



European
Commission

H2020-ITN-2016 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. Sick leave
8. Partner organisations
9. Subcontracting
10. Participant Guarantee Fund
11. Project financial lifecycle
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A maximum grant amount

Where is it recorded?

- Grant Agreement - Article 5.1
- Annex 2

For ETN, EJD and EID (>2 beneficiaries) actions:

- Based on GA (Article 4.2), no more than 40.0% 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 => Eligible units:

- 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 units' 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 costs = number of units x unit costs

**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 2016

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 **2016-2017**)

Can we pay the fellow less?

- No → Breach of the Grant Agreement
- Progressive salary is accepted as long as the fellow receives the full MSCA allowances by the end of his/her fellowship.

Can we pay the fellow more?

- Yes → Can be topped up from other funds

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.

This allowance covers *private costs* of the researchers, *not professional costs (e.g. secondments)* (which are covered by the budget category 'research, training and networking costs') (ref AGA v2.2, page 405)

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. to their employer 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 the first 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
- Visa costs of fellow
- Tuition fees (if any)

*MSCA-ITN researchers **may NOT be requested to pay tuition fees for their research training and/or PhD degree programme from their own funds or from the researcher unit cost.***
(ref AGA v2.2, page 408)

B.1 Research, training and networking costs

The use of institutional costs is decided by the beneficiary

How is it distributed between the beneficiaries?

- Calculated according to the person-months implemented per beneficiary.
- The full amount must be reported by the beneficiary recruiting 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.

B.2 Management and indirect costs

How much?

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

How it is split between management and overheads?

- Split between management and overheads decided by beneficiaries
- 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.

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, 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.

Transfers between categories

The costs for the researcher must be fully used for the researcher - Article 6.2.A(c)

Formal transfer not possible due to nature of unit costs

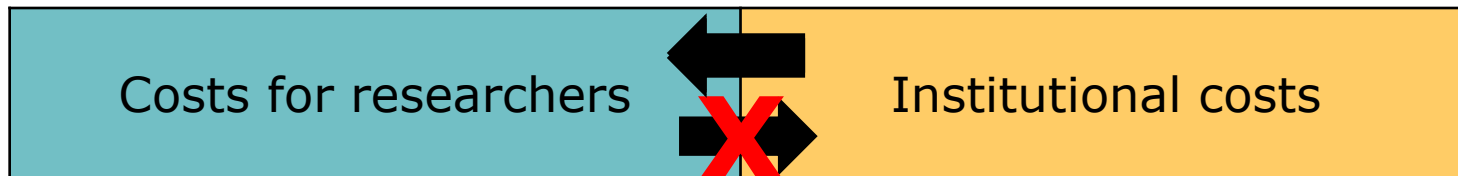
The use of institutional costs is decided by the beneficiary

Use of costs

Unused amounts of institutional costs can be used for other action-related purposes e.g.:

- to organise additional training activities
- to increase the salary of the researcher

See Article 4 – Annotated grant agreement



Records*

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

- Evidence of open, transparent recruitment.
- 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 was recruited and worked **full time** (unless the REA has approved otherwise) and 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 maternity/parental leave eligible under the action?

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

Sick Leave

Can a fellow take sick leave?

- Yes, in accordance with national legislation.

Are the costs of the leave eligible under the action?

For short-term leave (≤ 1 month):

- Unit is eligible, 100%

For long-term leave (> 1 month):

- For the period that employer has to pay 100% of fellow's salary per national law => unit is eligible, 100%
- For the period that employer has to pay a percentage (e.g 50%) of fellow's salary per national law => unit is eligible, 50%
- For the period that employer does not have to pay the fellow's salary per national law => researcher's activity in the action is **suspended**

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

- **Minor tasks** may be subcontracted following internal institutional and national practices.
- The **coordinator's core tasks** cannot be delegated to another beneficiary or subcontracted to any third party (*including entities with a capital or legal link and partner organisations*) (see Article 41.2).

Participant Guarantee Fund (PGF)



- Set up to manage the financial risks of the action 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 with the payment of balance.

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
80%**

**Interim payment
max 10%**

**Payment of
the balance**

START of the project

END of the project

Pre-financing

How much?

80% of maximum grant amount

- 75% 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.
- Coordinator must distribute pre-financing without unjustified delay

Pre-financing

When?

- Pre-financing will be paid to coordinator within 30 days, either from the entry into force of the Agreement (see Article 58) or from 10 days before the starting date of the action (see Article 3) – whichever is later.

