



Legal Obligations and Practical Aspects on Reporting from the Beneficiary's perspective

WORKSHOP ON LEGAL AND FINANCIAL ASPECTS

Seville 3rd March 2016

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Contents

- Periodic and Final Reporting
- Completion of the Financial Statement per cost category
- Reporting of third party Costs: Art 12 & Art 14
- Other issues on reporting: Unit Costs, Exchange rate, CFS
- Payment schedule and cash-flow management
- Financial responsibility and the EU guarantee fund
- Conclusions

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Periodic and Final Reporting: Main Principles

- Always to be delivered **by the coordinator**
- **60 days** deadline for their delivery
- **No-paper**, but through the **Participant Portal**
- Financial and Technical reports are **`declarations'**, thus, no need of justifying docs or similar (but ready in the ,backoffice).

Periodic Reporting

- Number of periodic report fixed in the GA (usually each 12-18 months)
- **Periodic technical report:**
 - Explanation of work
 - Overview of the progress (milestones & deliverables)
 - Summary with statistics for publishing (not confidential information!)
 - Plan for the exploitation and Dissemination of results (if required)
 - Answer to the questionnaire (Mainly monitoring and Socioeconomic impact)
- **Periodic Financial Report,**
 - 'n' Individual financial statements
 - 'n' Explanation on the use of resources
 - 1 Periodic summary financial report (automatically generated)

} At beneficiary level

(n= number of beneficiaries)

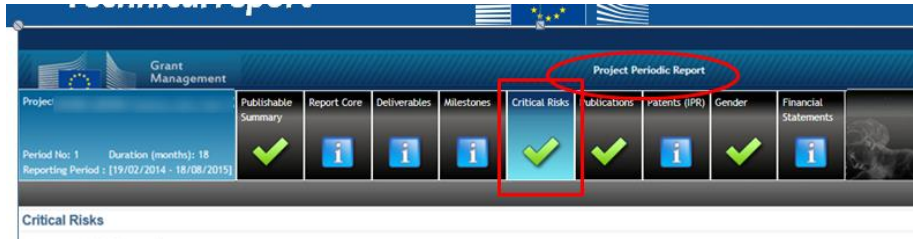
Final Reporting

(added to last Progress report)

- Deadline 60 days after the end of the GA
- Quite similar to periodic reports, main differences:
 - Technical Final Report
 - Summary for Publication
 - Overview of Results and their exploitation and dissemination
 - Conclusions and Socio-economic impact
 - Financial Final Report
 - Final summary Financial statement
 - For the financial report, each beneficiary with EU contribution on direct costs⁽¹⁾ **over 325.000 €** should also provide **CFS**

(1) Only related to direct costs reported on actual basis

News on technical report



Everything is submitted through PP.

All beneficiaries can make inputs, but only the COORD can submit:

It is composed of:

- Information gathered Form A and directly included in the PP:
- Narrative part, templates available and to be uploaded

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Completion of the Financial Statement (former form-c)

- Completed at **beneficiary level**
- E-signed **by the F-SIGN**
- **Declaration**, but subject to request the justifying docs.
- **Adjustments possible** to former periods. Thus, last FS can not be adjusted.
- **FS directly submitted by Beneficiary to the EU**, if a correction is needed, it should come through the COOR
- **COOR has not the capacity of rejecting costs, but of not submitting a beneficiary financial statement**

FS Screen Shoot

Grant Management Project Periodic Report

Project: HORIZON 2020
Period No: 2 Duration (months): 18
Reporting Period: [29/11/2013 - 28/05/2015]

Beneficiary 1: Denmark

Financial Statement

No contribution requested? Yes No

Financial Statements

Period	Adjustment	Requested Contribution	Actions
01/01/2014 - 31/12/2014 (Period No '1')	No	0.00 €	

Financial Statement for period '1' (01/01/2014 - 31/12/2014)

Eligible costs:

