



European  
Commission



# Administration and Finances under H2020 in MSCA

*Paris 8/6/2015*

*Audrey Arfi*

*Research Executive Agency*

Research  
Executive  
Agency

# Overview

1. EU contribution
2. Eligible costs
3. Cost categories
4. Parental and maternity leave
5. Subcontracting
6. Partner organizations
7. Non-eligible costs
8. Guarantee Fund
9. Useful documents

# A maximum EU contribution

## Where is it recorded?

- Grant Agreement - Article 5.1
- Annex II

## For ETN and EJD projects:

- 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.



The screenshot shows a grant agreement form for Horizon 2020. At the top, there is the European Commission logo and the text "The EU Framework Programme for Research and Innovation". Below this, the text "HORIZON 2020" is prominently displayed in yellow. The background of the form features a blue and white graphic of a globe and abstract lines. Below the main title, the text "MSCA-ITN-2014-ETN: Marie Skłodowska-Curie Innovative Training Networks (ITN-ETN)" is visible. Further down, there is a section for "Grant agreement for: Training Networks" with a box containing the text "Grant Agreement". Below this, there are fields for "Action acronym:", "Action full title:", and "Grant agreement no:".

# Eligible and Ineligible Costs

## Article 6 of the GA

### Eligible costs:

- Unit costs (defined by the cost categories)
- Incurred during project duration
- Necessary for implementing the action
- Number of units must be identifiable and verifiable and supported with evidence

### Ineligible costs:

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

# Funding mechanism

- Fully based on unit costs
- **1 researcher month = 1 unit**
- Unit cost is a pre-calculated in estimated budget
- Amounts in EUR per unit cost
- Total = unit costs\* x number of units

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

# Costs categories

## A. 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

# A – RESEARCHER ALLOWANCES

# A1. Living allowance:

## Employment Contract or Stipend?

Already agreed during GAP, in general:

- Fellows should always be paid with employment contract (Type A).
- Stipend (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.



## How much depends on:

- Type of contract



**Employment contract** (Type A) - Monthly ref. rate from WP

OR



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

- **Country Correction Coefficient** (in Work Programme)

## Can we pay the fellow less?

- 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 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.

# Records

## What records do we need to keep for EU audit purposes?

- Evidence of the eligibility of the fellow.
- Employment contract/agreement with the fellow.
- Proof of payment of the salary to the fellow and of the deductions for social security etc.
- Evidence that the fellow worked on the project on the beneficiary's premises: this can include lab books, conference abstracts, library records, etc.

## Is the fellow obliged to keep timesheets?

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

## **A2. Mobility allowance** *(N/A for RISE and COFUND)*

### **For Whom?**

All recruited fellows

### **How much?**

600 EUR per month

### **Purpose**

Contribution to household, relocation and travel expenses to/from home country.

## Is the mobility allowance taxed?

- Normally yes - it depends on local taxation rules
- Some institutes 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

## What records do we need to keep for EU audit purposes?

- Same as for living allowance

## **A.3 Family allowance** *(N/A for RISE and COFUND)*

### **For Whom?**

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

### **How much?**

500 EUR per month – if family obligations

or

0 EUR per month – if no family obligations

### **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.

### **What records do we need to keep for EU audit purposes?**

Same as for living allowance.

## Family Status

Family = 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.*

i..

# Underpayments

- Cost categories are unit costs
- The categories assigned to researcher - full amount must be used for the fellow (including employers social security contributions)
- **Underpayments will not be accepted.**
- Underpayment = breach of the grant agreement. The beneficiary will be required to make a **corrective payment** (confirmation in the Financial statement)



## Top-Ups

- The beneficiary can pay the fellow a higher rate than the Marie Curie rate but it must be sourced from other funds.
  - In some countries (eg AT, NL, NO) the Marie Curie rates are too low and a top-up is required
- A top-up cannot be charged to the project, costs exceeding the maximum MC rate will be rejected.

# B – INSTITUTIONAL COSTS

## B.1 Research, training and networking costs

### How much?

Fixed amount of €1.800 per researcher-month

### What is it used for?

To contribute to expenses related to:

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

## How is it distributed between the partners?

- Calculated according to the fellow-months per beneficiary.
- The full flat rate 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 use as many fellow months as foreseen?