Entry into force
1-Sep-2016

Start date
1-Jan-2017



Interim payment

How much?

Up to 10% of maximum grant amount

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

Do we need to submit documents to claim it?

- Yes → a periodic report (technical report & financial report)

Who receives the interim payment?

- Coordinator, who distributes it among the consortium

Some examples

Max Grant Amount: 1,000,000 EUR

Pre-financing: 800,000 EUR

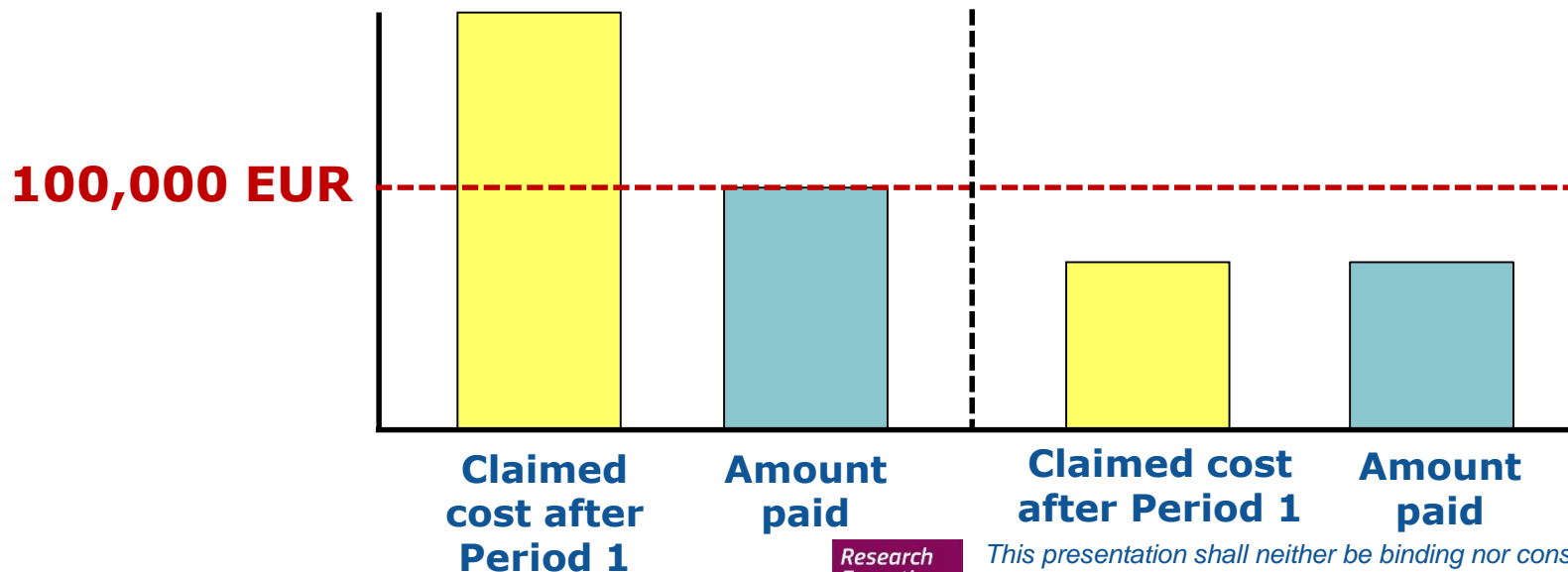
**Max
100,000
EUR**

Balance

80%

max 10%

Interim payment



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 periodic report (technical report & financial report) and final report