Cost Category	Unit Cost	Number of Units	Subtotal	Total	Actions
a) Direct personnel costs declared as actual costs				0.00 €	
b) Direct personnel costs declared as unit costs (average costs)				0.00 €	
d) Direct costs of subcontracting				0.00 €	
e) Direct costs of providing financial support to third parties				0.00 €	
f) Other direct costs				0.00 €	
h) Indirect costs (= 0.25 * (a + b + f + x - o))				0.00 €	
x) Special unit costs				0.00 €	
y) Special unit costs covering direct and indirect costs				0.00 €	
j) Total costs (= a + b + d + e + f + h + x + y)				0.00 €	
k) Receipts				0.00 €	
m) Maximum EU contribution (55%)				0.00 €	
n) Requested EU contribution				0.00 €	
z) Requested EU contribution eligible for CFS				0.00 €	

Additional information for indirect costs:
Use of 'costs of in-kind contributions not used on premises?' (a) Yes No

Some costs have an editable field 0.00 € others have a link 0.00 € to click. Some have a Use of Resources to complete Link to 'How to complete your financial statement' in the PP.

Direct Personnel Costs

Cost Category:

- a) Direct personnel costs declared as actual costs
- b) Direct personnel costs declared as unit costs (average costs)
- d) Direct costs of subcontracting
- e) Direct costs of providing financial support to third parties
- f) Other direct costs
- h) Indirect costs (= $0.25 * (a + b + f + o)$)
- j) Total costs (= $a + b + d + e + f + h$)
- k) Receipts
- m) Maximum EU contribution (100%)
- n) Requested EU contribution
- z) Requested EU contribution eligible for CFS

Direct personnel costs declared as actual costs

Persons/month per WP

No.	Person Months	Associated Work Package	Actions
1	<input type="text"/>	+ (none)	✕

Use of in kind contribution from third party

No.	Costs	Third Party Name	Type	Foreseen in Annex I	Explanations (if not foreseen in Annex I)	Actions
1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	✕

Ok Cancel

Actions

• At Least Number of Person-Month and value per WP.
• Preferably at person level

Reporting Staff Costs

- Done on a triple dimension basis:
 - Person:
 - Total Labour eligible cost
 - Actual hours devoted to the action
 - Institution:
 - Method for productive hours calc.
 - Project:
 - Breakdown per WP

Dr. Perez

- WP1: 1,25 PMs 5.000 €
 - WP3: 2 PMs 8.000 €
 - WP5: 0,5 PMs 2.000 €
- TOTAL: 3,75 PMs 15.000 €**

~~Dr. Perez~~

~~WP1, 3 and 5: 3,75 PMs
15.000 €~~

Other Direct Costs:

Other direct costs

Explanation of major cost items if the amount exceeds 15% of personnel costs

Amount to be explained: € 98950

No.	Costs	Short Description	Category	Associated Work Package	Foreseen in Annex I	Explanations (if not foreseen in Annex I)	Actions
1	<input type="text"/>	<input type="text"/>	<input type="text"/>	+ (none)	<input type="text"/>	<input type="text"/>	X

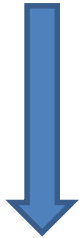
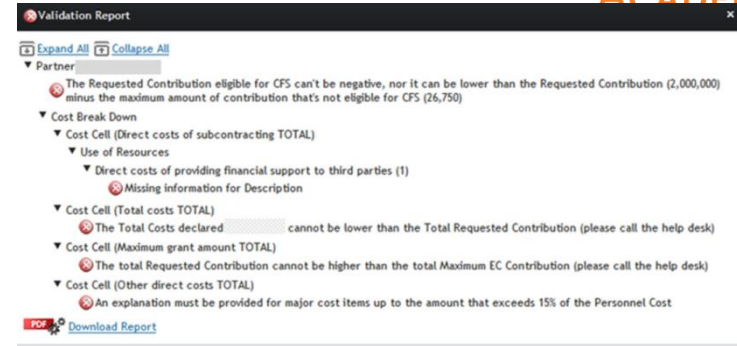
Use of in kind contribution from third party

No.	Costs	Third Party Name	Type	Category	Associated Work Package	Foreseen in Annex I	Explanations
1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

1. Are Other direct costs > 15% Personnel Costs
2. If so, order from the larger costs to the shorter
3. Detail until the 15%% ceiling is reached

