



HORIZON 2020

Model Grant Agreement FINANCIAL ISSUES

The Framework Programmes timeline

2007

2014

2021

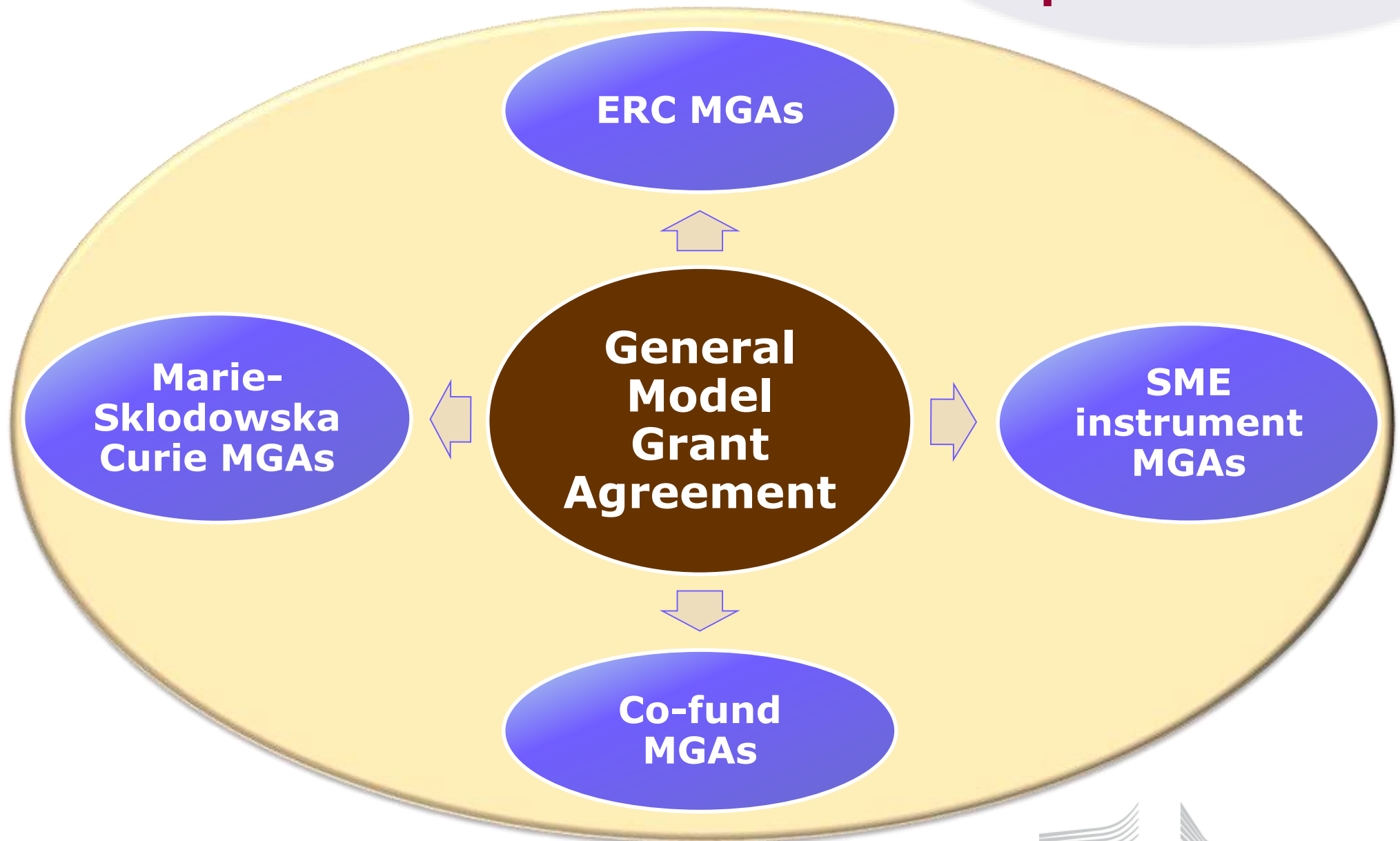


Each Framework Programme has its own rules !

Horizon Europe


Horizon 2020 Model Grant Agreements

Specific models



Horizon 2020 Model Grant Agreements

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 **RESEARCH & INNOVATION** Participant Portal

European Commission > Research & Innovation > Participant Portal > Reference Documents

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Reference Documents

Participant Register
Partner Search
H2020 Financial Viability Self-Check
SME Participation

This page includes all the H2020 & FP7 reference documents starting with legal documents and the Commission work programmes for research and innovation up to model grant agreements and guides for specific actions and horizontal issues. The documents are grouped by categories. It also includes reference documents of other EU programmes, as 3rd Health, Consumer, COSME and Research Fund for Coal and Steel programmes. To access a document:

- Click on a folder
- Click on ARROW to have more information about the document and its available translations

You can search a specific H2020 or FP7 document on the [Europa Search](#) service.

H2020 Other EU programmes FP7

Grant agreements, contracts and rules of contest

Model grant agreements

General Grant Agreement

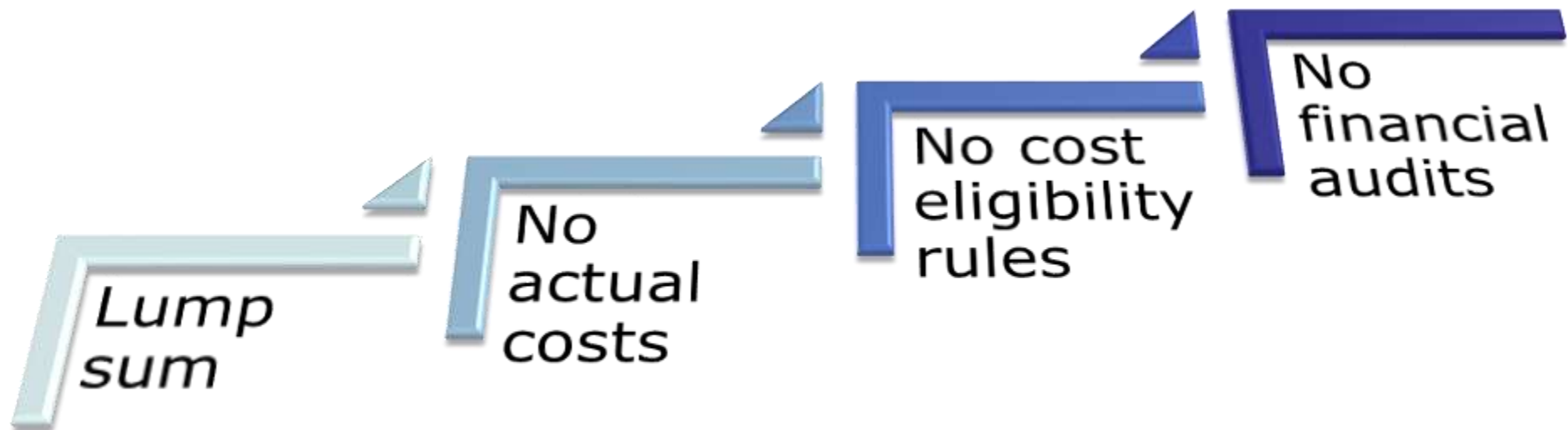
- H2020 General MGA - Multi
- H2020 General MGA - Mono
- European Research Council (ERC)
- Marie-Sklodowska-Curie (MSC)
- SME Instrument
- ERANET Cofund
- Pre-Commercial Procurement (PCP)/Public Procurement of Innovative Solutions (PPI)
- European Joint Programme Cofund
- Framework Partnerships
- Lump sum

e.g. Call

Horizon 2020: Lump sum pilot grants

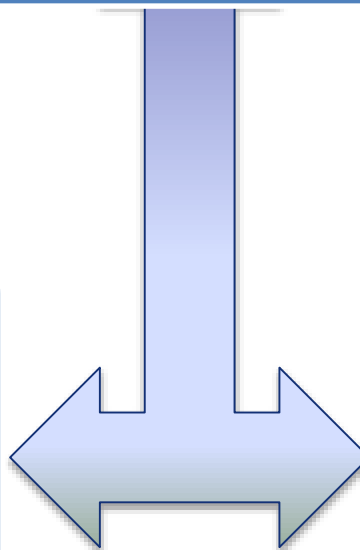
The grant agreement will set out the lump sum (EU funding) corresponding to the full accomplishment of the work committed in Annex 1.

