

CREMLINplus - Financial regulations and reporting under Horizon 2020

CREMLINplus Kick-off Meeting

19-20 February 2020

DESY, Hamburg

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Agenda

1. CREMLINplus Data Sheet
2. Introduction
3. Communication/Acknowledgement
4. General financial information
5. Eligible/ ineligible costs
6. Direct costs/ Indirect costs
7. Financial and Scientific Reports
8. Deliverables/Milestones
9. Payments
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1. CREMLINplus Data Sheet

- > Grant Agreement Number: 871072
- > Coordinator: DESY
- > Beneficiaries/Partners: 35
- > Third Parties: 1
- > Max. Contribution from the EC: 24,946,358.70 Euro
- > Project Duration: 48 months
- > Start date: 1. February 2020
- > End date: 31. January 2024



2. Introduction

> Horizon 2020 Programme Manual

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

- All regulations (rights and duties) to manage a H2020 Project
- Basis for the funding

> Funding & Tenders Portal (former Participant Portal)

→ <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/home>

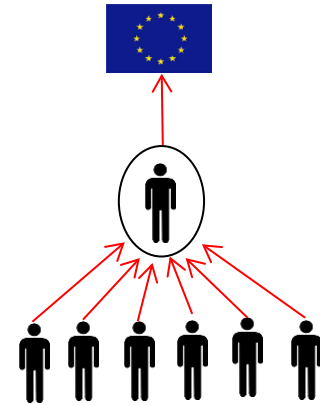
- Management area of the EC (Continuous Reporting, Deliverables, Milestones)
- Project related processes of the EC
- Consortium contacts



3. Communication/Acknowledgement

> **All Communication** to the European Commission (EC) only via the Coordinator

→ Coordinator Contact Persons:
Martin Sandhop (Scientific, overall)
Kaja Scheliga (Management)
Tom Minniberger (Financial)



> **Acknowledgement**

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 871072



▪ **The acknowledgement have to be present on every project related outcome (presentation, poster, leaflet, publication, etc.!).**

▪ [EU-Flag: http://europa.eu/about-eu/basic-information/symbols/flag/index_en.htm](http://europa.eu/about-eu/basic-information/symbols/flag/index_en.htm)



4. General financial information

> **Costs center**

- All project related expenses (personnel, travel, other direct costs, etc.) should be recorded by a specific project cost center

> **EC-Funding rate**

- 100% of direct costs
- 25% indirect costs (overhead)



5. Eligible Costs

Used for the sole purpose of achieving objectives of the project – NO EXCEPTION!

- Real costs
real – not estimated, definitively and genuinely borne by the beneficiary (not by any other entity)
- Required and necessary for project realisation
(as described in Annex 1)
- Incurred during project duration
- entered in the estimated budget (Annex 2)



5. Eligible Costs

- Identifiable and verifiable (proper accounting documentation, Art 18)
- Compliant with national accounting rules
- Compliant with beneficiary's usual cost accounting practices
- Compliant with the national laws (taxes, labour, social security)
- Good economic management practice (economy and efficiency)

Examples:

NO increase of salaries of your personnel, upgrade your travel policy just because of the Commission support.

If a particular cost is always charged as an indirect cost, it must be so also for Horizon 2020 actions, and should not be charged as a direct cost

5. Ineligible Costs

- Currency exchange losses
- Bank costs charged by the beneficiary's bank for transfers from the Commission
- Cancellation costs
Example: Cancellations fees for already booked flights, hotel, etc.
- Deductible VAT **Note:** *non-deductible/non-identifiable VAT is eligible*
Example: VAT charged by supplier cannot be identified, then full purchase price can be recorded in the accounts
- Interests owed (*i.e. interest on a loan to borrow capital*)
- Provisions for future losses or debts
- Debt and debt service charges
- Costs related to return on capital
Example: dividends paid as remuneration for investing in the action; remuneration paid as a share in the company's equity
- Excessive or reckless expenditure (*paying significantly more than usual market rates etc*)

6. Direct costs/ Indirect costs

Direct Costs

Are directly linked to the project and can therefore be attributed/
booked directly to it

Personnel costs, travel, subcontracting, other costs

recorded and documented

Indirect Costs

Overhead costs

*In H2020 Flat Rate: **25%** of direct costs*

***Examples:**, space , management, accounting dept, equipment, electricitycomputer equipment & space of person working on the project is indirect costs!*

6. Direct costs – Personnel costs

As a general rule, all staff involved in the project must be employees of the beneficiaries in order for their costs to be eligible as personnel costs

 *all staff employed should be remunerated by the legal entity signing the GA*

> **Eligible personnel costs**

- **Basic salary:**
 - Salary (stated on the beneficiary's payroll)
 - Social security contributions (mandatory parts to be paid by the employee and employer)
 - Taxes or other costs included in the salary (e.g. a fee paid by the beneficiary for a complementary health insurance scheme for the employee)
- **Complements** (see next page)

6. Direct costs – Personnel costs

Complements

resulting from national law, collective labour agreement or the employment contract

Examples:

mandatory complements

a 13th month payment; complement for hazardous work or night shifts; transportation allowance, etc.

