



ITN 2020 Coordinator's Info Day

FINANCE

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Research Executive Agency

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Content



1. Project financial lifecycle
2. Cost categories, eligibility of costs and burden of proof
3. Financial reporting

Cost-categories: Work-programme

Table 1: EU contribution [in EUR]

Marie Skłodowska-Curie Action	Researcher unit cost person/month			Institutional unit cost person/month	
	Living allowance*	Mobility allowance	Family allowance	Research, training and networking costs	Management and indirect costs
Innovative Training Networks	3270	600	500	1 800	1 200

* A country correction coefficient applies to the living allowance. This coefficient is the one applicable to the country of the beneficiary, as listed in Table 2. The only exception are IF Global Fellowships with two different country correction coefficients:

Cost categories: Proposal

Participant Number	Organisation Short Name	Country	IOEI	No of researchers	Number of person.months	Researcher Unit Cost			Institutional Unit Cost		TOTAL
						Living allowance	Mobility Allowance	Family Allowance	Research, training and networking costs	Management and overheads	
1	[REDACTED]	France	no	2	72	272404,08	43200,00	18000,00	129600,00	86400,00	549604,08
2	[REDACTED]	Belgium	no	2	72	235440,00	43200,00	18000,00	129600,00	86400,00	512640,00
3	[REDACTED]	Italy	no	1	36	122899,68	21600,00	9000,00	64800,00	43200,00	261499,68
4	[REDACTED]	Romania	no	1	36	80991,36	21600,00	9000,00	64800,00	43200,00	219591,36
Total				6	216	711735,12	129600,00	54000,00	388800,00	259200,00	1543335,12

1 543 335.12

Cost categories: GA Annex 2

Grant Agreement number: [REDACTED] — [REDACTED] — H2020-MSCA-ITN-2019

Ref. Ares(2019) [REDACTED]

ESTIMATED BUDGET FOR THE ACTION

		Estimated eligible ¹ costs (per budget category)										EU contribution			
		A. Costs for recruited researchers					B. Institutional costs					Total costs	Reimbursement rate %	Maximum EU contribution ²	Maximum grant amount ³
		A.1 Living allowance	A.2 Mobility allowance	A.3 Family allowance	B.1 Research, training and networking costs	B.2 Management and indirect ⁴ costs									
		Unit	Unit	Unit	Unit	Unit									
		Costs per unit ⁶	Total a ⁷	Costs per unit ⁶	Total b ⁷	Costs per unit ^{6,8}	Total c ⁷	Costs per unit ⁶	Total d ⁷	Costs per unit ⁶	Total e ⁷	f = a+b+c+d+e	g	h	i
1. [REDACTED]	72.00	3 783.39	272 404.08	600.00	43 200.00	250.00	18 000.00	1 800.00	129 600.00	1 200.00	86 400.00	549 604.08	100.00	549 604.08	n/a
2. [REDACTED]	72.00	3 270.00	235 440.00	600.00	43 200.00	250.00	18 000.00	1 800.00	129 600.00	1 200.00	86 400.00	512 640.00	100.00	512 640.00	n/a
3. [REDACTED]	36.00	3 413.88	122 899.68	600.00	21 600.00	250.00	9 000.00	1 800.00	64 800.00	1 200.00	43 200.00	261 499.68	100.00	261 499.68	n/a
4. [REDACTED]	36.00	2 249.76	80 991.36	600.00	21 600.00	250.00	9 000.00	1 800.00	64 800.00	1 200.00	43 200.00	219 591.36	100.00	219 591.36	n/a
Total consortium	216.00	n/a	711 735.12	n/a	129 600.00	n/a	54 000.00	n/a	388 800.00	n/a	259 200.00	1 543 335.12	100.00	1 543 335.12	1 543 335.12