The lump sum for the grant is set out at its signature, the costs actually incurred are not relevant.



Amount of the lump sum

**Fixed in the
Call**



**Per project
based on
the budget**

Forms of costs

Actual costs

- Costs actually incurred, identifiable and verifiable, recorded in the accounts, etc.



NEW: non-deductible VAT paid is also eligible

Unit costs

- A fixed amount per unit determined by the Commission
Example: SME owners' unit cost
- For average personnel cost (based on the usual accounting practices – with or without Certificate)

Lump sum

- A global amount to cover one or several cost categories
Example: Phase 1 of the SME instrument

Flat rate

- A percentage to be calculated on the eligible costs
Example: 25 % flat rate for indirect costs

Classifying workforce contracts

Is it an employment contract or another type of contract?

Is it the only contract with the person or are there several contracts?



Is the contract concluded with a person or with a company?

Does the contract establish the working time conditions?

And what about 'consultants'?

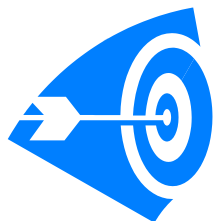
What contract under what budget category

A. Direct personnel costs		B. Direct costs of subcontracting	C. Direct costs of fin. support	D. Other direct costs	E. Indirect costs ²
A.1 Employees (or equivalent)	A.4 SME owners without salary			D.1 Travel	
A.2 Natural persons under direct contract	A.5 Beneficiaries that are natural persons without salary			D.2 Equipment	
A.3 Seconded persons				D.3 Other goods and services	
[A.6 Personnel for providing access to research infrastructure]				[D.4 Costs of large research infrastructure]	
Actual	Unit ⁷	Unit ⁸	Actual	Actual	Flat-rate ⁹

Workforce costs

What contract under what budget category

What can you declare under personnel costs?



Persons hired by the beneficiary via an *employment contract*

(qualified as such under national law; and for whom the beneficiary pays social security contributions)

Other cases:

→ Natural persons hired **directly** via a contract other than an employment contract **if**:

- the person works under conditions similar to those of an employee (e.g. organisation or work, premises, etc.)
- The result of the work belongs to the beneficiary (exceptions may apply)
- The costs are not significantly different from those of an employee of the beneficiary doing similar tasks

NEW !
(2017)

→ Employees of a third party seconded to the beneficiary (must be set in Annex 1!)

What contract under what budget category

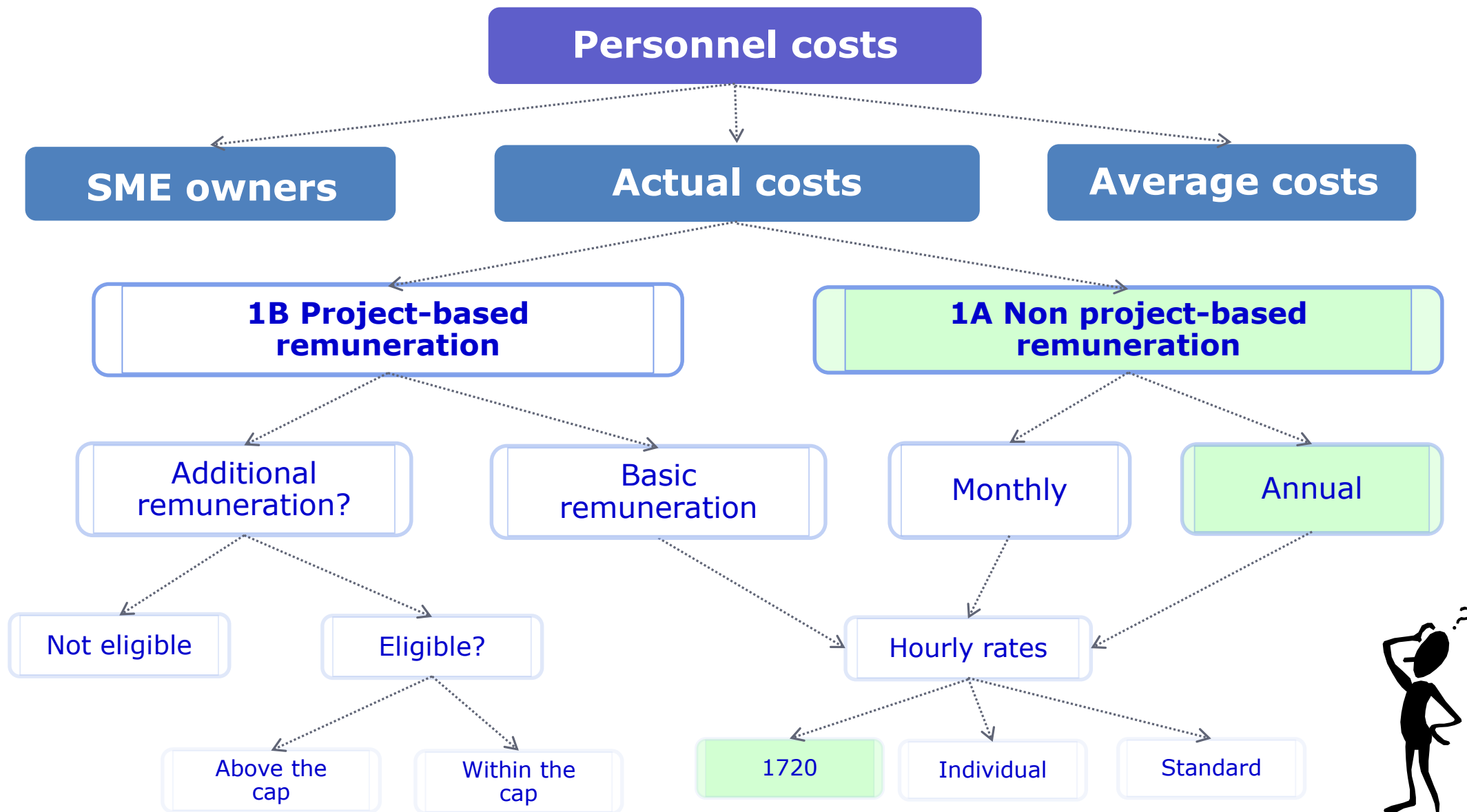
What can you **NOT** declare under personnel costs?

- ❌ Contracts with companies to provide staff (e.g. temporary work agencies)
- ❌ Natural persons (e.g. consultants) not fulfilling all the conditions mentioned in the previous slide.
 - e.g. working systematically off-site while employees have to work in the premises of the beneficiary
- ❌ Natural persons (e.g. consultants) paid *for deliverables* rather than for *working time*



In the cases above the costs may be eligible under 'Other goods and services' or under 'Subcontracting' but not as personnel costs

Personnel costs: finding your way



Personnel costs: Calculation



**Hours
worked**



Hourly rate
EUR/hour



**Additional
remuneration**



Time records



**Formula for actual
costs
&
specific unit costs**

**Applies only to
beneficiaries with project-
based remuneration schemes**

Only the hours actually worked on the action can be charged.

➤ Think of how you follow different projects

You cannot declare:

- Budgeted time (what you indicated for the budget)
- Estimated time (e.g. person 'guessing' at the end of the year)
- Time allocation (e.g. x % of the contractual time of the person)



Hours declared to the action must be supported by reliable records and documentation !



Time records: supporting documents

⇒ **Depend if the person works exclusively on a H2020 action or not**

↳ For this purpose, "*working exclusively*" refers to an uninterrupted period of at least one full calendar month during which all the hours worked by the employee for the beneficiary were dedicated to the H2020 action.

Working exclusively	Records	Conditions (full details available in the AGA; page 160)
YES	Declaration on exclusive work for the action	<ul style="list-style-type: none">→ only one per reporting period (per person)→ covering one uninterrupted period of exclusive dedication of at least one calendar month
NO	Time records (i.e. timesheets)	<ul style="list-style-type: none">→ dated and signed at least monthly by the person and his/her supervisor→ minimum conditions and information needed are detailed in the AGA

Auditor's advice: Time sheets

***I work 100% on the action
so I do not have to fill in TS, correct?***

Correct, but pay attention:

- ☒ Did I spend a significant part of my time building up a network with other entities or other laboratories of my company, for future projects?
- ☒ Did I spend time in writing proposals for the next calls?
- ☒ Did I give lectures for the University?
- ☒ Did I travel for other unforeseen activities?