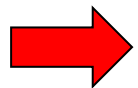
variable complements

- 1. The collective labour agreement establishes that all researchers may receive a complement between EUR 100 and EUR 200 per month based on their seniority.*
- 2. The national law authorises public universities to pay a complement based on merit of the employees.*
- 3. The contract fixes a premium of EUR 1000 for each research paper published in peer reviewed international research journals.*

6. Direct costs – Personnel costs

Art 39.2 GA – Processing of Personal Data

*“The beneficiaries must inform the personnel whose personal data are collected and processed by the Commission. For this purpose, they must provide them with the **service specific privacy statements (SSPS)** [...], before transmitting their data to the Commission.”*



Hand out SSPS to every employee working in CREMLINplus
(recommendation: confirm receipt by signature)

http://ec.europa.eu/research/participants/data/support/legal_notice/h20-20-ssps-grants_en.pdf

6. Direct costs – Personnel costs

Time record (1/3)

- > Only hours actually worked on the project can be charged
- > Hours declared to the action must be supported by reliable records and documentation
- > Timesheets for all persons who work for the project
- > **Timesheet: template available in the AGA Art 18**
- > Information must match records of annual and sick leave, and work-related travel

| TIME RECORDING FOR A HORIZON 2020 ACTION | | | | | | | | | | | | | | | | | | | Month: | Year: | | | | | | | | | | | | | |
|--|---|---|---|---|---|---|---|---|---|----|----|--|----|----|----|----|---|----|--------|-------|----|----|----|----|----|----|----|----|----|----|----|-------|--|
| Title of the action (acronym): | | | | | | | | | | | | Grant Agreement No.: | | | | | | | | | | | | | | | | | | | | | |
| Beneficiary's / linked third party's name: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Name of the person working on the action: | | | | | | | | | | | | Type of personnel <small>(See Art. 6.3.4 Grant Agreement)</small> | | | | | | | | | | | | | | | | | | | | | |
| 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 <small>e.g. work package</small> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Hours | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Short description of the activities carried out in the month: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Signed (name of the person working for the action): Date: Signature: | | | | | | | | | | | | | | | | | Signed (name of the supervisor): Date: Signature: | | | | | | | | | | | | | | | | |



6. Direct costs – Personnel costs

Time record (2/3)

What is to be included on the Timesheet (see AGA Art 18):

- > the title and number of the action (CREMLINplus/ 871072)
- > the beneficiary's full name
- > the full name, date and signature of the person working for the action
- > the number of hours per day worked for the action
- > the supervisor's full name and signature
- > a reference to the action tasks or work package described in Annex 1, to easily verify that the work carried out matches the work assigned and the person-months reported to the action



6. Direct costs – Personnel costs

Time record (3/3)

Time records – common errors

- > Inconsistency with HR records
- > Time sheets not properly dated or signed
- > More than full time employment charged among different projects → double funding!
- > Poor or limited information captured
- > Inconsistency of Timesheets and Financial reporting (person-months per work-package to be reported)

| <u>TIMESHEET</u> | |
|--------------------------|-----------------|
| Monday | 4 hours |
| Tuesday | 4 hours |
| Thursday..... | |
| Friday..... | 2 hours |
| Monday | 8 hours |
| Tuesday | 8 hours |
| Friday..... | 4 hours |
| Monday | 4 hours |
| Tuesday | 3 hours |
| Wednesday..... | 8 hours |
| Thursday..... | 8 hours |
| Friday..... | 2 hours |
| <i>Total month</i> | <i>57 hours</i> |

NO!

