting Period 1 will be corrected by the end of the action.

The beneficiary hereby also confirms that:

I confirm that the total amount of the allowances used (including compulsory deductions) for the researcher is equal to or higher than the living allowance, the mobility allowance and the family allowance as set out in Annex 2 of the Agreement or any underpayments in Reporting Period 1 will be corrected by the end of the action.

Exchange rate

- Financial statements must be drafted in euro.
- Beneficiaries using another currency must convert the costs into euro at the average of the daily exchange rates published in the Official Journal of the European Union, calculated over the corresponding reporting period.

<http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>

Additional documents

Do we need to submit a certificate on the financial statements (CFS) and/or Financial distribution report ?

- Certificates on the financial statements (CFS) are not required for ITN projects for reporting purposes.
- Financial distribution report may be required in some specific cases (audit, recovery, etc.), please check GA.

Information Sources



Marie Skłodowska-Curie Actions website *(under construction for H2020)*

http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf

Documents

➤ **Annotated Model Grant Agreement**

http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf

➤ **Marie Skłodowska-Curie Actions Work Programme 2014-15**

http://ec.europa.eu/research/participants/data/ref/h2020/wp/2014_2015/main/h2020-wp1415-msca_en.pdf

➤ **Guide for Applicants ITN 2015**

https://ec.europa.eu/research/participants/portal/doc/call/h2020/h2020-msca-itn-2015/1625120-itn_2015_-_guide_for_applicants_v2_corrigendum_30_09_2014_en.pdf



Thank you for your attention!

<http://ec.europa.eu/mariecurieactions>