1 543 335.12

1. Project financial lifecycle

The Maximum Grant Amount

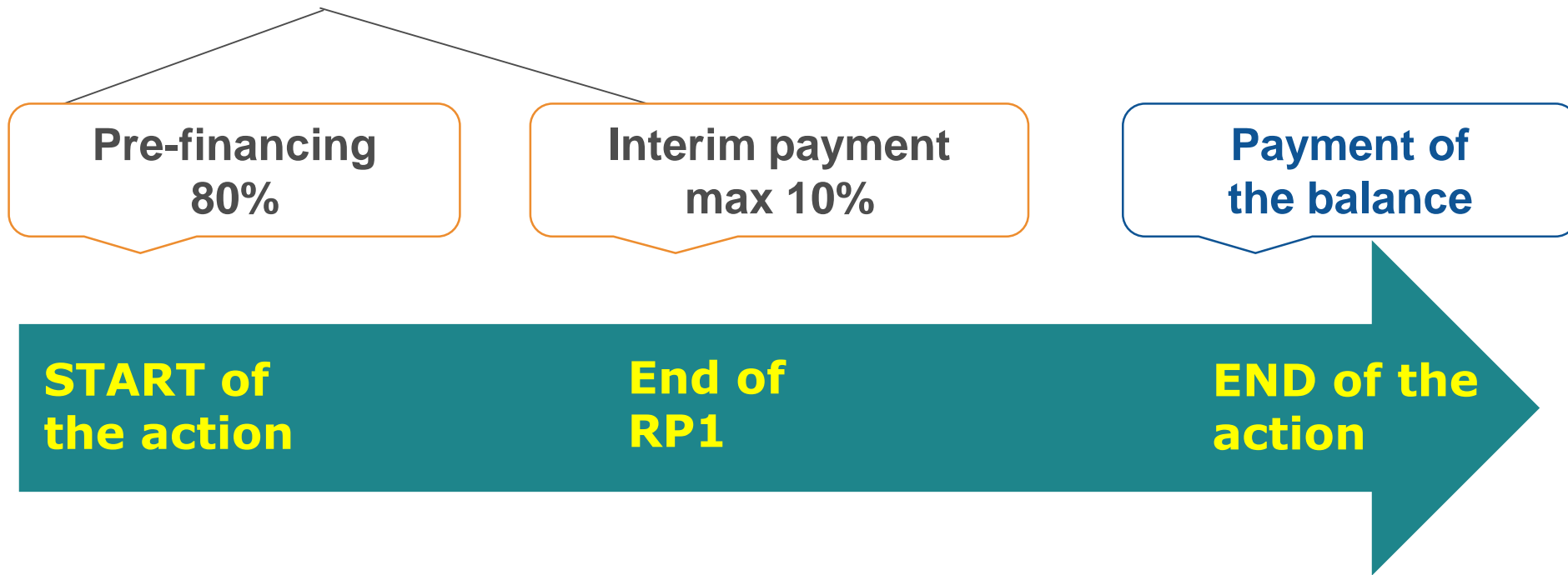
- **Maximum Grant Amount**
 - Grant Agreement - **Article 5.1**
 - Annex 2

For ETN, EJD and EID>2 beneficiaries:

- **Article 4.2:** 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

Payment modalities

The total amount of pre-financing and interim payments must not exceed 90% of the maximum grant amount.



Pre-financing

How much?

80% of maximum grant amount

- 75% of max grant amount → Consortium
- 5% of max grant amount → **Participant 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?

- Decision of the consortium addressed in the Consortium Agreement
- Coordinator must distribute the pre-financing to all Beneficiaries without unjustified delay

Pre-financing: Participant Guarantee Fund

Set up to manage the financial risks of the action managed by the DG ECFIN

- 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.

Pre-financing

When is it paid?

Pre-financing will be paid to the 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

**GA entry into force
1 Sept 2020**

**Start date
1 Jan 2021**



Payment Pre-financing

Interim payment

Article 21. 3

The total amount of pre-financing and interim payments must not exceed 90% of the maximum grant amount set out in Article 5.1

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 reports)

Who receives the interim payment?