Do keep time records

Time records should include, as a minimum:

- ✓ title and number of the action
- ✓ beneficiary's full name
- ✓ full name, date and signature of the person working for the action
- ✓ number of hours worked for the action
- ✓ supervisor's full name and signature
- ✓ reference to the action tasks or work packages of Annex 1



Information included in time-sheets must match records of annual leave, sick leave, other leave and work-related travel.

SME owner without a salary

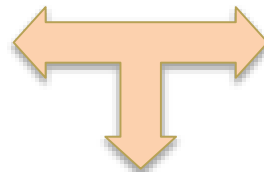
- Hourly rate (unit cost) fixed in the grant by the Commission

Average personnel costs

- Average hourly rate (unit cost) calculated in accordance with the beneficiary's usual cost accounting practices

Actual costs

1.A Salary is **NOT** project-based



1.B Salary is project-based

Per **full-financial year** or per **month**

Personnel costs: hourly rate



If you are a **SME owner without a salary** or a **natural person without a salary**

Costs must be declared on the basis of the unit cost (hourly rate) fixed by Commission Decision C(2013) 8197 and indicated in Annexes 2 and 2a of the grant agreement.

In practice: SYGMA calculates the hourly rate for you by using the formula:

$$\frac{\text{Monthly living allowance for experienced researchers under the IF actions}}{143} \times \text{Country correction coefficient}$$



The SME owner or natural person may be remunerated by dividends, service contracts between the company and the owner, etc., but:

Still, the unit cost must be declared if there is no salary

If you use average personnel costs

You calculate the hourly rate according to your usual cost accounting practice provided that:

- ✚ *You applied it in a consistent manner, based on objective criteria, and regardless of the source of funding*
- ✚ *You calculate the hourly rate using the actual personnel costs recorded in your accounts, excluding ineligible cost or costs included in other budget categories*
- ✚ *You use one of the options to determine the annual productive hours provided in the Model Grant Agreement*

Actual costs

1A - General case: the salary does not depend on specific projects

$$\text{Hourly rate} = \frac{\text{Total personnel costs}}{\text{Total productive hours}}$$

1B - Specific case: project-based remuneration

$$\text{Hourly rate} = \frac{\text{Personnel costs for the H2020 action}}{\text{Hours worked for the H2020 action}}$$



Subject to the provisions on
additional remuneration

ACTUAL personnel costs: hourly rate



How do I know if I am in the general case 1A or in the specific case 1B?

If your remuneration for time worked in some projects is different from your remuneration for your other duties:
you are in the **specific case (1B)**

For example:

- You get a supplementary employment contract to work in a project
- You get a bonus or premium for the time worked in a project
- Your contract fixes a specific hourly rate for work in specific projects

Otherwise, you are in the **general case (1A)**

Hourly rate: CASE 1A (remuneration is not project-based)

$$\text{Hourly rate} = \frac{\text{Personnel costs}}{\text{Productive hours}}$$

NEW !
(2016)

Annual hourly rate

Hourly rates calculated per full financial year

$$\frac{\text{Annual personnel costs}}{\text{Annual productive hours}}$$

Two options

Monthly hourly rate

Hourly rates calculated per month

$$\frac{\text{Monthly personnel costs}}{\text{Monthly productive hours}}$$

Hourly rate: CASE 1A (remuneration is not project-based)

$$\text{Hourly rate} = \frac{\text{Personnel costs}}{\text{Productive hours}}$$

Eligible personnel costs

➤ **Include:**

- ✓ Salaries
- ✓ Social security contributions (employers' and employees')
- ✓ Taxes and other costs included in the remuneration if they arise from national law or the employment contract

➤ **Do not include:**

- ✗ Any ineligible item (article 6.5)
- ✗ Any costs included in other budget categories (e.g. indirect costs)

Hourly rate: CASE 1A (remuneration is not project-based)

$$\text{Hourly rate} = \frac{\text{Personnel costs}}{\text{Productive hours}}$$

Annual productive hours

Advice

1720 hours



you must use this option if the employment contract does not specify the working time conditions or if the "annual workable hours" cannot be determined

Individual annual productive hours

• Formula: annual workable hours + overtime - absences

Standard annual productive hours

• According to the beneficiary's usual accounting practices. Minimum threshold: annual productive hours \geq 90 % of the standard annual workable hours

Annual productive hours options: principles

- ❖ *Same option applied to all personnel working in H2020 actions; although... different options for different types of personnel are possible, if:*
 - ✓ *the same option is applied at **least per group of personnel** employed under similar conditions (e.g. same staff category, same type of contract, cost center, etc.); and*
 - ✓ *the options are applied **consistently** (e.g. the choice of the option is not changed ad-hoc for specific employees)*
- ❖ *keep the same option(s) for the full financial year*
 - ✓ *Options **may be changed for the next financial year***

Hourly rate: CASE 1A (remuneration is NOT project-based)

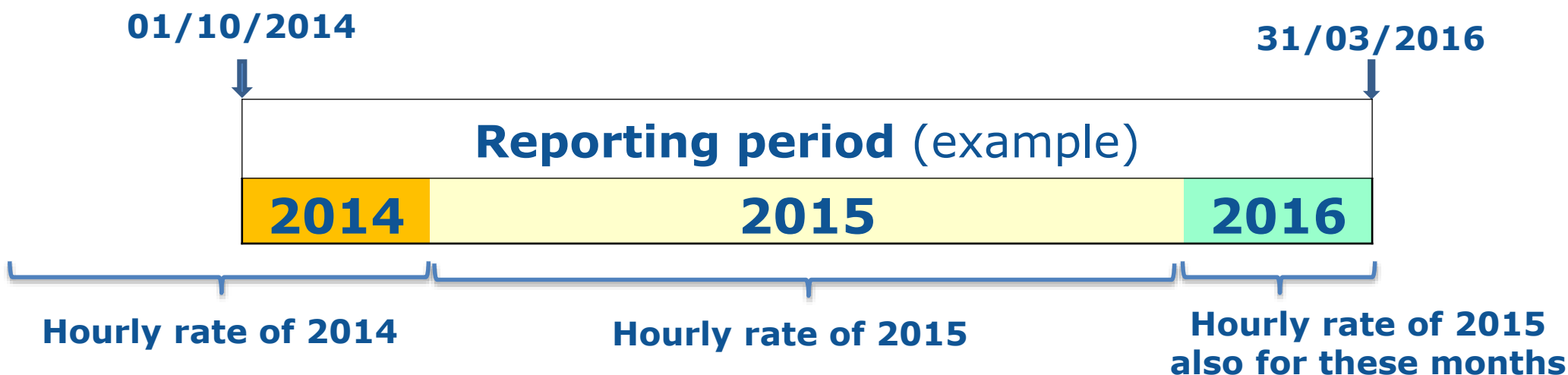
Annual hourly rate specificities

$$\frac{\text{Annual personnel costs}}{\text{Annual productive hours}}$$



The annual hourly rate must be calculated **per full financial year**

If the financial year is not closed at the end of the reporting period, the beneficiary must use the hourly rate of the *last closed financial year available*.



Hourly rate: CASE 1A (remuneration is NOT project-based)

Monthly hourly rate specificities

$$\frac{\text{Monthly personnel costs}}{\text{Monthly productive hours}}$$

One hourly rate **per each month the person works in the action**

↳ **Monthly productive hours** = 1/12 of the annual productive hours

⚠ Only options 1 (1720) and 3 (standard) are allowed. Option 2 (individual) is NOT allowed for monthly hourly rates.

↳ **Thirteen salary** (and similar) included in each month "pro-rata"; not in full in the month when they are paid.

↳ **Time spent in parental leave** cannot be deducted from the monthly productive hours. However, personnel costs incurred during parental leave may be charged in proportion to the time the person worked for the action.