Once Financial Statement is Completed

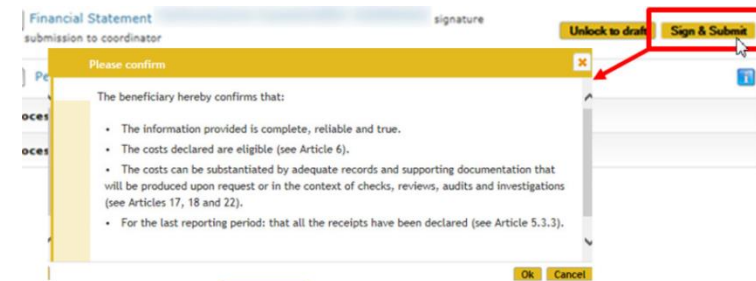
1. Validate with IT tool



2. Lock for review



3. Signature by the F-Sign



Coordinator's Capacity during FS

- ✓ Coordinator can see but not complete/reject beneficiaries' FS
- ✓ Coordinator can decide to include or not a Beneficiary's FS (as Technical report)

Report Element	Filter			
	All	Draft	Available	Included
		Status	Action	
Technical report				
Technical Part of Periodic Report		Included	Redo	
Financial report				
Financial Statement		Draft		
Financial Statement		Draft		
Financial Statement		Sent to CO	Redo	Include
Financial Statement		Draft		
Financial Statement		Draft		

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Third Parties reporting Art. 12

Art. 12 refers to those TTPP making resources available for a beneficiary **free of charge**, and **not** for the just **purpose** of the **action**.

Always included in the beneficiary's FS

Two possibilities

Incurred in
the
Beneficiary's
Premises

Incurred in
the TTPP
Premises

Use of in kind contribution from third party

No.	Costs	Third Party Name	Type	Foreseen in Annex I	Explanations (if not foreseen in Annex I)	Actions
1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

In both cases: justifying docs and registered in the TTPP account

Third Parties Reporting: Art 14

Art. 14 refers to **implementation of tasks by 'legal'** linked third party to a beneficiary.

Main features:

- Broad relation (not specific for the action)
- TTPP declare its costs (not prices)
- Beneficiary remains responsible
- Usually incurred in the TP facilities

Third party

- Complete and **paper** sign its own financial statement

Beneficiary

- Keep paper version fo the form c
- Include TP costs within PP in a separate form
- E-sign the agregation of FS: Benef + TP

325.000 criteria for CFs applies separately for Benef and TP

Beneficiary keeps
responsability
against EC for the TP
cost statement

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Other issues on reporting: Unit Costs

Unit Costs are usable in H2020 for:

- Staff Costs:
 - SME owners or natural persons without a salary
 - Staff costs based on 'average personnel costs
- Specific Unit costs (ie Clinical trials)
Calculation by multiplying units, per amount per unit (as indicated in the GA).

In case of audit, should be documented:

- Number of units
- Actual direct eligible costs (t-1) to reach the unit cost value
(not for SME owners rate)

Other issues on reporting: Exchange Rate

Main principle: All reporting is to be done in €

Beneficiaries/TP with accounts in €, use their own usual practices to convert

Beneficiaries/TP with accounts in non-€:

- daily euro exchange rate is published in the C series of the *Official Journal of the European Union*
([shortcut to ECB website](#))
- If NO daily euro exchange rate is published: using the average of the monthly accounting rates over the corresponding reporting period, using the currency converter on the [Commission's website](#)

CFS

Certificate on Financial Statement: First Level Audit

- **Why?** To give certainty and security on expenses justified
- **Who?** Beneficiary/linked third party
- **When?** At the end of the project
EU contribution based on actual costs over 325.000 €
- **How?** A certified auditor (Internal/external)
Following Annex 5 (CFS Model)
- **Where?** The Participant Portal will request it automatically

CFS

Certificate on Financial Statement:

➤ Why?