- The Coordinator, who distributes it among the consortium

Interim payment

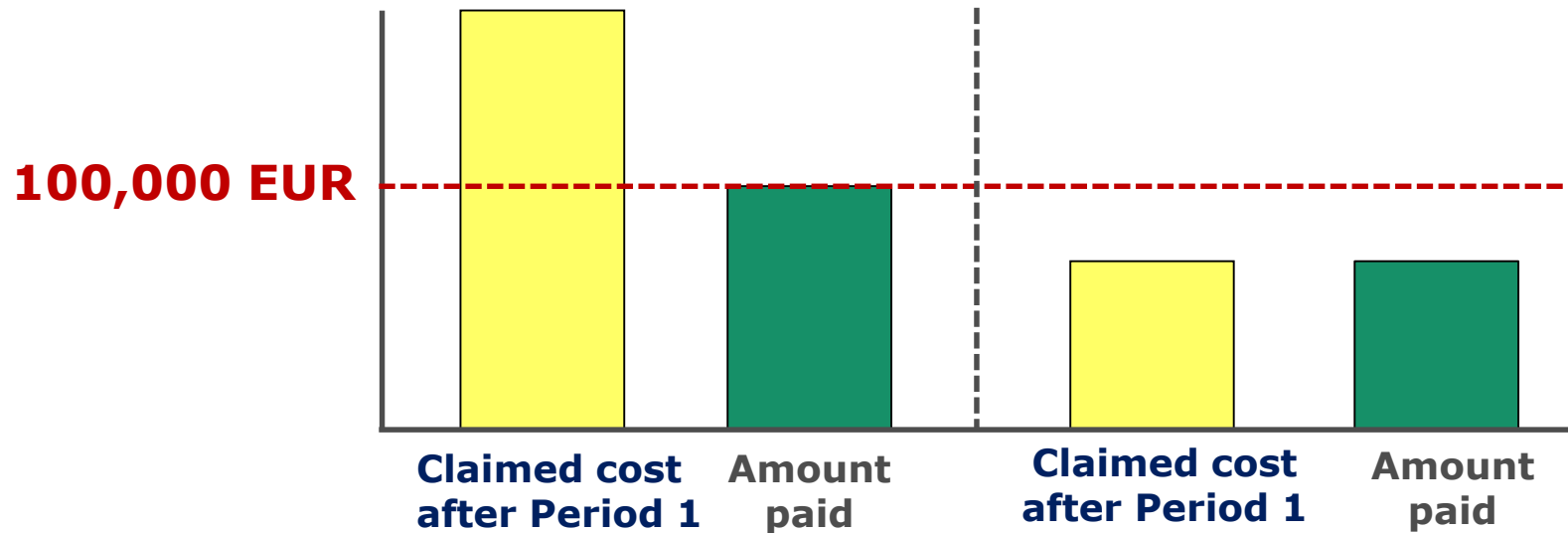
Maximum Grant Amount: 1,000,000 EUR



Interim payment

80%

max 10%



Payment of balance

How much?

- The payment of the balance that is 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 final periodic report - technical report & financial 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
- In case the final costs are lower than the funding already received at pre-financing and interim payment stages, REA will recover funds

Payment of 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?

- Separate transaction with the payment of the balance
- If negative balance = offsetting

2. Cost categories, eligibility of costs and burden of proof

Cost categories

A. Costs for Recruited Researchers			B. Institutional costs	
Researcher			Institution	
<u>A1. Living allowance*</u>	A2. Mobility allowance	A3. Family allowance**	B1. Research, training and networking costs	B2. Management and indirect costs
<u>3 270</u>	600	500	1 800	1 200

*multiplied by the country correction coefficient
(where the fellow is hosted)

** if applicable

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

Base rates for 2020

Funding mechanism

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

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

A1. Living allowance

How much?