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

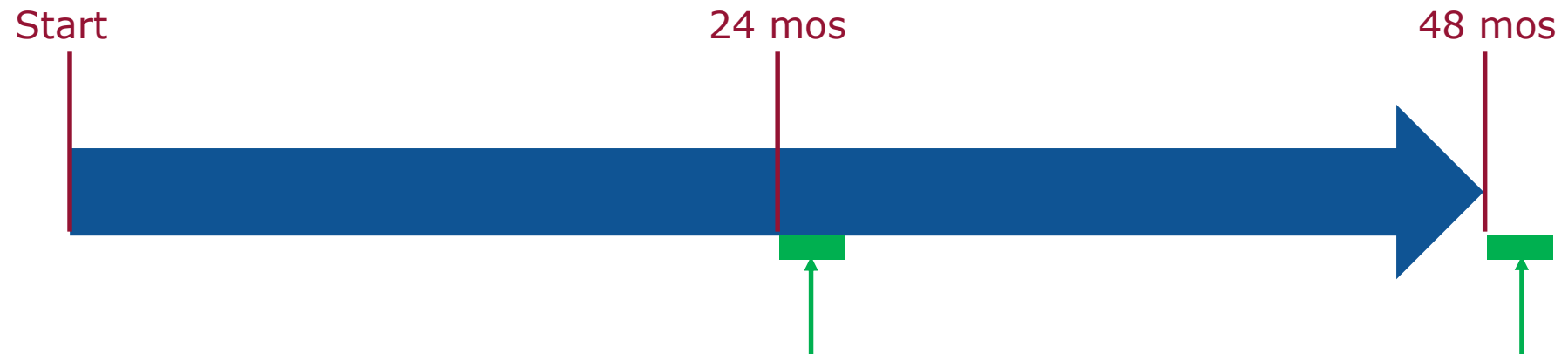
Who receives the payment of the balance?

- The payment is made to the coordinator who distributes it among the consortium members
- Payment of negative balance (i.e. recovery) is processed in the same way

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

Reporting



1st Periodic report:

- **Periodic technical report**
- **Periodic financial report:**
 - Individual Financial Statements
 - Periodic summary financial statement

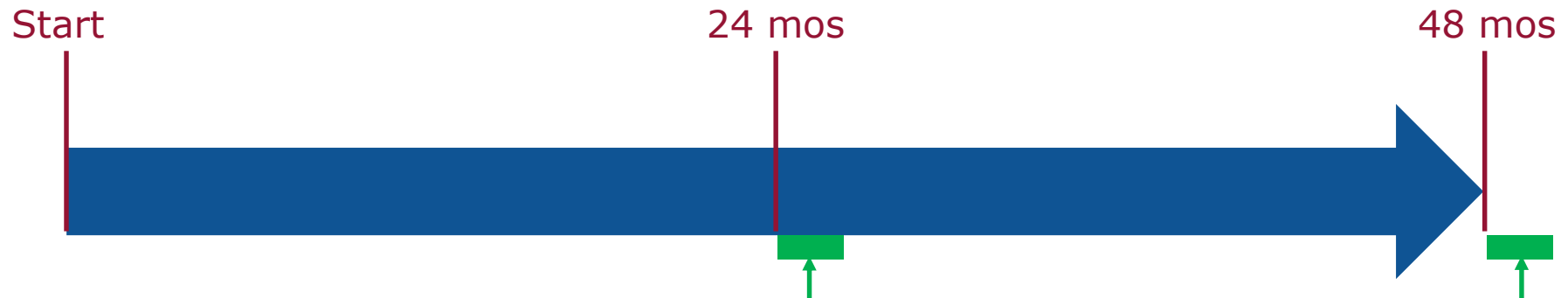
2nd Periodic report:

- **Periodic technical report**
- **Periodic financial report**

Final report:

- **Final technical report**
- **Final financial report:**
 - Final summary financial statement

Single Submission



All the individual financial statements and the technical reports have to be submitted electronically in one package.

- **Periodic technical report**
- **Periodic financial report:**
 - Individual Financial Statements
 - Periodic summary financial statement

- **Periodic technical report**
- **Periodic financial report**
- **Final report:**
 - **Final technical report**
 - **Final financial report:**
 - Final summary financial statement

Researcher Declaration

Gender Researchers

New Researcher Declaration

Researcher Information Recruitment Information Recruitment Period

+ Add Period

Recruitment Period 1

Start Date 04-10-2016

End Date 12-10-2016

Working Time Commitment Full Time

Full Time
Suspension
Part Time
Maternity Leave
Paternity Leave

Full Time (100%)
Suspension (0%)
Part time (1 - 99%)
Maternity Leave (0%)
Paternity Leave (0%)

