

FINANCIAL TRAINING SESSION

March 28th 2023



LEAP-RE

Long-Term Joint EU-AU Research
and Innovation Partnership on Renewable Energy



The LEAP-RE project has received funding from the European Union's Horizon 2020 Research and Innovation Program under Grant Agreement 963530.



LEAP-RE

WELCOME

Agenda



LEAP-RE

- Introduction to the training
- Global introduction of a HE reporting & eligibility rules
- Do and Don't
- Cascade funding/support to third party
- Q&A session



LEAP-RE

Trainers

hello



Bernard Mwaura
Finance Manager
Strathmore University



Mathilde VIDELO
*Administrative and Financial
Officer for LEAP RE project*
LGI



ABELLO GARCIA Bernardo Luis
Project Adviser
Project Officer of LEAP-RE project
**European Climate, Infrastructure and
Environment Executive Agency
(CINEA)**



RUN IDEATION WORKSHOPS

LEGO Serious Play
Value Proposition Design
Design Thinking
Lean Startup



EXPLORE NEW MARKETS

Stakeholder analysis
Market research
Key barriers and drivers
Market sizing



BUILD BUSINESS MODELS

Business model canvas
Value proposition design
Business model environment
Financial analysis & business plan



FINANCE YOUR PROJECTS

Draft EU HE collaborative project and SME Instrument proposals
National funds



MANAGE COLLABORATIVE PROJECTS

Project & consortium management
Legal, administrative, financial management
Knowledge management
Online collaborative platform



BOOST YOUR SKILLS & KNOWHOW

HORIZON 2020 and HE Training
Knowledge management
Data Strategy



DESIGN OPEN INNOVATION

Technology sourcing
Open innovation challenges
Tailored web platforms



COMMUNICATE & REACH OUT

Communication strategy
Digital strategy and online presence
Editorial services
Event management
Design



WHAT'S NEXT?

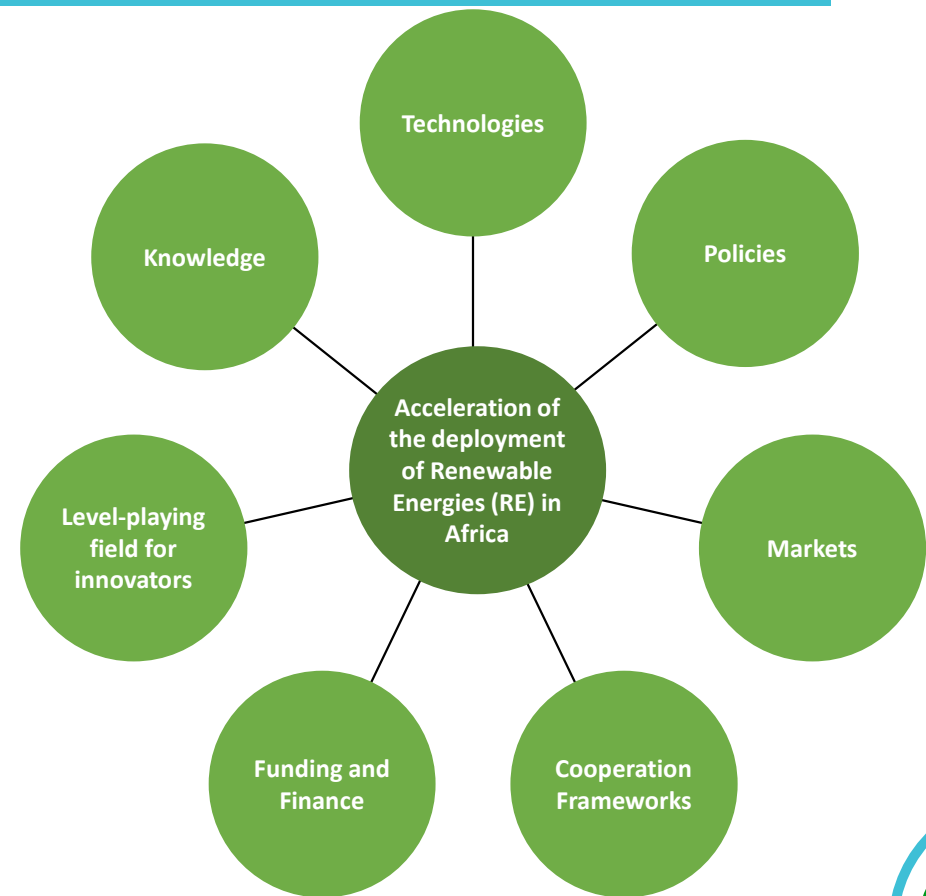
We're always on the lookout for opportunities to co-design new services with our clients and partners!

LEAP-RE Mission statement



The LEAP-RE program is dedicated to advancing renewable energy technologies and promoting their widespread adoption through innovative research and development, collaboration, and education.