Monthly rate: **EUR 3,270***

*Multiplied by the **Country Correction Coefficient** where the fellow is hosted (Work Programme **2018-2020**).

Contract type

Fellows should always be recruited under **Employment contract** or other direct contract with equivalent benefits.

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

Exception: *Fixed amount fellowship should only be given where national regulation would prohibit the possibility of appointing a researcher under an employment contract and only with REA pre-approval.*

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'

FAQ

Can we pay the fellow less?

- No → Breach of the Grant Agreement (e.g. possible grant reduction)
- Progressive salary is accepted as long as the fellow receives the full MSC 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 the equivalent of the amount due in Euro, but the costs must be reported in Euro

FAQ

Is the mobility allowance taxed?

- Usually, yes – but it depends on national taxation rules
- Some institutions 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 institutional and national rules)

A3. Family allowance

**** if applicable**

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 family allowance is calculated on the family status at the time of the first recruitment to the project. It does not change during the lifetime of the action

***'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

FAQ

Currently in your GA:

The amount for the family allowance inserted by the system represents an average (with/without family) – assumption that 50% of the ESRs are entitled to family allowances.

During the project's duration, for the individual financial statements (IFS Annex 4), this amount will be adjusted according to the actual family status of the recruited researchers:

Recruitments

Recruitment ▲	Type of Contract	Researcher Category	Family Average Allowance	Starting Month	Duration	Hosted By	Host Country
1	A	ESR	250.00	6	36.00	1. AU (BEN)	Denmark

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

B1. Research, training and networking costs

How much?

Fixed amount of **EUR 1 800** per implemented person-month

What is it used for?

- the participation of researchers in training activities
- expenses related to research costs
- costs for visiting researchers (conditions in section 4.1 GfA)
- tuition fees (where applicable)
- visa, residency card for the recruited researcher
- secondment costs (at least travel and accommodation costs for each secondment of 6 months or less)

B1. Research, training and networking costs

- Tuition fees (if applicable): MSCA-ITN researchers **may NOT be requested** to pay tuition (enrollment, registration etc) fees for their research training and/or PhD degree programme from their own funds.
- Note: all entry visa costs (and renewals) for the recruited researcher must be covered from institutional costs (both at the time of recruitment, even if incurred before the recruitment date, and in case of secondments).

B1. Research, training and networking costs

- For MSCA-ITN, secondments are periods of research training with another beneficiary and/or a partner organisation (from the Consortium) in order to further enrich the training experience of the researchers.
- Institutional costs are covering also costs (**e.g. travel and accommodation costs**) arising from **each secondment of 6 months or less** which require mobility from the place of residence.

Example: A researcher does doctoral research at a beneficiary in Italy for 36 months. During this time, she goes on a 4-month secondment to Poland. The beneficiary must cover her travel and accommodation costs in Poland for this 4-month period with the research, training and networking costs category.

B1. Research, training and networking costs

How is it distributed between the beneficiaries?

The use of institutional costs is managed by each beneficiary, any redistribution is decided in the Consortium Agreement

- 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.

B2. Management and indirect costs

How much?

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

What is it used for?

Costs associated with the preparation of the reports and other documents required by the REA:

- ✓ Researcher declarations, deliverables, ethics, progress report, periodic and final reports etc
- ✓ 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

Transfer of funds 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

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



Eligible/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 incurred during suspension of action implementation
- Costs reimbursed under another EU or Euratom grant

Records ⁽¹⁾

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

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

- Evidence of open, fair, transparent, merit-based recruitment process
- Evidence of the eligibility of the fellow in terms of researcher experience, mobility and family status (e.g. CVs, copies of diplomas, copies of contracts ...)
- Employment contract/agreement with the fellow with all provisions from GA (Art. 32 a-m)
- Proof of payment of the researcher's allowances and of the deductions for social security etc.

Records (2)

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

- 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.