- The fixed rate of €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 fellow months delivered x 1800.

## What documents to keep for an audit?

- For the purposes of the Grant Agreement, you do not need to keep detailed records of what the money was used for.
- However, you must comply with the normal accounting rules of your institution, as they usually require more records.
- In the case of an audit by the EU, the consortium will need to provide the same evidence as required for the researchers' allowances.

## B.2 Management and indirect costs

### How much?

- 1200 EUR per researcher-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 project.

### How is it distributed between the partners?

- 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 use as many fellow months as foreseen?

- The fixed rate of 1200 EUR applies to the implemented fellow months; therefore, the maximum allowable is: total fellow months delivered x 1200.

## What is it used for?

- Costs associated with the preparation of the reports and other documents required by the REA:
  - Researcher declarations, deliverables, 1<sup>st</sup> 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 project beneficiaries.

## What documents to keep for an audit?

- For the purposes of the Grant Agreement, you do not need to keep detailed records of what the money was used for.
- However, you must comply with the normal accounting rules of your institution, as they often require more records.
- In the case of an audit by the EU, the consortium will need to provide the same evidence as required for the researchers' allowances.



# Costs categories summary

## RATES FOR 2014-2015

	Researcher			Institution	
	<u>Living allowance*</u>	Mobility allowance	Family allowance	Research, training and networking costs	Management and indirect costs
<b>ITN</b>	<u>3110</u>	600	500	1800	1200
<b>IF</b>	<u>4650</u>	600	500	800	650
	<b>Staff member unit costs</b>			<b>Institution</b>	
<b>IRSES</b>		2000		1800	700
	<b>Researcher</b>			<b>Institution</b>	
<b>COFUND</b>	ESR		3710**	650**	
	ER		500**		

\* *country correction coefficient*

\*\* *co-funding rate 50%*

## 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?

- No, the fellow's contract is suspended for the duration of maternity/parental leave.

### Can the Grant Agreement be extended to allow the fellow to complete his/her contract?

- Yes, this is possible.

# 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.



## Guarantee Fund

- ❑ 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 project.
- ❑ The amount can be corrected to allow for losses in the Fund, but this only applies to some beneficiaries and is capped at 1% of the EU contribution.

## Guarantee Fund (2)

Example if a beneficiary goes bankrupt.

- The consortium request an amendment to end the beneficiary's participation in the project.
- The liquidator sends the Coordinator a leaving report and a financial statement.
- The REA checks the costs and establishes the amount of debt owed by the beneficiary.
- If the amount due is not returned, the REA will order the Fund to transfer the equivalent amount to the Coordinator.

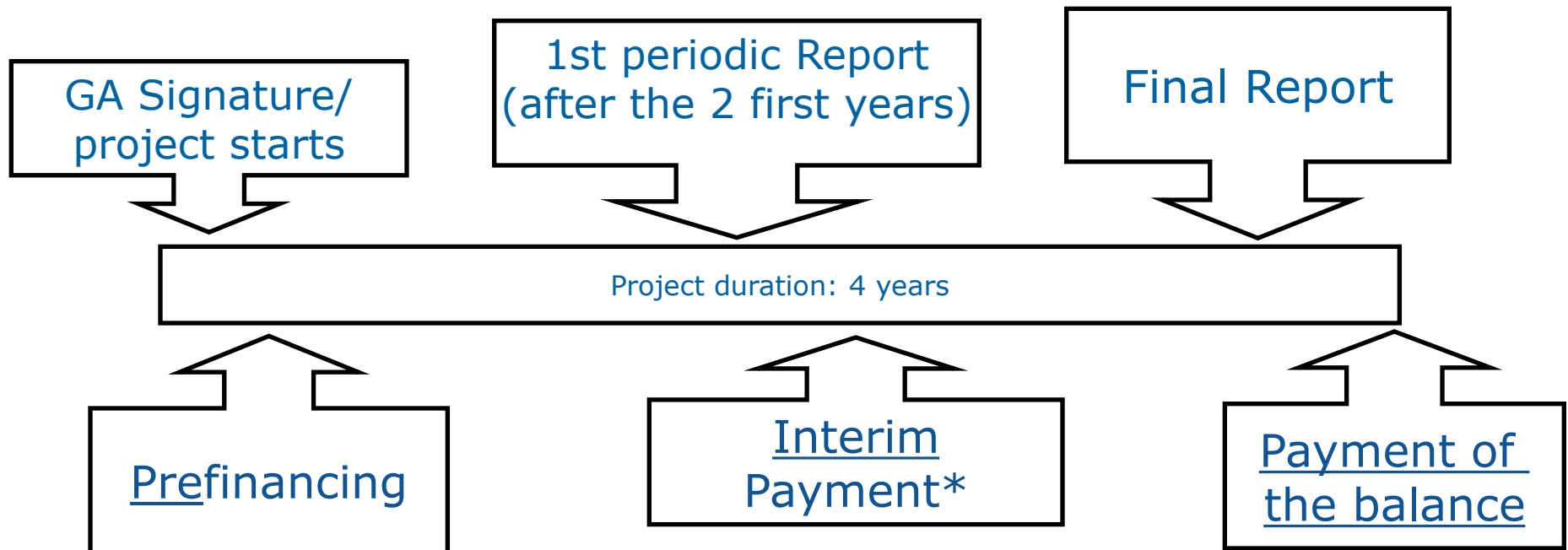
**The Coordinator must inform the REA as soon as possible in case of financial difficulties that any of the beneficiaries are facing.**