Its mission is to empower communities, organizations, and individuals to make sustainable energy choices, reduce dependence on fossil fuels, and mitigate the impacts of climate change.





LEAP-RE

INTRODUCTION REPORTING

European Commission Reports



LEAP-RE

Continuous reporting

- Deliverables
- Milestones

Periodic reporting

- Technical report (part A and part B)
 - Information collected by the Coordinator from WP leaders and partners
 - Submitted by the coordinator on the Participant Portal
- Financial report
 - Information submitted by each partner on the Participant Portal

Periods of reporting



European Commission | Funding & tender opportunities | Single Electronic Data Interchange Area (SEDIA) | Welcome Mathilde VIDELO (n008l8lr) | Get started | Need help?

Manage my area | SEARCH FUNDING & TENDERS | HOW TO PARTICIPATE | PROJECTS & RESULTS | WORK AS AN EXPERT | SUPPORT

My Project(s)

Results: 15

ACRONYM	TOPIC ID	PROGRAMME	PROJECT	PHASE		ACTIONS
AfricaMaVal	HORIZON-CL4-2021-RESILIENCE-01-05	HORIZON	101057832	Active	1	Actions
BIOservicES	HORIZON-MISS-2022-SOIL-01-03	HORIZON	101112374		1	Actions
CO2Fokus	CE-SC3-NZE-2-2018	H2020	838061	Active		Actions
ESFR-SIMPLE	HORIZON-EURATOM-2021-NRT-01-02	EURATOM2027	101059543	Active		Manage Consortium Manage Project View Proposal Project Results Manage Cascade Funding Calls Notify UA opportunity
GKEC	HORIZON-MISS-2021-CIT-02-05	HORIZON	101095976	Active		
InBestSoil	HORIZON-MISS-2021-SOIL-02-05	HORIZON	101091099	Active		
LEAP-RE	LC-SC3-JA-5-2020	H2020	963530	Active		Actions
MaDiTraCe	HORIZON-CL4-2022-RESILIENCE-01-05	HORIZON	101091502	Active		Actions
MAKING-CITY	LC-SC3-SCC-1-2018-2019-2020	H2020	824418	Active		Actions

1. Participant Portal – [link](#)
2. Login (top right)
3. Manage my area (top left)
4. My project(s)
5. LEAP-RE
6. Actions (right)
7. Manage project



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Warning!
Periodic reporting



**Continuous
reporting**



LEAP-RE

2 options to know your reporting periods :

1. In your grant agreement for H2020 projects "tentative schedule of project review". For HE projects, information in the DataSheet
2. In the EC portal : latest legal data > Review (Date minus 2 months)

4.2 Periodic reporting and payments

Reporting and payment schedule (art 21, 22):

Reporting					Payments	
Reporting periods			Type	Deadline	Type	Deadline (time to pay)
RP No	Month from	Month to				
					Initial prefinancing	30 days from entry into force/10 days before starting date -- whichever is the latest
1	1	18	Periodic report	60 days after end of reporting period	Interim payment	90 days from receiving periodic report
2	19	30	Periodic report	60 days after end of reporting period	Interim payment	90 days from receiving periodic report

Grant Management

Amendments of Grant Agreement Data

963530 (LEAP-RE) RIA Project Summary Amendment Information Beneficiaries General Information Reporting Periods GA Information GA Options Financial Information LF Overview Work Packages Deliverables Milestones Reviews Critical Risks

Reference: AMD-963530-60 Type: IP (Information Procedure)

DOCUMENTS

Project Reviews

This screen is only editable by EU Officers

The list of Reviews is indicative, as well as their timing. In case you apply any change, please select manually the amendment clause AT21 - Changes of Annex 1, in the Amendment Information screen.

Rev Num.	Tentative Timing	Planned Venues	Comments
RV1	20		first reporting period review
RV2	38		second reporting period review
RV3	56		third reporting period review
RV4	65		final reporting period review

Components of the reporting

755171 (GENIORS) RIA THE HORIZON PROGRAMME FOR RESEARCH AND INNOVATION HORIZON 2020 Period No: 1 Duration (months): 18 Reporting Period : [01 Jun 2017 - 30 Nov 2018]	Summary for publication 	Deliverables Ethics, DMP, Other Reports 	Milestones 	Critical Risks 	Publications 	Disseminat... Communic... 	Patents (IPR) 	SME Impact 	Gender 	Tech. Report (Part B) 	Financial Statements 
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------

Technical report – part A

- Summary of publication
- Critical risks
- Dissemination and Communication
- SME Impact
- Gender

Technical report – part B

- Financial Report

Project Financial Signatory



LEAR



ACCAD

View/modify organization data
View lists of organization's projects, proposals and project roles



PCC



CC

Read all forms
Write all forms
Submit all forms to EC



FSIGN



LSIGN

View organization data
View lists of organization's projects, proposals and project roles