Timesheets for MSC Fellows

- If local administrative rules don't use timesheets then a clear and easy system to record the presence of the fellow for full time contract of employment (and/or secondment) is highly recommended.

Records (3)

Supporting documentation		To be sent to the auditor prior to the mission on-the-spot	Readily available at the time of the audit
I. General Information about the Beneficiary			
<input type="checkbox"/>	1. Beneficiary's legal registration (such as trade register abstract).	<input type="checkbox"/>	Yes
III. Supporting documents for cost declared for ITN, IF, RISE and COFUND			
<input type="checkbox"/>	14. ITN, IF, COFUND: The employment contract(s) signed with the recruited researcher(s), or other direct contract(s) with equivalent benefits, including social security coverage or the fixed-amount-fellowship agreement with minimum social security coverage; ¶ RISE: formal links between the staff member(s) and the sending organisation.	<input type="checkbox"/>	Yes
	15. Beneficiary's internal guidelines/procedures for time recording follow-up (if available).	<input type="checkbox"/>	Yes
	16. List with the names of the researchers hosted and the period that they have been hosted.	Yes	<input type="checkbox"/>

Records (4)

Indicative Audit Programme

https://ec.europa.eu/research/participants/data/ref/h2020/other/gm/audit/h2020-iap_en.pdf

REQUIRED SUPPORTING DOCUMENTS FOR AUDIT OF MARIE SKŁODOWSKA-CURIE ACTIONS

3. Financial Reporting

Researcher Declaration (RD)

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

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

IFS

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

ANNEX 4

MODEL STATEMENT												EU contribution		
recruited researchers		institutional costs				Total costs	Reimbursement rate %	Maximum EU contribution **	Maximum grant amount					
Mobility allowance	A.3 Family allowance	B.1. Research, training and networking costs		B2. Management and indirect costs										
Unit	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) ****	(a)+(d)	(g)	(h)	(i)	
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:

**All information is retrieved from Researcher Declarations (RDs)
Corrections to be made 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'



IFS: Checkbox 1

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									
		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)
Beneficiary	Name of the fellows *****	Number of units (researcher 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 that **any underpayments in Reporting Period 1 will be corrected by the end of the action.**

IFS: Checkbox 2 and confirmation

Individual financial statement

print format A4

MODEL ANNEX 4 FOR MSC ITN

ANNEX 4

FINANCIAL STATEMENT FOR BENEFICIARY [name]

		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)			
Beneficiary	Name of the fellows *****																	
	Number of units (researcher months)																	
Total Beneficiary																		

Did you receive any EU/Euratom operating grant during this reporting period?
 YES • NO

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)

The beneficiary hereby 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).



Financial Reporting: FAQ

Can we submit the reports without IFS from one or more Beneficiaries?

- Period 1: Yes. At the final reporting the missing Beneficiary(ies) will have to submit at the end 2 IFS

Should we submit IFS with zero costs?

- Yes

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 up to the beneficiary(ies) and partner organisation(s) concerned to conclude a Partnership agreement on arrangements for reimbursement

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
- Monthly allowances for the recruited researchers can be calculated using a **conservative exchange rate**, if a corrective payment is then made (to the researchers) immediately after the end of the reporting period. This must be clearly explained in the employment contract/equivalent direct contract.

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

Statistics

- + Main features
- **ECB/Eurosystem policy and exchange rates**
 - Official interest rates
 - Minimum reserves and liquidity
 - Eurosystem balance sheet
- + Banknotes and coins
 - TARGET balances of participating NCBs
 - Euro foreign exchange reference rates**
- + Money, credit and banking
- Financial corporations

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.