Personnel costs: double ceiling

Beneficiaries must ensure that:

- the **total number of hours declared** in EU and Euratom grants for a person for a year is **NOT higher** than the number of **annual productive hours** used for the calculation of the hourly rate



Σ hours declared \leq total annual productive hours

- the **total** amount of **personnel costs declared** (for reimbursement as actual costs) in EU and Euratom grants for a person for a year is NOT higher than the total personnel costs recorded in the **beneficiary's accounts** (for that person for that year).



Σ cost declared \leq total personnel costs for the person

1

Additional remuneration?

Identify what part of the remuneration of the employee is 'basic' and what part is 'additional'

2

Hourly rate

Calculate the hourly rate of the employee using only the 'basic remuneration'

3

Personnel costs: 'basic'

Multiply that hourly rate by the number of hours worked in the action

4

+ Additional remuneration

Calculate what part of the additional remuneration identified in Step 1 is eligible & add it to the result of Step 3

CASE 1B: FOUR STEPS TO CALCULATE THE PERSONNEL COSTS


Personnel costs: *bonuses*

BONUSES

Ineligible

- Arbitrary bonuses
- Bonus based on commercial targets (e.g. sales target), fund raising targets or representing profit distribution (dividends)
- Bonus applied only to EU actions

Additional Remuneration

- Triggered by specific projects and resulting in a level of remuneration higher than under national projects
- Paid for additional work or expertise
- Part of the usual remuneration practices of the entity
- Based on objective criteria established in the internal rules
-  **Eligible only for non-profit legal entities**

(also) Basic Remuneration

- If not triggered by specific projects OR if triggered by projects, up to the level of remuneration paid in national projects
- Scheme authorised by law, collective agreement of contract
- Determined using objective criteria established in the internal rules

Example: Calculation of personnel costs (not project-based)

Ms R. has worked in 2015 and 2016 for an H2020 action whose reporting period runs from 01/10/14 to 31/03/16.

How do we calculate the personnel costs to be charged to the action?

1

Calculate the hourly rate

2

Identify the hours worked for the action

3

Multiply the hours worked for the action by the hourly rate

Example: Calculation of personnel costs (not project-based)

$$\text{Cost} = \text{Hours worked for the action} \times \underbrace{\frac{\text{Annual personnel costs}}{\text{Annual productive hours}}}_{\text{Hourly rate}}$$

1.a

Calculate the hourly rate: annual personnel costs

 As 2016 is on-going at the end of the reporting period, the 2015 hourly rate will apply also for the 2016 months of the reporting period

Ms R. has a gross monthly salary of 2 500 EUR and the employer pays 30 % on top as social security

$$\text{Annual personnel costs} = (2\,500 \times 12) + 30\% = 30\,000 + 9\,000 = 39\,000$$

Example: Calculation of personnel costs (not project-based)

$$\text{Cost} = \text{Hours worked for the action} \times \frac{\text{Annual personnel costs}}{\text{Annual productive hours}}$$

1.b

Calculate the hourly rate: annual productive hours

Out of the three options offered by the H2020 grant agreement:

- i. **Fixed hours**
- ii. **Individual annual productive hours**
- iii. **Standard annual productive hours**

The beneficiary applies option 1 for all its staff

Annual productive hours of Ms R. = 1720



What if Ms R. would be a part time employee?

Example: Calculation of personnel costs (not project-based)

$$\text{Cost} = \text{Hours worked for the action} \times \frac{\text{Annual personnel costs}}{\text{Annual productive hours}}$$

2

Identify the hours worked for the action

Ms R. worked some hours in December 2015 (registered in a timesheet):

DAY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Total
Reference e.g. work package																																
WP 2		8	8	8			4	8	8	8	8				8	8	8															84

And in 2016 she signed a declaration of exclusive work in the action covering the period:

☒ from 01/01/2016³ until 15/02/2016⁴
(This period must cover at least one full natural month)⁵

Hours worked for the action in 2016 = (1720 / 12 months) x 1,5 months = 215

Example: Calculation of personnel costs (not project-based)

$$\text{Cost} = \text{Hours worked for the action} \times \frac{\text{Annual personnel costs}}{\text{Annual productive hours}}$$

3

Multiply the hours worked for the action by the hourly rate

$$\text{Cost 2015} = 84 \times \frac{39\,000}{1\,720} = 84 \times 22.67 = 1\,904,28$$

⚠ As 2016 is on-going, the 2015 hourly rate will apply also for the 2016 months of the reporting period

$$\text{Cost 2016} = 215 \times 22.67 = 4\,874.05 \text{ EUR}$$

STILL PUZZLED?

Why don't you try the Personnel Cost Wizard?

Grant Management Project Periodic Report

666037 (666037) ERC-ADG

HORIZON 2020

Period No: 1 Duration (months): 18
Reporting Period : [20 Apr 2015 - 19 Oct 2016]

Financial Statement

Financial information from contract




No contribution requested? ☐ Yes ☒ No

Financial Statements

Period	Adjustment	Requested Contribution
20 Apr 2015 - 19 Oct 2016 (Period No. 1)	No	66,855.18 €

Financial Statement for period "1" - (20 Apr 2015 - 19 Oct 2016)

Eligible costs: 1

Cost Category	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) Other direct costs	0.00 €	
g) Costs of internally invoiced goods and services	0.00 €	
h) Indirect costs (= 0.25 * (a + b + e + g + n))	0.00 €	
i) Total costs (= a + b + d + e + g + h)	0.00 €	
l) Maximum EU contribution (= 100% * i)	0.00 €	
m) Requested EU contribution	0.00 €	

Additional Information for indirect costs:

Use of 'costs of in-kind' contributions not used on premises? (n) ☐ Yes ☒ No 0.00 €

Wizard entry point

Direct costs for the action

Direct costs are costs that are directly linked to the action's implementation and can be attributed to it directly. They must not include any indirect costs

Direct costs are:

- costs that have been caused in full by the action
- or costs that have been caused in full by several actions and the attribution to a single action can, and has been, directly measured (e.g. not allocated via cost drivers)

Direct costs for the action

- Must be justified by sufficient **persuasive evidence** showing the **direct link to the action**
- Must be **properly recorded** in order to allow direct measurement of the use for the action and to ensure auditability
- The measurement system used by the beneficiary must accurately **quantify** the cost
- Direct measurement of costs **does not mean** fair apportionment of costs through proxies, cost drivers or allocation keys. Once you use them, it's indirect cost!
- In principle, what was considered direct/indirect in FP7 remains the same in H2020 **But** → Now, it is even more important because Indirect Cost is calculated at 25% flat rate

Examples (1)

A beneficiary uses a x-ray machine **for the action** for few hours and for the rest of the time the x-ray machine is used **for other activities**. The beneficiary charges the **full** depreciation costs for the period in the cost statement of the action.

NOT ALLOWED!

The allocation of the part of the annual depreciation to the H2020 action must be calculated based on the number of hours/days/months of actual use of equipment for the action. The **actual** use should be **directly measured** (logbook, etc.).

Examples (2)

The **total consumables costs** are charged as **direct costs** on the H2020 action as **proportion** of the action hours to total worked hours in the laboratory.

NOT ALLOWED!

Even if the usual accounting practice of a beneficiary is to consider laboratory consumables as direct costs.

The costs of other goods and services should be declared as **actual** costs e.g. direct consumption for the action should be **measured**.

Auditor's advice: direct measurement

*In FP7, energy and power supply was an indirect cost:
can I charge it as direct in H2020?*

Yes, if I can measure it...