PFSIGN

Read own forms
Write own forms
Submit own forms to EC
Sign & submit financial forms



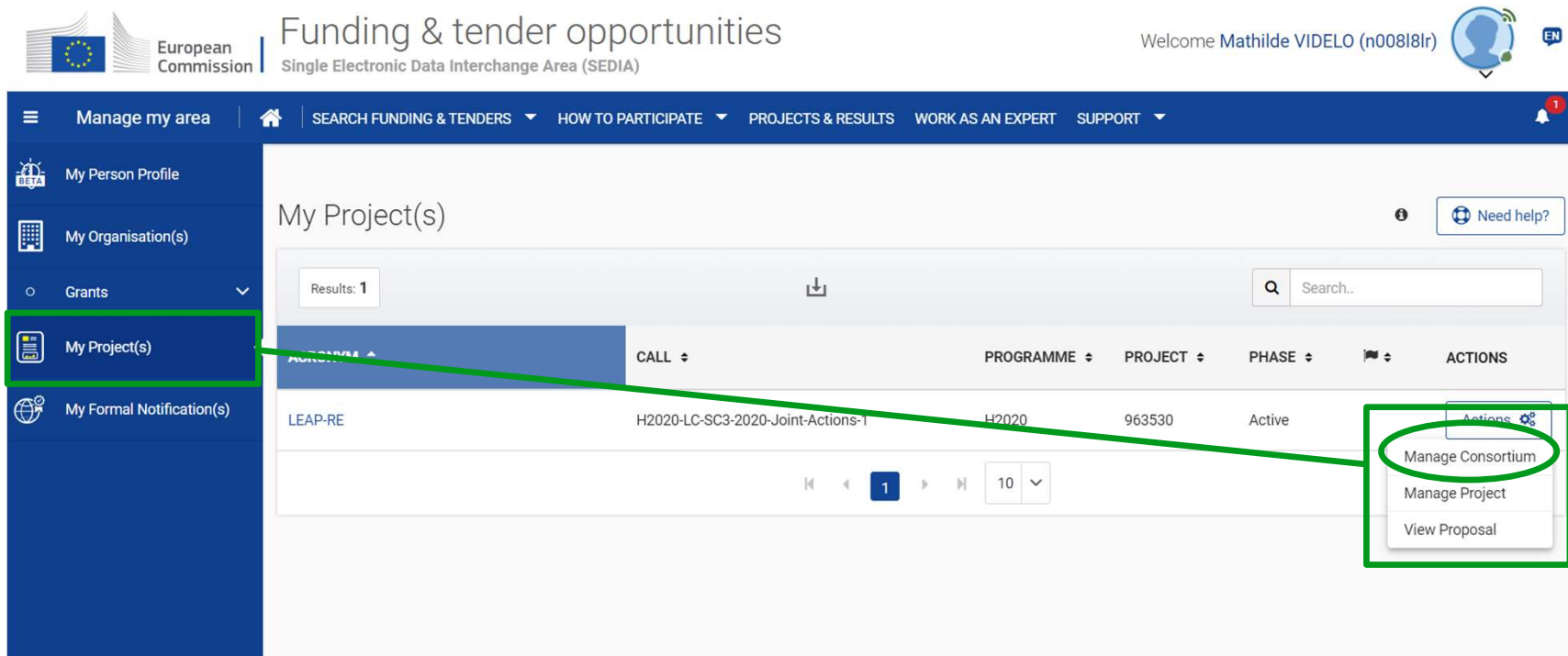
PLSIGN

Read own forms
Write own forms
Submit own forms to EC
Sign own legal forms

Financial Report

Financial signatory - FSIGN

- Signs and submits the financial statement
- Must be assigned by a participant contact



The screenshot displays the LEAP-RE web application interface. At the top, the European Commission logo and 'Funding & tender opportunities' header are visible. The user is logged in as Mathilde VIDELO (n00818lr). The left sidebar contains navigation links: 'Manage my area', 'My Person Profile', 'My Organisation(s)', 'Grants', 'My Project(s)', and 'My Formal Notification(s)'. The 'My Project(s)' link is highlighted with a green box. The main content area shows a table of projects. The first project is 'LEAP-RE' under the call 'H2020-LC-SC3-2020-Joint-Actions-1'. The 'Actions' column for this project is highlighted with a green box, and a green arrow points from the 'My Project(s)' link in the sidebar to this box. The 'Actions' menu is open, showing options: 'Manage Consortium', 'Manage Project', and 'View Proposal'. The 'Manage Consortium' option is circled in green.

CALL	PROGRAMME	PROJECT	PHASE	ACTIONS
LEAP-RE	H2020-LC-SC3-2020-Joint-Actions-1	H2020	963530	Active

Financial Report

My Project:

LEAP-RE



Actions 

Details

Consortium

Project ID:

963530

Programme: **H2020**

DG/Agency: **CINEA**

 Need help?