➤ W

➤ W

➤ How

➤ Where:

Some remarks:

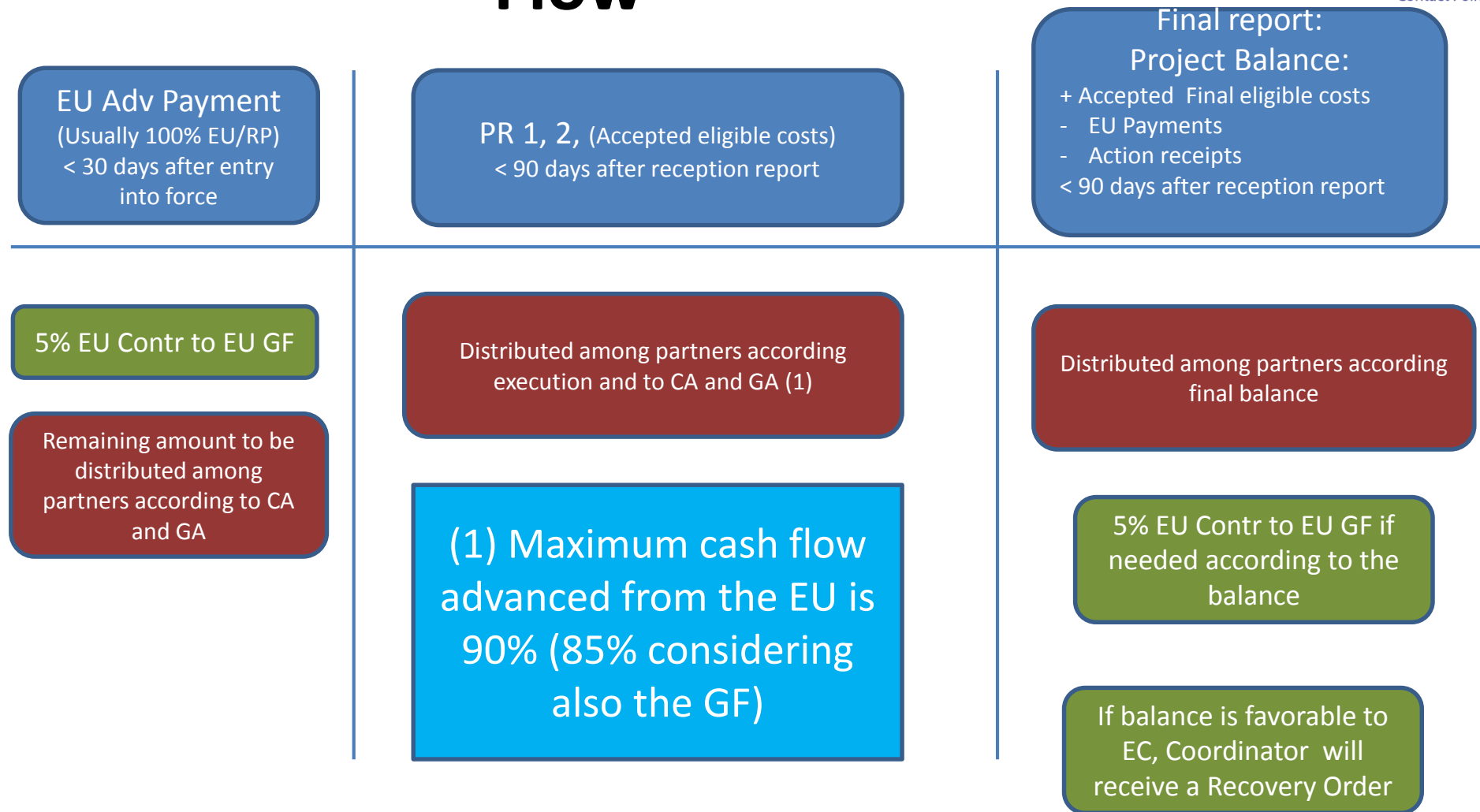
- Does not suppose legal certainty against an ex post audit
- If a beneficiary has a certificate on Methodology for staff costs, that amounts are not to be considered for 325,000 ceiling
- Eligible cost, usually under 'other costs', only if needed