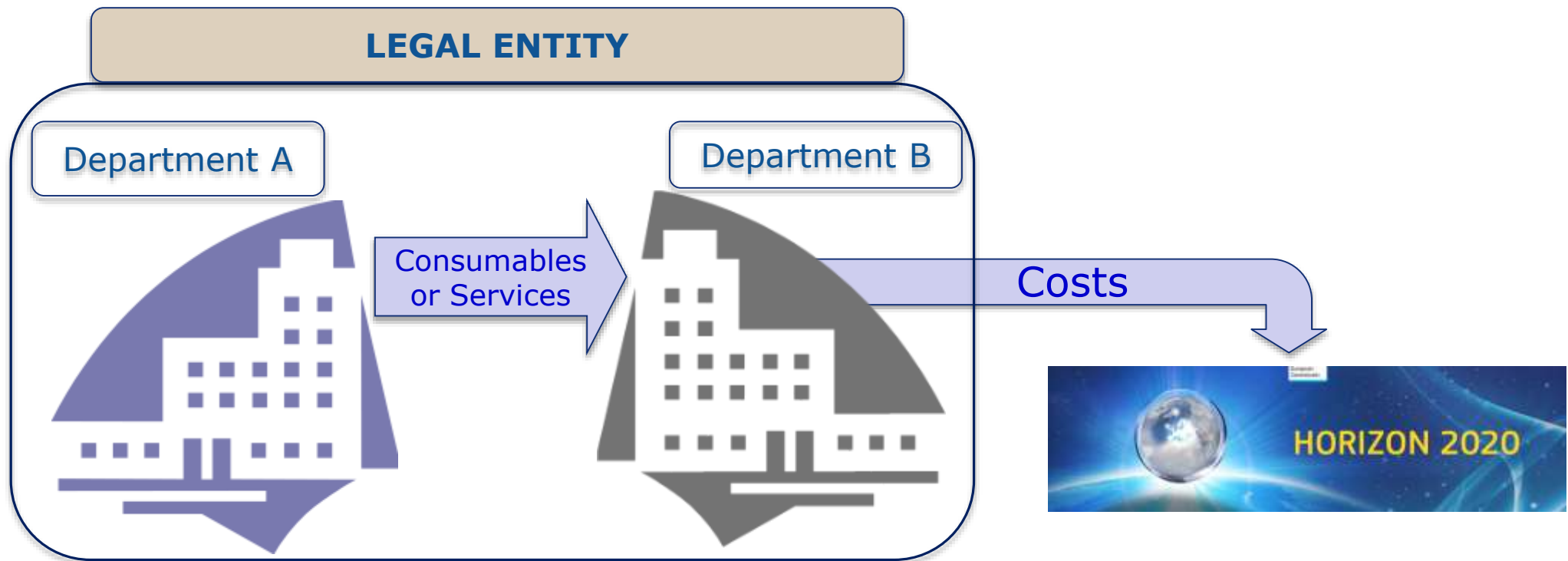
*Administrative staff members doing accounting for the action:
can I charge them to the action?*

Yes, with time sheets and provided it is your usual practice...

*Multi-purpose equipment used for several activities/actions:
can I charge its depreciation to an EU action as a % of
its capacity based on my experience?*

No. I have to measure its use.

Internal invoices refer to costs of goods or services produced by the same beneficiary who use them directly for the H2020 action and calculated in accordance with its usual cost accounting practices



EXAMPLES

Self-produced consumables

- e.g. electronic wafers, chemicals, etc.

Use of devices or facilities

- e.g. clean room, wind tunnel, supercomputer, etc.

Specialized premises

- e.g. animal house, aquarium, etc.

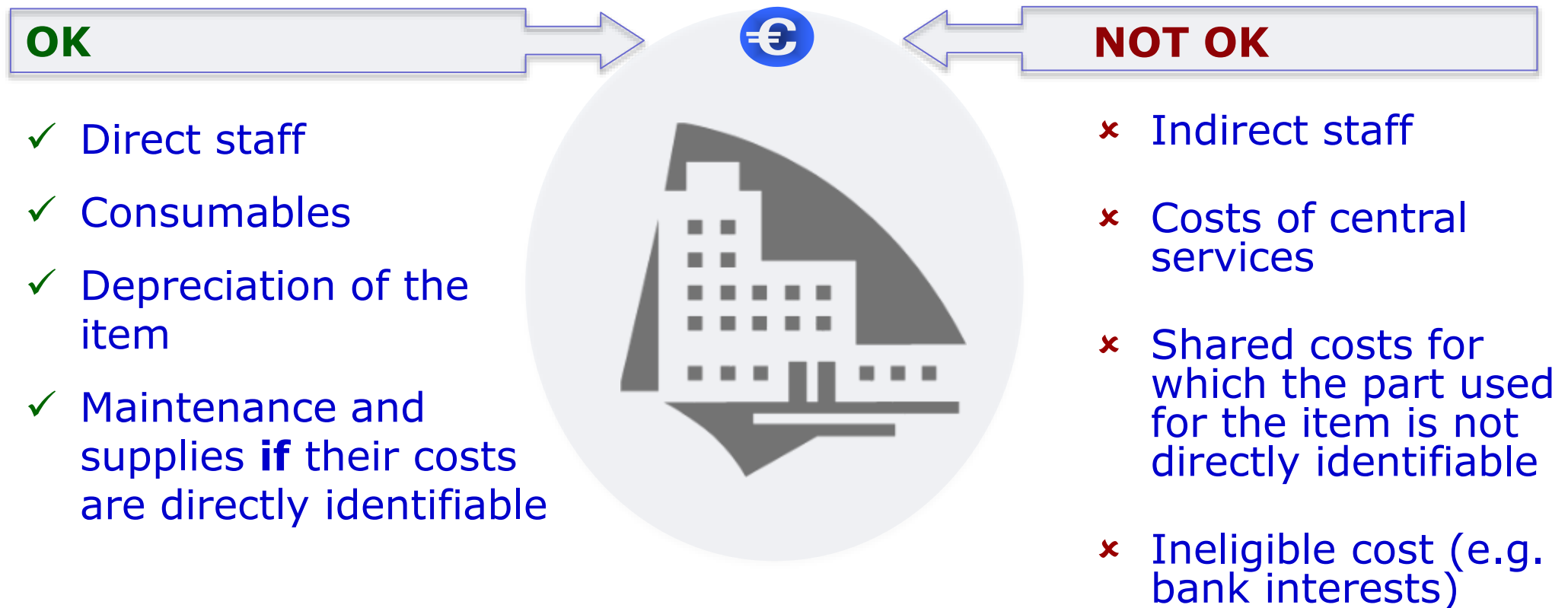
Standardised processes

- e.g. genomic test, mass spectrometry analysis, etc.

Hosting services for researchers

- e.g. housing and canteen costs for visiting researchers

Internal invoices must be calculated in accordance with the usual cost accounting practice of the beneficiary, but adjusted if needed to comply with the cost eligibility conditions



Third parties: basics

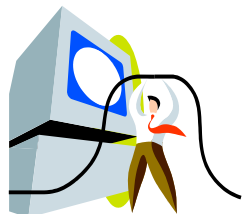
⇒ What is a third party?

↳ A legal entity which carries out work of the action, supplies goods or provide services for the action, but which did not sign the grant agreement

⇒ What types of third parties?



1. Third parties directly carrying out part of the work described in Annex 1



2. Other third parties: providing resources, goods or services to the beneficiaries for them to carry out the work described in Annex 1



3. Third parties receiving financial support (money) from the beneficiary as part of the action. Only when authorised in the call

1. Third parties carrying out work in the action

Beneficiary

Linked third parties

Affiliated entities

Third parties with a legal link

Affiliated entity

- Under the direct or indirect control of the beneficiary
- Under the same direct or indirect control as the beneficiary
- Directly or indirectly controlling the beneficiary

'control' = >50 % shares or majority voting rights or decision-making powers


1. Third parties carrying out work in the action

Beneficiary

Linked third parties

Affiliated entities

Third parties with a legal link

- Similar to FP7 Special Clause 10
- Must be identified in the GA
- Same cost eligibility criteria than for beneficiaries
-  **NEW:** COM or Agency may request them to accept joint and several liability for their EU contribution