COORDINATOR

Organisation - LGI SUSTAINABLE INNOVATION - LGI

EDIT
ROLES



BENEFICIARY

Organisation - DEPARTMENT OF SCIENCE AND INNOVATION

EDIT
ROLES



BENEFICIARY

Organisation - MINISTERE DE L'ENSEIGNEMENT SUPERIEUR ET DE LA RECHERCHE SCIENTIFIQUE

EDIT
ROLES



BENEFICIARY

Organisation - AGENCE NATIONALE DE LA RECHERCHE - ANR





















EDIT
ROLES







Financial Report

Roles for the organisation:
Ministrstvo za izobraževanje, znanost in sport

Search: TS

ROLE	NAME	EMAIL	USERNAME	ACTIONS
Participant Contact	Tomaž KAMENČIČ	Tomaž.KAMENČIČ@ucp.si	kamenča	 
Participant Contact	Peter HARTMANN	Peter.HARTMANN@ucp.si	hartma	 
Participant Contact	Andrej HARTMANN	Andrej.HARTMANN@ucp.si	hartma	 
Participant Contact	...	...	...
Participant Contact	...	...	...
Participant Contact	...	...	...
Participant Contact	...	...	...
Participant Contact	...	...	...
Participant Contact	...	...	...
Participant Contact	...	...	...

1    

1. You can add roles
2. You can revoke roles
3. You can grant or remove read access to the LEAR of the organisation displays

Roles for the organisation:
Ministrstvo za izobraževanje, znanost in sport

Please enter the contact name and details

Role *

First Name *

Last Name *

Email *

Please choose
Participant Contact
Team Member
Task Manager
Project Financial Signatory
Project Legal Signatory

* required field

Ok Cancel



Eligibility of costs

All actual costs must:

- be actually incurred by the **beneficiary** (no estimated/imputed/budgeted costs),
- be incurred in the **project period** (exception: costs of organization of KOM if organized before the starting date of the project and costs of final report submitted within 60 days of the end of the project),
- be included in the **budget** (indicated in the estimated budget of the Grant Agreement; for more information see budget transfers),
- be incurred in **connection with the action** and **necessary for its implementation** (according to the Description of the Action of the Grant Agreement),
- be **identifiable and verifiable** and recorded in the beneficiary's accounts in accordance with the applicable accounting standards and their **usual cost accounting practices**,
- comply with the applicable national laws on taxes, labour and social security, and
- be **reasonable and justified** and comply with the principle of sound financial management (in particular regarding **economy and efficiency**)



Eligibility of costs

Among others, the following costs are not eligible:

- interest owed
- currency exchange losses
- bank charges for transfers from the EU Commission
- deductible VAT (Please note: Non-deductible VAT is eligible if the beneficiary is not entitled to deduct input tax.)

In certain cases defined in the Grant Agreement, costs may also be declared as so-called **unit costs**. Evidence must be provided that the “units” are related to the project, necessary for implementing the project and used in the project period (exception: costs of final report submitted within 60 days of the end of the project).



LEAP-RE

The costs claimed have to be in **EUROS** in the financial statement.

If your expenses are in another currency please refer to the page of the European Central Bank for calculating the exchange rates.

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

Use the rate of the date of the expense.

Financial report

SyGMA - System for Grant Management - Internet Explorer
<https://ec.europa.eu/research/participants/grants-app/reporting/REP-646443-1/PeriodicReportForm/finStatement/998454078?restartApplication=&ticket=ST-9953395-S8zVQvfyVKvBRqxuE4zbxzTMKndyilEVGiY3ODZOot9rCwQCISu5gzM>

nstrachr (EXTERNAL) ?

Grant Management Project Periodic Report

646443 (greenGain) CSA

HORIZON 2020
 THE FRAMEWORK PROGRAMME FOR RESEARCH AND INNOVATION

Period No: 1 Duration (months): 18
 Reporting Period : [01 Jan 2015 - 30 Jun 2016]

Beneficiary 1: FNR
 Legal Name: Fachagentur Nachwachsende Rohstoffe e.V.
 PIC: 998454078 Status: VALIDATED
 Legal Address: Hofplatz 1 , 18276 , Gülzow Germany

Financial Statement

Financial Statement

Period	Adjustment	Requested Contribution
01/01/2015 - 30/06/2016 (Period No '1')	No	0.00 €

Financial Statement for period '1' (01/01/2015 - 30/06/2016)

Eligible costs:

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) Direct costs of providing financial support to third parties	0.00 €	
f) Other direct costs	0.00 €	
h) Indirect costs (= 0.25 * (a + b + f - o))	0.00 €	
j) Total costs (= a + b + d + e + f + h)	0.00 €	
m) Maximum EU contribution (100%)	0.00 €	
n) Requested EU contribution	0.00 €	