6. Direct costs – Personnel costs

Additional remuneration

- > For non-profit legal entities only
- > capped at EUR 8 000 per year for each FTE
- > directly linked to the participation in the EU action
- > usual practice of the institution
- > appropriate extra payments are paid to all positions where comparable work is done or where comparable qualifications are required
- > amount of the bonus has been determined by an objective calculation method that is used for all sources of funding (and not only for EU-projects)
- > made on top of the basic remuneration
- > not only the extra salary, but also the according social security
- > contributions, taxes and other costs



6. Direct costs – Travel costs

- > No specific calculation method, but actual eligible costs to be declared
- > Travel must be necessary for and limited to the needs of the project
- > **Be in line with beneficiary's usual practise on travel**
 - EXAMPLES:** * Business class airplane ticket OK only, if always business class
 - * if „lump sums” or “per diem payment” are usually reimbursed, then these are the eligible costs and not actual costs
- > For personnel of the beneficiaries
- > For external persons (e.g. experts) possible if participate on an ad hoc basis and foreseen in Annex 1 (e.g. attending specific meetings)
- > May include all related duties, taxes and charges if usual practice (e.g. non-deductible VAT)
- > No distinction between travelling in or outside of Europe
- > **Signature Lists at all meetings!**

If any uncertainties or questions occur => please contact DESY!

6. Direct costs – Costs of other goods & services

- > Actual Costs
- > Specifically purchased for the project and best price-quality ratio
- > Costs in this category are:
 - Consumables & supplies (*raw materials, scientific publications needed*)
 - Catering
 - Dissemination costs (*incl. open access and conference fees*)
 - Costs for intellectual property rights (*IPR, incl. royalties for access rights*)
 - Audit costs (*for all beneficiaries > 325k€ budget*)
 - Translation costs (*if necessary for project implementation, justified, etc.*)
 - Internally invoiced costs (service or personnel; ok, if justified and properly recorded)
- > **NOTE: If your usual accounting practice considers some of these costs as *indirect costs*, they cannot be declared as direct costs (covered by the 25 % flat rate)**

If any uncertainties or questions occur => please contact DESY!



6. Direct costs – Costs of other goods & services

Please contact DESY!

Special case: Internally invoiced costs

The use of certain resources is shared between different units of the same organisation and the costs are declared through internal invoices

➔ Only eligible if the **internal invoice**:

- states use and the usage (number of hours!) for the action
- states specific resources (e.g. per researcher, piece of equipment, etc.).
- is supported by time-records for the work of personnel
- is supported by the calculation of the hourly rate as described in Article 6.2.A.
- is limited to the depreciation for the relevant reporting period
- No indirect cost elements, profit margin or mark-up to be included

Example (not acceptable internal invoice): *Internal invoice with a global price for the use of a research infrastructure (e.g. laboratory) or for a service (e.g. an analysis)*

Example (acceptable internal invoice): *Internal invoice with 16 hrs of the technician doing the analysis and 10 hrs depreciation of the testing equipment used*

➔ Must be declared under the budget category that corresponds to the invoiced resource (e.g. personnel, equipment, other direct costs, etc.)



6. Direct costs – Equipment costs

- Eligible costs as per Art 6.1 (a) (i) – (vii) GA
(i.e. incurred during and linked to the project, necessary, etc)
- Additional requirements (Art 6.2 D.3 and 10.1.1 GA)
 - Procured specifically for this project only
 - Ensure best price-quality ratio or lowest price
- Be written off in accordance with beneficiary's usual accounting practices and international accounting standards

If any uncertainties or questions occur => please contact DESY !

6. Indirect costs

25% fixed flat-rate

of eligible direct costs minus subcontracting costs

- **Covers ALL overhead costs for the project**
- **No justification and documentation for indirect costs needed**
- **In practice: declaration is completely automated!**
Indirect costs are automatically calculated by the EC IT system (on the basis of the direct costs).

7. Financial and Scientific Reports

EC Reporting

- > All reports to the European Commission are submitted via the Coordinator
 - **Periodic reports** on every 18 months, due 60 days after scientific & financial part
 - PR1: 1. Feb. 2020 – 31. Jul. 2021 due 30. Sep. 2021**
 - PR2: 1. Aug 2021 – 31. Jan. 2023 due 31. Mar. 2023**
 - Mid-Term review (**approx. between month 22-24**)
 - **Final report** (end of project together with final periodic report)
 - PR3: 1.Feb. 2023 – 31. Jan. 2024 due 31. Mar. 2024**

Additional

- > Interim reports (**after 12 months; simple request about financial status and used PM; Coordinator will pro**)