European  
Commission

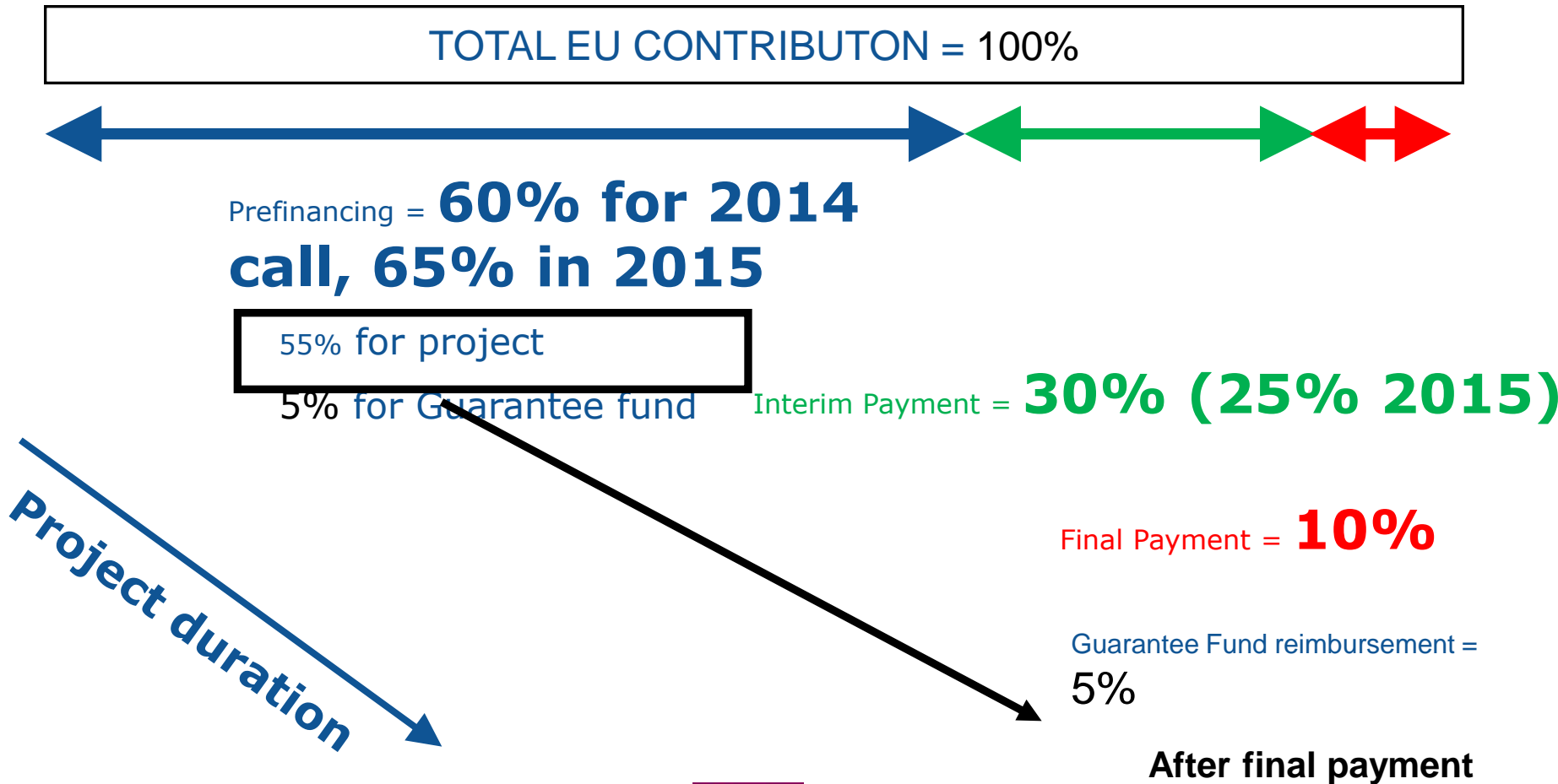
# Project lifecycle

## Project life cycle



\* Not applicable for actions with 1 reporting period

## Maximum payments – example ITN







# Pre-financing

## ***How Much?***

60%-80% of total EU Contribution – according to the GA

Example ITN – 60% (2014); 65% (2015):

- 55% of total EU contribution → consortium
- 5% of total EU contribution → Guarantee Fund

## ***Do we need to submit documents to claim it?***

- No → payment is made automatically within 30 days of the deadline in the core Grant Agreement (either start date or date of last signature)

## ***Who owns the prefinancing?***

- Pre-financing remains the property of the EU until the final payment

## ***How is it distributed among the partners?***

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



# Interim payment

## ***How Much?***

Up to 90% of total EU Contribution (pre-financing + interim payment)

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

## ***Do we need to submit documents to claim it?***

- Yes → payment is made based upon the information in the submitted periodic report and cost claim forms

## ***Who owns the interim payment?***

- Consortium, this payment is as a payment based on the costs incurred.

## ***Who receives the interim payment?***

- Coordinator, who distributes it among the consortium members

# Final Payment

## *How Much?*

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

## *Do we need to submit documents to claim it?*

- Yes → Payment is made based upon the information in the submitted periodic report and cost claim forms

## *What if our final costs are higher than foreseen in the project?*

- Payment is capped at the negotiated EU contribution and any amounts exceeding this will not be reimbursed

## *Who receives the final payment?*

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

## *Do we need to submit documents to receive the Guarantee Fund amount?*

- No → this is done automatically when processing the final payment