Additional Information for indirect costs:
 Use of 'costs of in-kind contributions not used on premises'? (o) ☐ Yes ☒ No

Validate



Costs categories

Direct costs

- Personnel costs
 - Actual costs
 - Unit costs – average
- ODC/Purchase costs
 - Travel & subsistence
 - Meeting & conference costs
- Materials, consumables
- Good and services
- Equipment
- Subcontracting costs
- Financial support to TP

Indirect costs

- 25% of direct costs (minus subcontracting costs and financial support to third party)
- Automatic calculation based on the direct costs declaration

Total costs

- Direct costs + indirect costs



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Personal costs

1. Write the total personnel costs in the "Total" column
2. Click on the  con in the "Actions" column

SyGMA - System for Grant Management - Internet Explorer
https://ec.europa.eu/research/participants/grants-app/reporting/REP-646443-1/PeriodicReportForm/finStatement/998454078?restartApplication=&ticket=ST-9953305-58zVQvfyVWvBRqguEi4zbxTMKndyilEVGY3ODZ0et9rCwQCISu5gzN

nstrachr (EXTERNAL) ?

Grant Management Project Periodic Report

64 Beneficiary: 1- END

Financial Statement

Period No: 1 Duration (months): 18
Reporting Period : [01 Jan 2015 - 30 Jun 2016]





Financial Statement

SAVE

Period	Adjustment	Requested Contribution
01/01/2015 - 30/06/2016 (Period No '1')	No	0.00 €

Financial Statement for period '1' (01/01/2015 - 30/06/2016)

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 €	
c) Direct costs of subcontracting	0.00 €	
e) Direct costs of providing financial support to third parties	0.00 €	
f) Other direct costs	0.00 €	
h) Indirect costs (= 0.25 * (a + b + f - o))	0.00 €	
j) Total costs (= a + b + d + e + f + h)	0.00 €	
m) Maximum EU contribution (100%)	0.00 €	
n) Requested EU contribution	0.00 €	

Additional Information for indirect costs:
Use of 'costs of in-kind contributions not used on premises?' (o) ☐ Yes ☒ No



Personal costs

1. Add a line by relevant WP, specifying the Person Months dedicated to each WP

Cost Category

- a) Direct personnel costs declared as actual costs
- b) Direct personnel costs declared as unit costs (average costs)
- d) Direct costs of subcontracting
- e) Direct costs of providing financial support to third parties
- f) Other direct costs
- h) Indirect costs ($= 0.25 * (a + b + f + o)$)
- j) Total costs ($= a + b + d + e + f + h$)
- k) Receipts
- m) Maximum EU contribution (100%)
- n) Requested EU contribution
- z) Requested EU contribution eligible for CFS

Direct personnel costs declared as actual costs:

Persons/month per WP

No.	Person Months	Associated Work Package	Actions
1	<input type="text"/>	<input type="text" value="(none)"/>	<input type="button" value="X"/>

Use of in kind contribution from third party

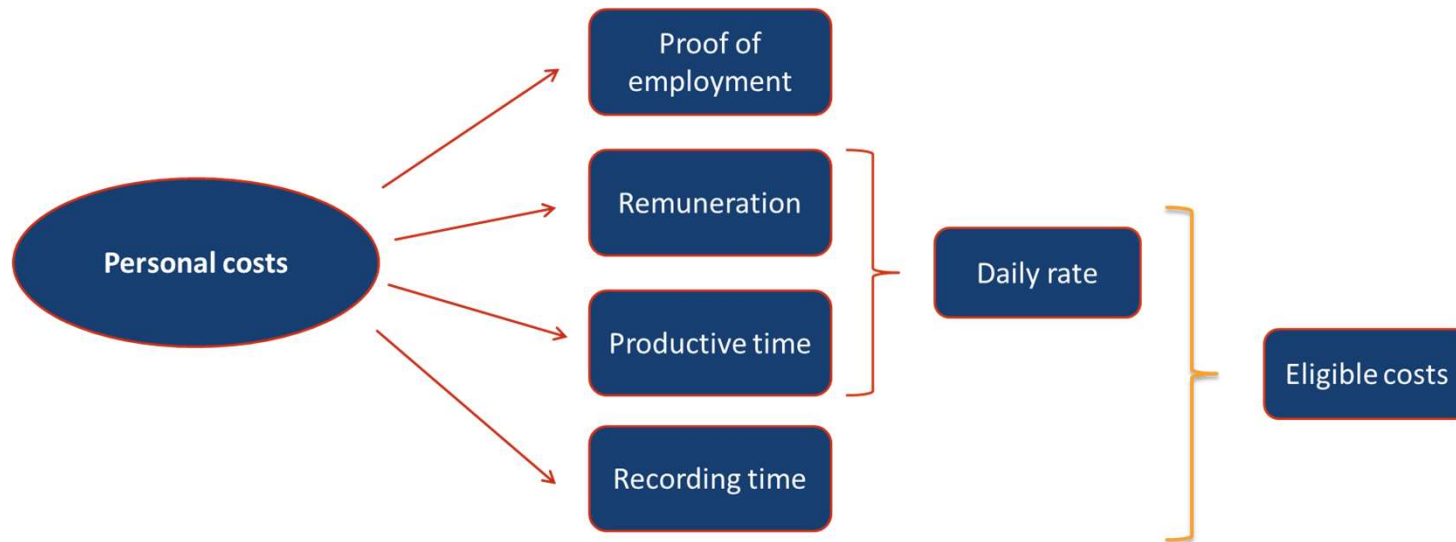
No.	Costs	Third Party Name	Type	Foreseen in Annex I	Explanations (if not foreseen in Annex I)	Actions
1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="button" value="X"/>