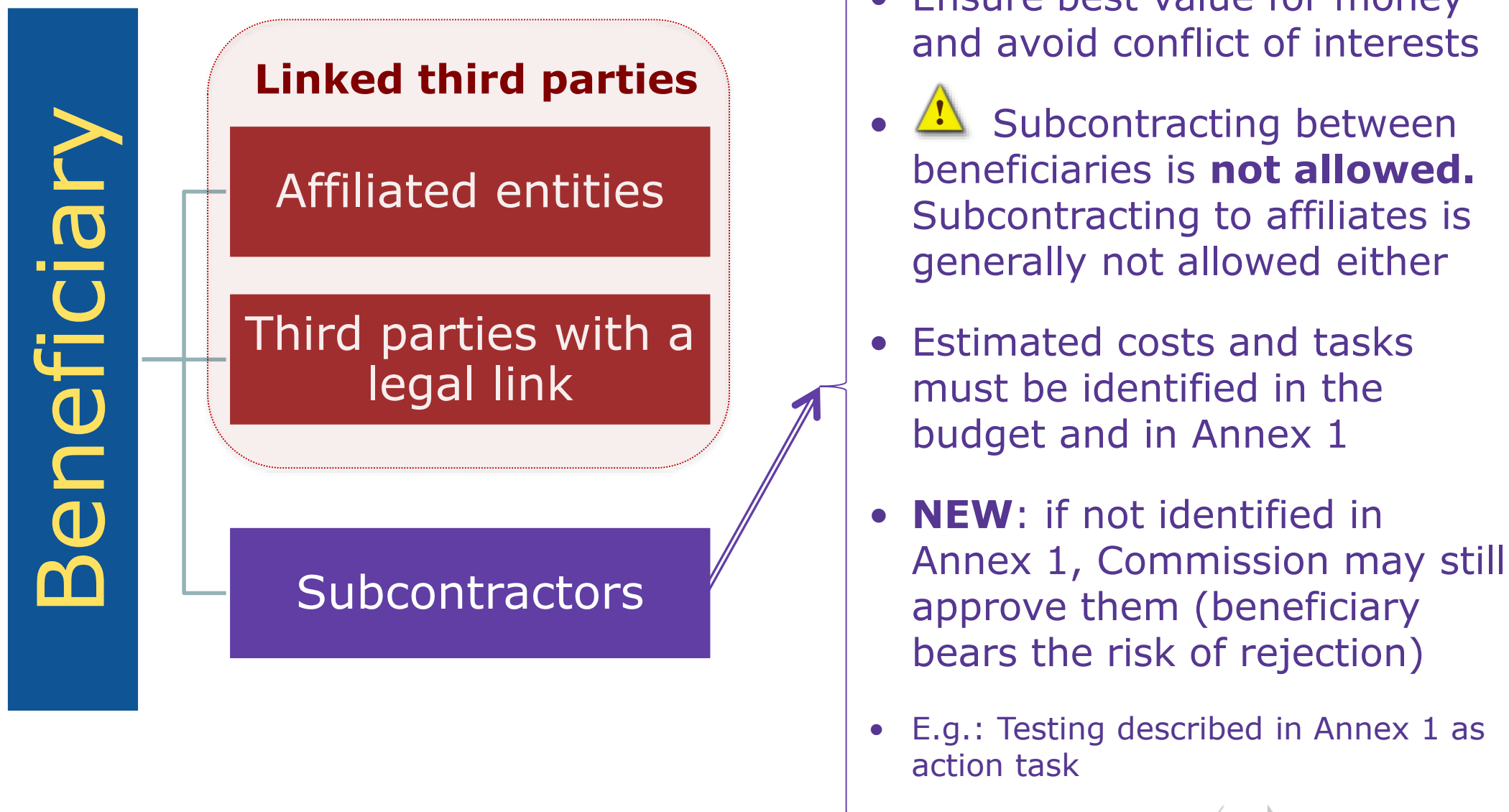
Affiliated entity

Legal link

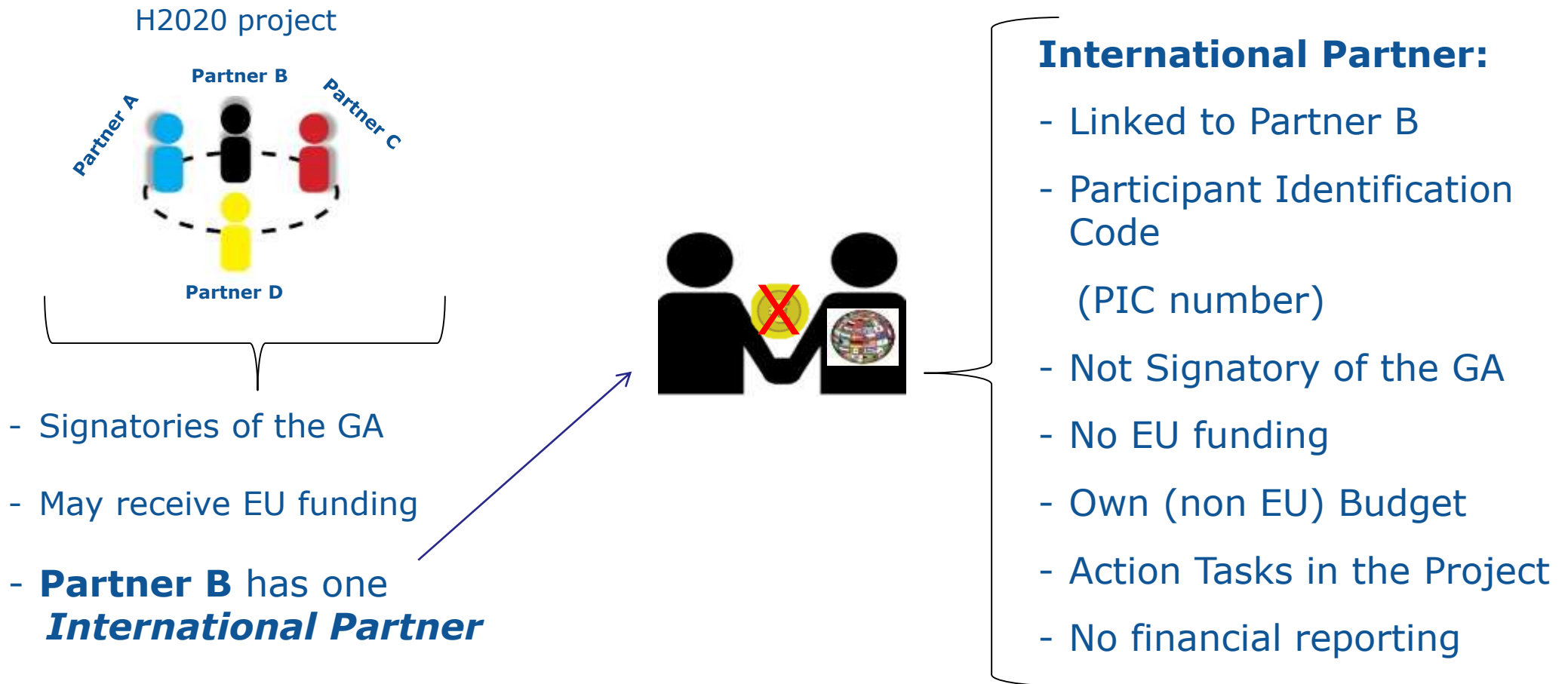
A legally established relationship **not** specifically created for the Grant Agreement.

It may be in the framework of a legal structure (e.g. the relationship between an association and its members) or through an agreement or contract (not limited to the action).