[> TARGET closing days](#)

Euro foreign exchange reference rates: 30 September 2020

All currencies quoted against the euro (base currency)

Currency		Spot	Chart
 USD	US dollar	↑ 1.1708	

Statistics

- + Main features
- ECB/Eurosystem policy and exchange rates
 - Official interest rates
 - Minimum reserves and liquidity
 - Eurosystem balance sheet
- + Banknotes and coins
 - TARGET balances of participating NCBS
 - Euro foreign exchange reference rates**
- + Money, credit and banking
- + Financial corporations
- + Financial markets and interest rates
- + Balance of payments and other

Bulgarian lev (BGN)

Latest (30 September 2020): EUR 1 = BGN 1.9558 +0.0000 (+0.0%)

Change from 30 September 2019 to 1 October 2020

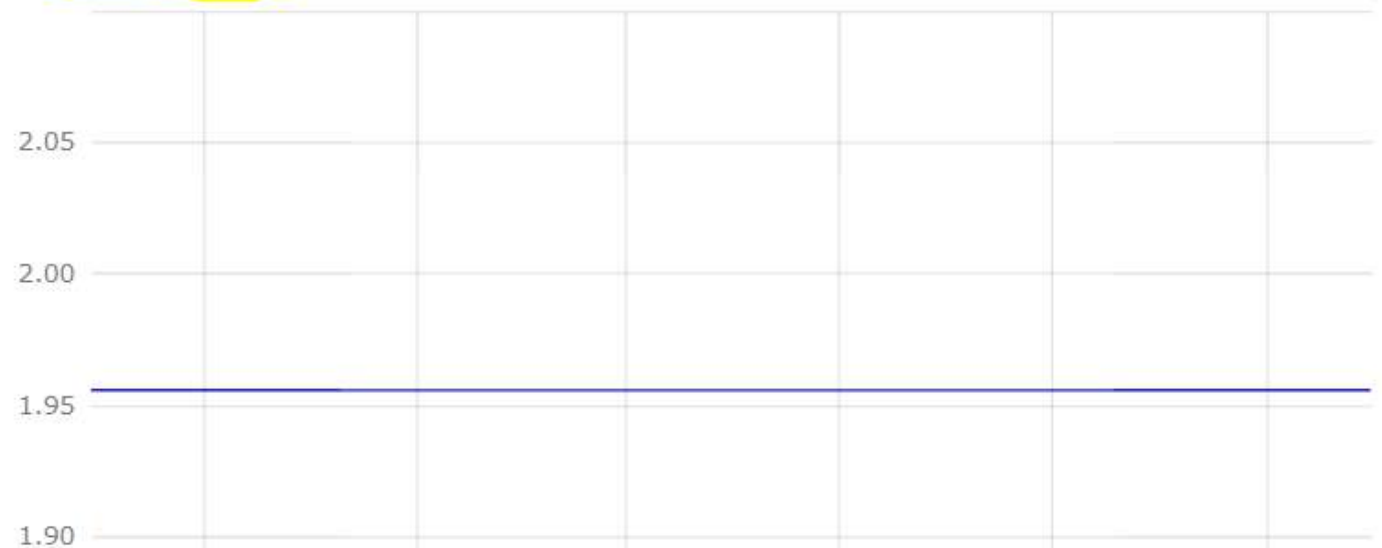
Minimum (30 September 2020): 1.9558 - Maximum (30 September 2020): 1.9558 - Average: 1.9558

Select: EUR vs. BGN ▾



From: 30-09-2019 to: 01-10-2020

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



CFS and Financial Distribution Report

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, termination of beneficiary, recovery, etc.); please check Grant Agreement

Maternity, parental, sick leave

- The MSC Fellows can take maternity and parental leave 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. This period should be reflected in the Researcher's Declaration and their contract might be extended with the corresponding period within the action's duration.

What happens if the fellow is sick?

- The fellow can take sick leave in accordance with national legislation

Costs

Are the costs of the leave eligible under the action?

- If the fellow is absent (including sickness):
 - ≤ 30 days = full unit is reimbursed
 - > 30 days = no payment from day 1 (Suspension)

Thank you



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