Additional Information for indirect costs:

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



Personal costs





Personal costs: Horizon Europe projects only

Now, one formula allows to calculate it :

$$\text{Personnel costs} = \text{Daily rate} \times \text{Days worked in the project}$$

Daily rate = actual annual personnel costs for the person / 215

215 is the official number of working days per calendar year, according to the EU (equivalent to 1 720 hours – 215 x 8hrs/day).

Person Month calculation depends on each partner and the national and/or internal rules.

For instance it can be calculated as follows (indicative method): if *1 year = 215 (working) days*, then *1 month = 215/12 = 17,91 (working) days*.

Total days worked on the project / 17,91 = PM number



Timesheet

EU GRANTS DECLARATION OF DAYS WORKED ON A PROJECT			YEAR: <input type="text"/>	
Project acronym:		<input type="text"/>	Project number: <input type="text"/>	
Participant name:				
Name of the person:		Type of personnel: (employee/ natural person under direct contract/ seconded/ other)		
Month	Days worked in the action (e.g. 15, 7,5, 0,5)	Work Packages worked on (e.g. WP2; WP5)	Date and signature of the person	Name, date and signature of the supervisor
January			Signature: / /20XX	Name: / /20XX Signature:
February			Signature: / /20XX	Name: / /20XX Signature:
March			Signature: / /20XX	Name: / /20XX Signature:

Nevertheless, in the practice, the minimum information required for eligibility of hours might not be sufficient for the financial auditors in order to operate additional checks (e.g. confirming there is no double funding). Therefore, a more detailed timesheet allowing the reconciliation of the total hours claimed on EU funded actions (and other activities) with the actual hours worked monthly would be recommended.





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Documents to keep

- Employment contract or official decision if public servant
- Timesheet. They must reflect the hours spent on the project in accordance with your travels as as your leaves or absences
- Salary slip



Other Direct costs / Purchase costs

1. Write the total other direct costs in the "Total" column

Only if the ODC > 15% of personnel costs you need to justify, and continue with the process

2. Click on the "R" icon in the "Actions" column

3. Add a line by cost with a short description (example: date of the meeting, title, names of the staff involved, location)

The screenshot displays the 'Financial Statement' interface in the LEAP-RE system. The top navigation bar includes 'Grant Management' and 'Project Periodic Report'. The main content area is divided into several sections:

- Financial information from contact:** Includes a checkbox for 'No contribution requested?' and a 'Yes' button.
- Financial Statements:** Shows the 'Period' as '19/02/2014 - 18/08/2015 (Period No '1')'.
- Financial Statement for period '1' (19/02/2014 - 18/08/2015):** This section contains a table for 'Eligible costs'.

The 'Eligible costs' table has the following columns: No., Costs, Short Description, Category, Associated Work Package, Foreseen in Annex I, Explanations (if not foreseen in Annex I), and Actions. A red box highlights the 'Other direct costs' row in the table.

Below the table, there is a section for 'Use of in kind contribution from third party' with a similar table structure. A red circle highlights the 'R' icon in the 'Actions' column of this table.

At the bottom of the interface, there is a 'Validate' button.



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Other Direct costs / Purchase costs

- Travel (travel, accomodation, subsistence)

It is important to keep all the financial justificatives of the mission and also the proof that the mission was necessary to the project (ex; program if you were invited to present the project, minutes...).