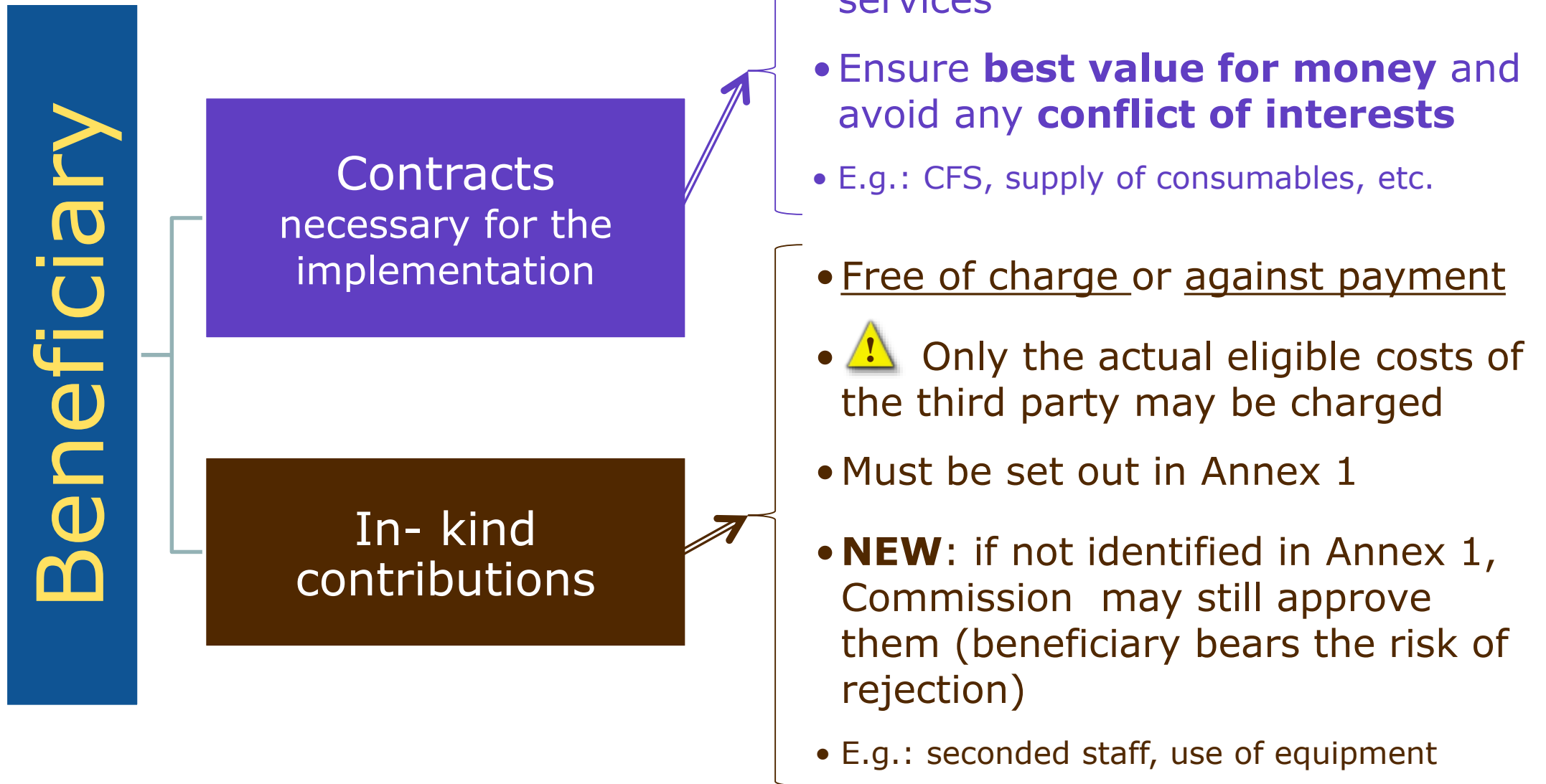
1. Third parties carrying out work in the action



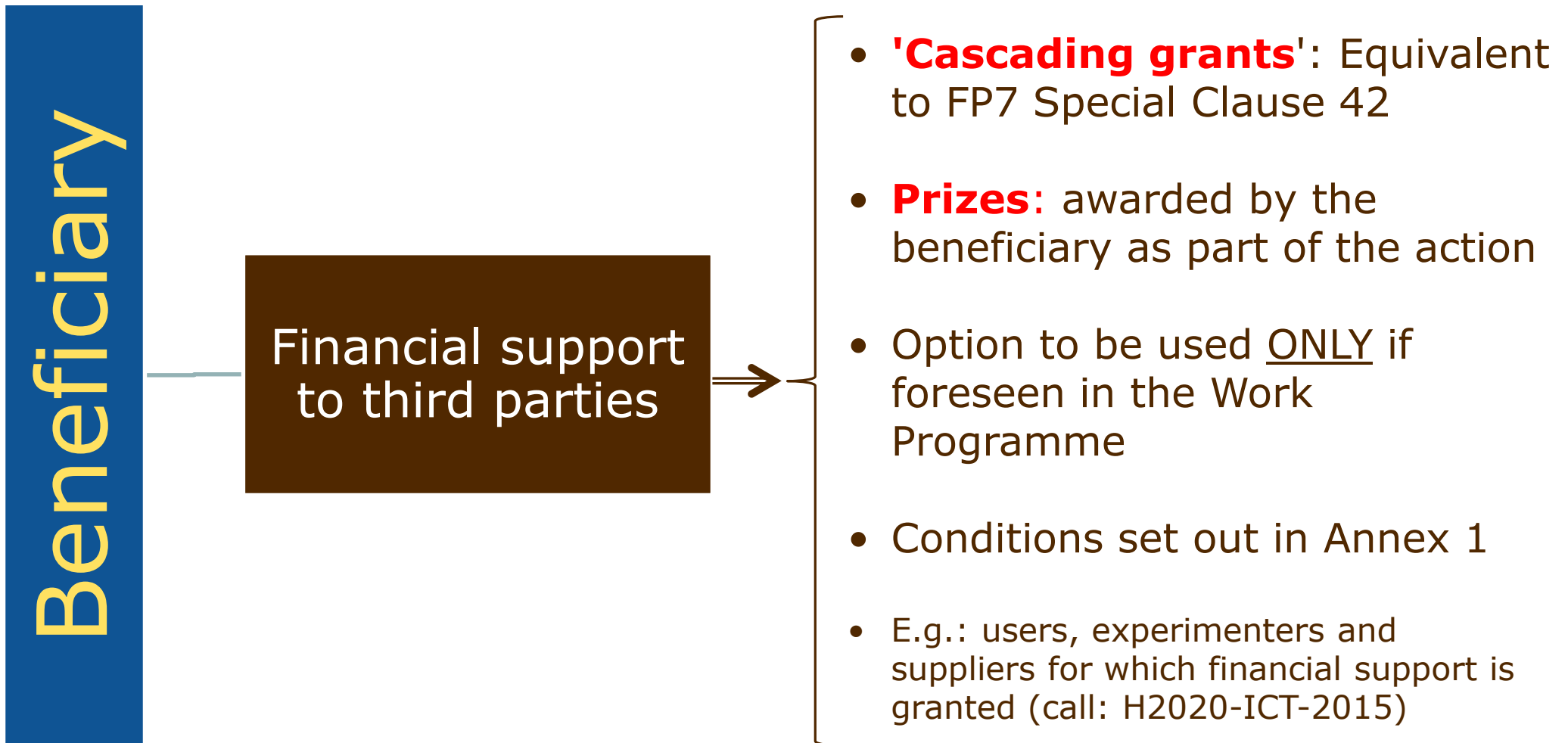
"INTERNATIONAL PARTNERS"



2. Other third parties



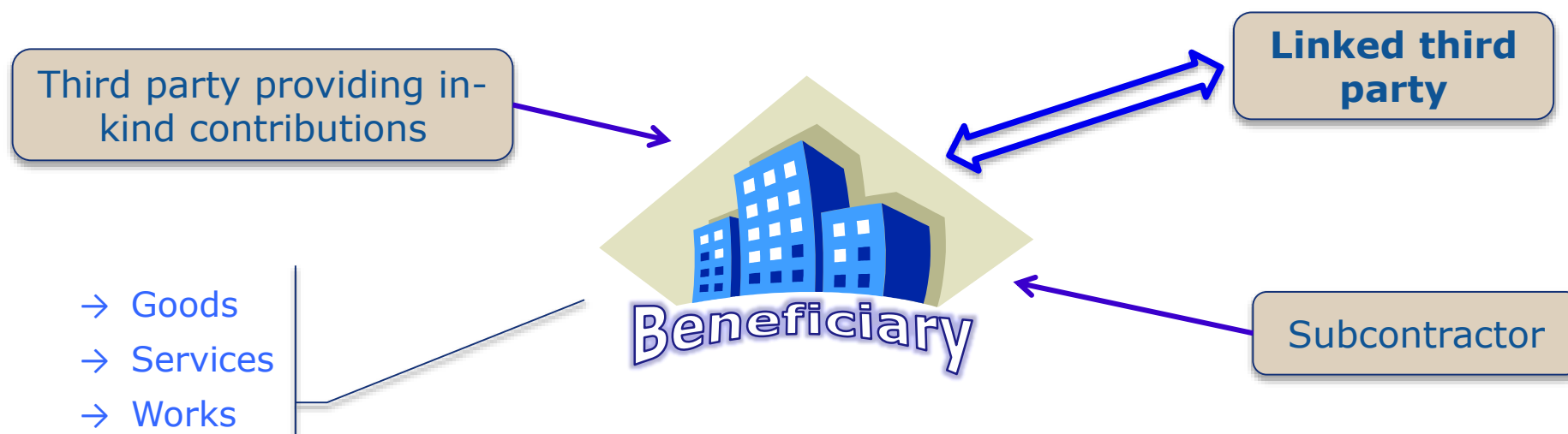
3. Financial support to third parties



Third parties: summary

Types of third parties	CHARACTERISTICS						
	Does work of the action	Provides resources or services	What is eligible?	Must be indicated in Annex 1	Indirect costs	Selecting the third party	Articles
Linked third party	YES	NO	Costs	YES	YES	Must be affiliated or have a legal link	Article 14
Subcontractors	YES	NO	Price	YES	NO	Best value for money, avoid conflict of interest	Article 13
International partners	YES	NO	No EU funding	YES	No EU funding	Partner to one beneficiary	Article 14a
In-kind contributions by third parties	NO	YES	Costs	YES	YES	Not used to circumvent the rules	Articles 11 and 12
Contractors	NO	YES	Price	NO	YES	Best value for money, avoid conflict of interest	Article 10
Financial support to third parties	Only if allowed in the call The beneficiaries' activity consists in providing financial support to the target population			YES	NO	According to the conditions in Annex 1	Article 15

Third parties: Warnings !