The Participant Portal will request it automatically

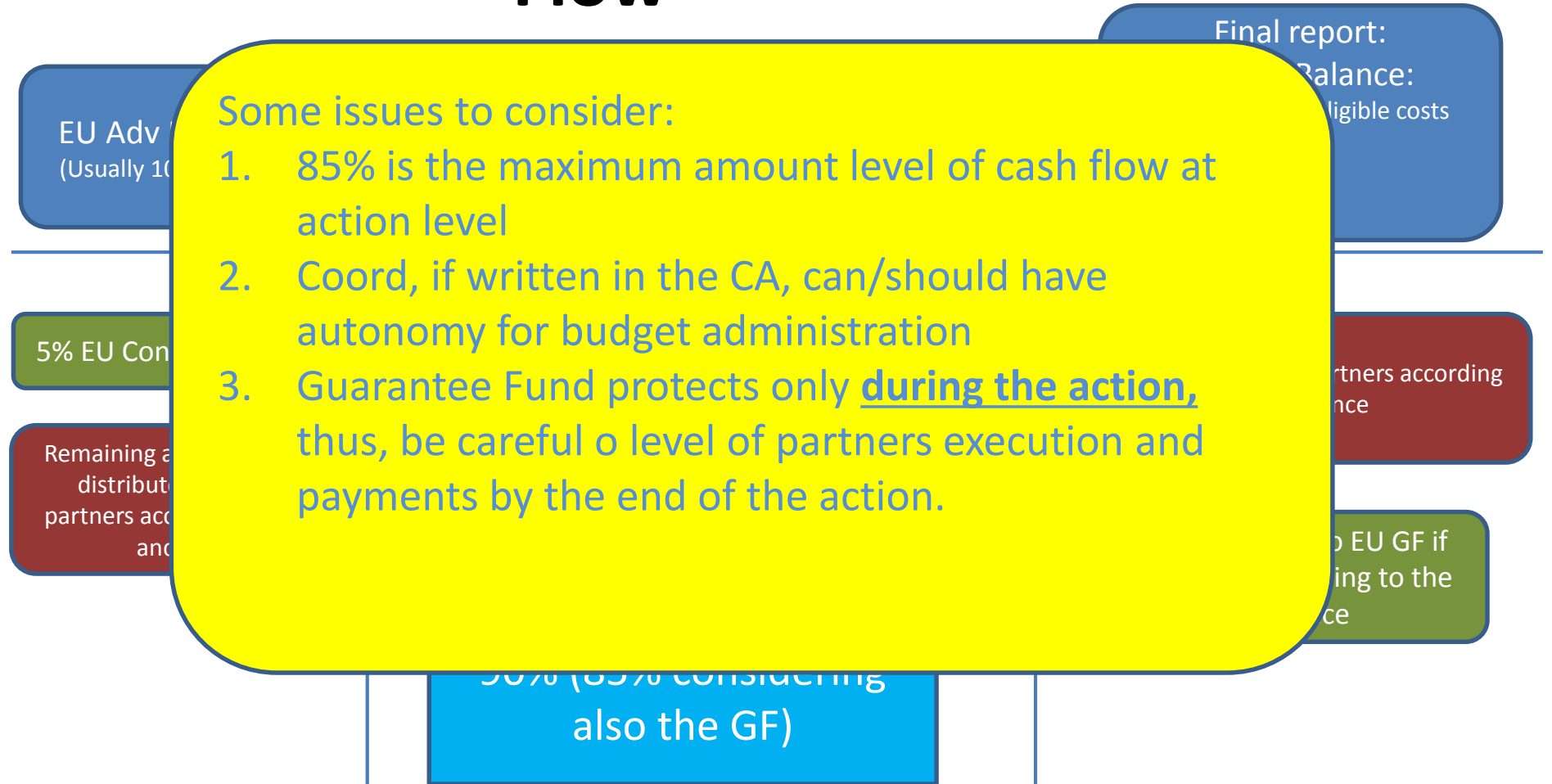
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Payment Schedule and Project Cash Flow



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Financial responsibility and the EU guarantee fund

The guarantee fund is the mechanism for the beneficiary to recover any due amount of a beneficiary:

- i) after the termination of a beneficiary participation, thus an amendment is needed

- ii) and in a running action (before the balance payment)

Financial responsibility and the EU guarantee fund

The guar
recovered

Some remarks:

- As an amended is needed, that termination should be initiated **before the end of the project**
- The coordinator has to show:
 - Acted following CA
 - Payments done
 - Done its best to recover the due amount

ry to

One Advice: Foresee in the CA how too handle adv
payment to partners

Once the project is OVER the FG just protect the EC!

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Conclusions

- No big changes compared to FP7
- Coherence with usual procedures is a key issue
- Regulation is somehow simpler, but this does not mean it is simple
- There is no black and white decision always, but many times is a grey graduation





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