Recruitment Period 2

Start Date

End Date

Working Time Commitment

Delete Period

Recruitment Period 3

Start Date

End Date

Working Time Commitment

Delete Period

Ok Cancel

Individual financial statement

Fellow's name:
Automatically filled in from Researcher Declarations

Number of units:
Automatically filled in from Researcher Declarations

Total amount:
Automatically filled in based on unit costs

MODEL ANNEX 4
STATEMENT FOR BENEFICIARY

Eligible* costs

ANNEX 4

Beneficiary	Name of the fellows *****	Number of units (researcher months)	Form of costs***										Reimbursement rate %	Maximum EU contribution **	Maximum grant amount		
			A.1. Living allowance		A.2. Family allowance		A.3. Family allowance		B. Institutional costs		C. Other costs						
			Unit	Costs per unit	Unit	Costs per unit	Unit	Costs per unit	Unit	Costs per unit	Unit	Costs per unit					
Total (a) ****		Total (b) ****		Total (c) ****		Total (d) ****		Total (e) ****		(f) = (a)+(b)+(c)+(d)-(e)		(g)	(h)	(i)			
Beneficiary																	
Total Beneficiary																	

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:

**All information is retrieved from Researcher Declarations (RDs)
Corrections only in RDs**

* 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'

Individual financial statement

🖨️ print format A4

MODEL ANNEX 4 FOR MSC ITN

FINANCIAL STATEMENT FOR BENEFICIARY [name]

ANNEX 4

		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						
Form of costs***	Name of the fellows *****	Number of units (researcher months)	Unit		Unit		Unit		Unit		Unit		(f) = (a)+(b)+(c)+(d)+(e)	(g)	(h)	(i)
			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) ****				
Beneficiary																
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 are calculated 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>



Statistics

Key euro area indicators

Exchange rates

Euro foreign exchange reference rates

Daily nominal effective exchange rate

Harmonised Competitiveness Indicators

+ Monetary and financial statistics

+ Monetary operations

+ Balance of payments and other external statistics

Financial integration indicators

+ Macroeconomic and sectoral statistics

+ Data services

Euro foreign exchange reference rates

The reference rates are usually updated around 16:00 CET on every working day, except on TARGET closing days. They are based on a regular daily concertation procedure between central banks across Europe, which normally takes place at 14:15 CET.

Euro foreign exchange reference rates: 4 November 2016

All currencies quoted against the euro (base currency)

Currency		Spot	Chart
USD US dollar	↑	1.1093	
JPY Japanese yen	↓	114.24	
BGN Bulgarian lev	=	1.9558	
CZK Czech koruna	=	27.021	
DKK Danish krone	↑	7.4412	
GBP Pound sterling	↑	0.88808	

Statistical Data Warehouse

[Time series for bilateral exchange rates](#)



Statistics

Key euro area indicators

Exchange rates

Euro foreign exchange reference rates

Daily nominal effective exchange rate

Harmonised Competitiveness Indicators

- + Monetary and financial statistics
- + Monetary operations
- + Balance of payments and other external statistics
- Financial integration indicators
- + Macroeconomic and sectoral statistics
- + Data services

Pound sterling (GBP)

Change from 1 January 2016 to 5 November 2016

Minimum (17 October 2016): 1.1052 - Maximum (5 January 2016): 1.3655 - Average: 1.2331

Select: GBP vs. EUR

From: 01-01-2016 to: 05-11-2016

Zoom: 1m 3m 6m 1y 2y 5y 10y all



Other charts

USD ↑ 1.1093

JPY ↓ 114.24

BGN = 1.9558

CZK = 27.021

DKK ↑ 7.4412

GBP ↑ 0.88808

HUF ↓ 306.13

PLN ↑ 4.3188

RON ↑ 4.4995

SEK ↑ 9.9630

CHF ↓ 1.0774

NOK ↑ 9.1098

HRK ↓ 7.5135

RUB ↑ 71.0672

TRY ↑ 3.4930

AUD ↑ 1.4438

BRL ↑ 3.5996

CAD ↑ 1.4901

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 might be requested in some specific cases (audit, recovery, etc.), please check GA.

Information Sources



Marie Skłodowska-Curie Actions website

<https://ec.europa.eu/programmes/horizon2020/en/h2020-section/marie-sklodowska-curie-actions>

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 2016-17

http://ec.europa.eu/research/participants/data/ref/h2020/wp/2016_2017/main/h2020-wp1617-msca_v1.0_en.pdf (**version 1.0**)

http://ec.europa.eu/research/participants/data/ref/h2020/wp/2016_2017/main/h2020-wp1617-msca_v1.1_en.pdf (**version 1.1**)

➤ Guide for Applicants ITN 2016

http://ec.europa.eu/research/participants/data/ref/h2020/other/guides_for_applicants/h2020-guide-appl16-msca-itn_en.pdf



Thank you for your attention!

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