8. Deliverables **M1-18**

| Del. no. | Deliverable name | WP no. | Short name of lead participant | Delivery date |
|----------|--|--------|--------------------------------|---------------|
| D1.5 | Kick-off Meeting | 1 | DESY | M2 |
| D9.1 | First list of available thematic and horizontal courses and workshops in European and Russian RIs | 9 | NUST MISIS | M6 |
| D1.4 | Data management plan | 1 | DESY | M6 |
| D1.2 | Kick-off workshops for WP2-WP7 | 1 | DESY | M7 |
| D1.3 | Appointment of the project bodies & ToR | 1 | DESY | M7 |
| D9.2 | Training needs of Russian RIs staff | 9 | NUST MISIS | M9 |
| D2.7 | Design of beam monitors, target chambers, beam pipes | 2 | FAIR | M12 |
| D2.9 | Design of ZDC detector modules | 2 | INR RAS | M12 |
| D3.1 | Definition of the optimal suite of instruments | 3 | FZJ | M12 |
| D4.1 | Report on the scientific case and the conceptual design of a scattering/diffraction beamline | 4 | DESY | M12 |
| D6.1 | Training event on beam delivery and propagation at extreme intensities | 6 | LLE-AISBL | M15 |
| D5.1 | Status report on the software for the SCT detector | 5 | CERN | M18 |
| D7.2 | School for young scientists on particle detection technologies | 7 | BINP | M18 |
| D8.1 | Survey on potential of access to Russian RIs for European researchers | 8 | ICISTE | M18 |
| D8.2 | Workshop on European charter of access and best practices of governance of RIs and recommendations | 8 | DESY | M18 |



8. Milestones **M1-18**

| Mile no. | Milestone name | Related Work package | Due date |
|----------|---|----------------------|----------|
| MS1.1 | Kick-off Meeting | all | M2 |
| MS1.3 | Project website including logo launched | 1 | M2 |
| MS3.1 | Plan for the workshops and schools | 3 | M5 |
| MS1.2 | All project bodies are set up | 1 | M6 |
| MS3.2 | PIK SAC and subcommittees | 3 | M6 |
| MS9.1 | Mapping of courses published | 9 | M6 |
| MS9.2 | First RI leader for mentoring or coaching identified | 9 | M6 |
| MS9.3 | Identification of first Russian candidates for EMMRI | 9 | M7 |
| MS2.1 | First detector ladder for BM@N | 2 | M12 |
| MS4.1 | Conceptual development of USSR main ring, injection scheme, RF system for rings | 4 | M12 |
| MS4.2 | Development of a prototype scattering/ diffraction beamline | 4 | M12 |
| MS4.3 | Two international advisory bodies for USSR established (USSR-SAC, MAC) | 4 | M12 |
| MS8.1 | NCP webpage | 8 | M12 |
| MS9.4 | Successful delivery of first knowledge/staff exchange group visits | 9 | M16 |
| MS3.3 | Optimization of the high-brilliance cold source geometry | 3 | M18 |
| MS3.4 | Primary design of bi-spectral neutron extraction system for the high-brilliance cold source | 3 | M18 |
| MS3.5 | Primary layout of NGs & instruments in the PIK guide hall for optimal instrument suite | 3 | M18 |
| MS3.6 | Simulations and performance of advanced polarized neutron diffractometer | 3 | M18 |
| MS5.1 | Release of the software framework for SCT detector | 5 | M18 |
| MS5.2 | Kick-off meeting of international collaboration around the SCT detector | 5 | M18 |



10. Audit

> **First level audit:** Certificate of the Financial Statement (CFS)

- Required for beneficiaries whose direct costs exceed **325.000 Euro**
- At the final periodic report
- Auditor is selected by the beneficiary

> **Second level audits:**

- Audits by the European Commission up the 2 years after payment of the balance (mainly financial but also technical or other aspects)
- By the European Court of Auditors of the European Anti-Fraud Office (OLAF)
– at any moment during implementation of the project or afterwards



11. Keeping Records and supporting documents

The beneficiary is responsible for :

- **Keeping detailed records and other supporting documentation**
 - for a period of **5 years** after the payment of the balance
 - such as **contracts, subcontracts, invoices and accounting records**
 - for personnel costs specifically (in the form of **timesheets**)
- **Direct link between amounts declared to EC, amounts recorded in accounts and amounts stated in documentation**
(third person able to understand)
- **Availability of documents and records**
upon request (Art 17) or in the context of checks, reviews, audits or investigations (Art 22)
- **Keeping the original documents**
Digital and digitalised documents may be accepted by the Commission if they are authorised by the applicable national law.



12. Open Access Publications

- > Open Access is mandatory for all publications within a Horizon 2020 action.
- > Open Access means online access at no charge to the user to publications (and to research data).
- > Two main Open Access publishing models:

Self-archiving: „traditional“ publication plus deposit of the manuscripts in a repository („Green Open Access“)

Both versions contain the same peer-reviewed content, but may be differently formatted. => provided by DESY

Open Access publishing: immediate Open Access provided by the publisher („Gold Open Access“)

Usually, but not always, „Author-pay“ model. Some journals offer both subscriptions and open access publishing to selected on-line articles (hybrid journals)

If any questions occur => please contact DESY!



QUESTIONS?

THANK YOU!