# Individual financial statement

## example ITN

FINANCIAL STATEMENT FOR BENEFICIARY [name]

ANNEX 4

	Name of the fellows *****	Number of units (researcher months)
Beneficiary		
<b>Total Beneficiary</b>		

Form of costs***	Eligible* costs (per budget category)										EU contribution			
	A. Costs of recruited researchers						B. Institutional costs				Total costs	Reimbursement rate %	Maximum EU contribution **	Maximum grant amount
	A.1 Living allowance		A.2. Mobility allowance		A.3 Family allowance		B.1. Research, training and networking costs		B2. Management and indirect costs					
	Unit		Unit		Unit		Unit		Unit					
Costs per unit	Total (a) ****	Costs per unit	Total (b) ****	Costs per unit	Total (c) ****	Costs per unit	Total (d) ****	Costs per unit	Total (e) ****	(f) = (a)+(b)+(c)+(d)+(e)	(g)	(h)	(i)	
<b>Total</b>														

**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:  
 The information provided is complete, reliable and true.  
 The costs declared are eligible (see Article 6).  
 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 17, 18 and 22).

① The beneficiary 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 Agency

\* See Article 6 for conditions for costs to be eligible

\*\* 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 5 for forms of costs

\*\*\*\* Total = Costs per unit x Number of units (researcher months)

\*\*\*\*\* Name of the researcher and related units for living (A.1) and family (A.3) allowances will be prefilled on the basis of the information provided by the beneficiary in the 'researcher declaration'

No Certificate on the financial statement

No Funding distribution report



## Useful documents

### Grant Agreement

### Marie Curie website

[http://ec.europa.eu/research/mariecurieactions/index\\_en.htm](http://ec.europa.eu/research/mariecurieactions/index_en.htm)

### Documents

Work programme

Guide for Applicants



**Thank you for your attention!**

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