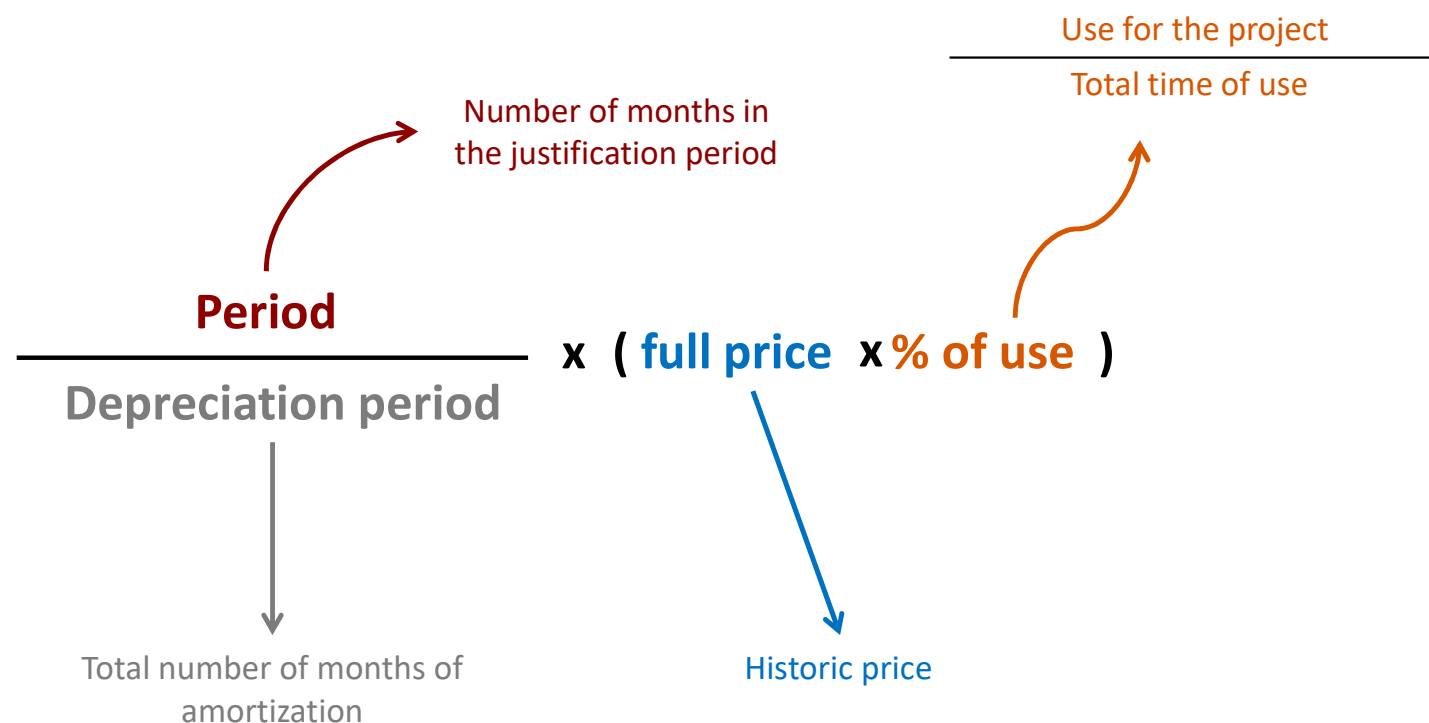
- Equipment

Depreciation costs of equipment in accordance with the beneficiary's usual accounting practices. Only the portion of the costs that corresponds to the rate of actual use for the action during the action duration can be taken into account. Other goods and services: costs for consumables and supplies, communication and dissemination, IPR, CFS...



Other Direct costs / Purchase costs

Depreciation calculation (in accordance with the beneficiary's usual accounting practices)



Documents to keep

For a mission:

- Proof of necessity, programm, invitation...
- All invoices related to the mission: for travel, boarding pass, accomodation, meals, PCR test, Visa...
- The policy travel of your entity. If you do not have one you should respect the principle of « best value for money »

For equipement:

- Recording time of use
- Your entity usual accounting practices for depreciation
- Proof of purchase



Subcontracting costs

For the “Direct cost of subcontracting” and “Direct cost of providing financial support to third parties” cost categories, when you click on the total, you have the following window opened, where you first press *Add Detail* and after adding the cost amount, you are required to add additional details, case by case: description, whether the cost was foreseen in Annex 1 or not, and explanations (only for subcontracting costs)

No.	Costs	Description	Foreseen in Annex I	Explanations (if not foreseen in Annex I)	Actions
1	0.00 €				

Ok Cancel



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Validation

- After finalising the completion of the Financial Statement, you can click on
- The system will release a **Validation Report** of your financial declaration, listing the main errors to correct, if any. You can then go back and make the necessary modifications.