The beneficiary retains the sole responsibility for the work and the costs declared !

If something goes wrong with the third party, the beneficiary will be responsible



The beneficiary must ensure that Commission, OLAF and European Court of Auditors can audit its third parties including subcontractors and providers



In case of an audit to a 3rd party, the beneficiary is also in copy of all relevant communications (announcement of the audit, audit report, etc.)

Subcontracts vs. Contracts

Article 10 Contracts to purchase goods, works or services	Article 13 Subcontracts
These contracts do not cover the implementation of action tasks, but they are necessary to implement action tasks by beneficiaries.	Subcontracts concern the implementation of action tasks; they imply the implementation of specific tasks which are part of the action and are described in Annex 1.
Do not have to be indicated in Annex 1.	Must be indicated in Annex 1.
The price for these contracts will be declared as ‘other direct costs’ — column D in Annex 2 — in the financial statement; they will be taken into account for the application of the flat-rate for indirect costs.	The price for the subcontracts will be declared as ‘direct costs of subcontracting’ — column B in Annex 2 — in the financial statement; they will not be taken into account for the application of the flat-rate for indirect costs.

Additional Guidance



⇒ Horizon 2020 Annotated Grant Agreement

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

- ✓ All MGAs explained in a single document
- ✓ Updated periodically based on feedback from users

⇒ Communication and training

- ✓ H2020 Communication Campaign: 38 national events so far, more than 4400 direct participants of H2020 + web streaming
- ✓ Coordinators' days, info days, etc.

Still questions? **Research Enquiry Service** (<http://ec.europa.eu/research/enquiries>)



HORIZON 2020

Audit Procedure

The Common Audit Service

Outsourced and In-House Audits

- Audit Selection
- 
- Audit Planning
- 
- On-site Audit
- 
- Audit Reporting
- 
- Audit Closure

How to prepare for an audit

- Ensure that key personnel (finance/accounting/admin/project) will be present for the duration of the on-site audit.
- Ensure the project file is complete – timesheets, purchase orders, invoices, evidence of price comparisons/tenders etc.
- The more documentation – including policy documents – that reaches the auditors before the audit, the smoother the on-site audit will go.
- Understand that the auditors may request to see original documents when on-site.

How to prepare for an audit

- The Breakdown of Costs is the key document which sets out the detail of the costs claimed to the action. It is critical that this document reach the auditors at least three weeks prior to the audit.
- Check that the amounts in the Breakdown of Costs match the amount included in the claim. If they don't, explain why.
- Ensure that the auditors have a decent working space with working WiFi connection.
- Remember that time lost on-site is likely to lead to additional test work having to be performed after the audit.

Common Errors

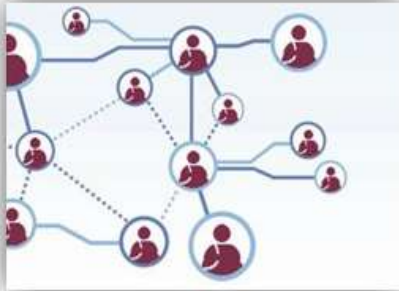
- Breakdown of costs doesn't match costs claim.
- Claim/Breakdown amounts manipulated to match Budget figures – actual numbers only please!
- No documentation ready => we need evidence.
- Documentation slow to arrive => audits can drag.
- Timesheets not credible, not compliant – don't let it happen!
- Time wasted on audit admin/logistics => audit delay.
- People not available => audit delay.



HORIZON 2020

Complying with audit requirements on
MSCA actions

Marie Skłodowska-Curie Actions



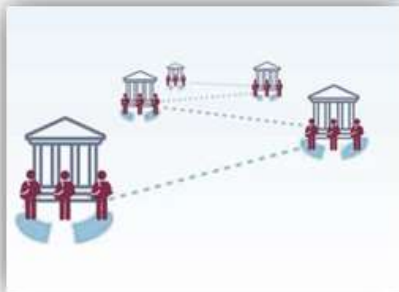
ITN

Innovative Training
Networks



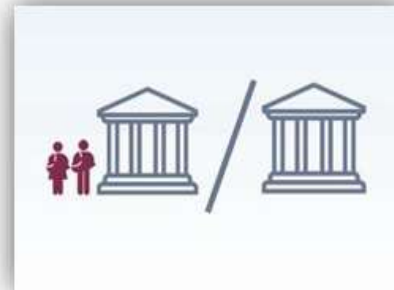
IF

Individual Fellowships



RISE

Research and
Innovation Staff
Exchange



COFUND



European Researchers'

NIGHT

Audit focus is on:

Researcher Unit Costs

Grant Agreement Obligations

MSCA – Researcher Unit Costs

"The beneficiary must keep adequate records and other supporting documentation to prove the number of units declared and that the costs for the recruited researchers (living allowance, mobility allowance, family allowance) have been fully incurred for the benefit of the researchers." Article 18.1.2 of the MGA (ITN)

Normally paid as salary – includes employers eligible social security charges and taxes

Eligibility of the Researcher → part of the audit scope

Researcher unit costs eligible => institutional unit costs eligible

MSCA – Researcher Unit Costs

Researcher Unit Costs

ITN & IF Cost Categories

	Costs for recruited researchers			Institutional costs	
	Living Allowance (correction coefficient to be applied*)	Mobility Allowance	Family Allowance (when eligible)	Research, training & networking costs	Management & indirect costs
ITN	€ 3 110	€ 600	€ 500	€ 1 800	€ 1 200
IF	€ 4 650	€ 600	€ 500	€ 800	€ 650

* See Work Programme for Country-specific correction coefficient to be applied

MSCA – Research Unit Costs

RISE Cost Categories

Costs for seconded staff members (top-up allowance)	Institutional Costs	
	Research, training & networking costs	Management & indirect costs
€ 2 000	€ 1 800	€ 700

COFUND Cost Categories

Check also minimum total remuneration

	Costs for researchers	Institutional costs
ESR	€ 3710 (EU contribution: €1855)	€ 650 (EU contribution: €325)
ER	€ 5250 (EU contribution: €2625)	

MSCA – Researcher Unit Costs

Documentation:

Payslips/ Bank statements

CV's (ER or ESR)

Employment contracts (signed and original)

Lab book, attendance lists, conference abstract, travel expenses, diplomas, publications...

Proof of work done

For stays in another entity or secondments during the period:

- Copy of travel / accommodation documents;
- Report to supervisor

MSCA – Grant Agreement Obligations

- ✓ Vacancies publication (Euraxess) → Cofund & ITN
- ✓ Evidence of the call to engage the experienced researchers: open, transparent, impartial, merit-based and equitable (absence of Conflict of interests → self-declaration) → Cofund & ITN
- ✓ Same working conditions as the local researcher → Cofund & RISE
- ✓ Code of conduct → ITN, IF, RISE, Cofund

Adjustments in fellowship months, due to

- ☐ clerical errors
- ☐ early terminations or delays not taken into account
- ☐ Fellow did not work full time
- ☐ Fellow should have but did not work on premises
- ☐ Costs not claimed for some fellows
- ☐ Costs claimed but fellows never started