Validation Report

Expand All Collapse All

- ▼ Partner
 - ✖ The Requested Contribution eligible for CFS can't be negative, nor it can be lower than the Requested Contribution (2,000,000) minus the maximum amount of contribution that's not eligible for CFS (26,750)
- ▼ Cost Break Down
 - ▼ Cost Cell (Direct costs of subcontracting TOTAL)
 - ▼ Use of Resources
 - ▼ Direct costs of providing financial support to third parties (1)
 - ✖ Missing information for Description
 - ▼ Cost Cell (Total costs TOTAL)
 - ✖ The Total Costs declared cannot be lower than the Total Requested Contribution (please call the help desk)
 - ▼ Cost Cell (Maximum grant amount TOTAL)
 - ✖ The total Requested Contribution cannot be higher than the total Maximum EC Contribution (please call the help desk)
 - ▼ Cost Cell (Other direct costs TOTAL)
 - ✖ An explanation must be provided for major cost items up to the amount that exceeds 15% of the Personnel Cost

[Download Report](#)

m) Maximum EU contribution (100%)	166,250.00 €
n) Requested EU contribution	166,250.00 €
z) Requested EU contribution eligible for CFS	139,500.00 €

Additional Information for indirect costs:
Use of 'costs of in-kind contributions not used on premises' (a) ☐ Yes ☒ No

Validate



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Review and approving by coordinator

Once you have “locked for review” your financial statement, the Coordinator is able to check your information.

- ❖ Changes may be necessary
 - you will “Unlock to draft” and make the changes requested
- ❖ The statement is ok
 - the PFSIGN will “Sign & submit”



LEAP-RE

DO AND DON'T

Help the project Coordinator & auditors – be organized!

Bernard Mwaura
LEAP-RE
Strathmore University



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Financial issues: Consequences of errors

Controls and audits are undertaken by the Commission services (MGA Article 22) and the European Court of Auditors

Identified errors could lead to:

1. Recovery of the undue amount (sometime after you have received the money!)
2. Penalties
3. Reputational damage Financial losses

Avoid the above consequences—
be organized!



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Financial issues: Consequences of errors

The Commission prefers that you avoid these errors in the first place!

- it makes life easier for you.
- it makes life easier for us.
- it avoids unnecessary conflict.
- it allows us all to concentrate on providing excellent science and research.



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Our advice



Follow the simple steps set out in the Grant Agreement and Resources provided in the EC portal i.e. (Annotated Model Grant Agreement, which will help you to avoid the most common errors.



Always seek clarification from your Project Coordinator when in doubt.

**Internal
set**

**controls-Better
up**

**safe
Internal**

than

**LEARNING
sorry
controls**

1. Segregation of duties between the authorizing and the accounting officer.
2. Prohibition of conflicts of interest and confidential payments
3. Measures to prevent irregularities, fraud, and corruption



Documentation, Filing, and Record-Keeping

Not documented, Not eligible!



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1. Ensure that the project documentation provides strong, relevant proof.
2. Arrange for a numbering, filing, and archiving system that can be followed easily and allows easy retrieval of the documents.
3. Arrange for the documents to be archived in safe, secure conditions.
4. An original document is more reliable than a copy, as it is difficult to alter and offers better protection against recording the same expense item twice

Documentation, Filing, and Record-Keeping

Not documented, Not eligible!



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1. A document issued by an outside source is better evidence than a document drawn up in-house.
2. Relation to the project: The supplier's invoice shows that goods were bought but not necessarily that they were used for the project.
3. Reality: Project documentation should prove that the costs were incurred.
4. Simple, easy-to-use referencing: Use a simple referencing and numbering system that anybody can follow, even people unfamiliar with the project.



LEAP-RE

Payroll and time management

The payroll is a significant cost that must be properly controlled.

Staff working on the project must keep time records (MGA Article 18)!

- Staff must record the hours they spend on the project
- Regularly (daily, weekly)
- Countersigned by a supervisor





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Payroll and time management

The payroll is a significant cost that must be properly controlled.

- Keep payroll records in accordance with the relevant national legislation.
- Ensure that salary scales are in line with market levels.
- Ensure that any allowances paid to staff are justified.

Regular errors:

- Staff working on the project and sick or on holiday at the same time!!
- Hours claimed cannot be supported by the work plans
- Impossible number of hours claimed.



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Procurement

Procurement is crucial: if it does not comply with the rules, the Contracting Authority may recover the funds.

- Ensure that the tender/invitation documents are clear.
- Ensure the entire procurement process is documented. Keep minutes of evaluation sessions explaining selection decisions.
- Ensure that the bidding process is as open as possible and is accessible to all potential suppliers.
- You must demonstrate "best value" in purchasing (MGA Article 10) and sub-contracting (MGA Article 13)

Regular errors:

- "Best value" not demonstrated – no tender, no offers, no market survey
- Participants' own normal practices not applied
- No documentation kept



LEAP-RE

Procurement

Procurement is crucial: if it does not comply with the rules, the Contracting Authority may recover the funds.

You may not, under any circumstances,
sub-contract to a project partner
(MGA Article 13)



LEAP-RE

Cash and Bank Management

Cash must be kept safe, and banks appropriately used. Otherwise, the entire project may be at risk. Always make sure the funds follow the most direct route.

- Ensure the funds are channeled directly, without intermediary steps.
- Draft replenishment requests in good time (in the case of program estimates)
- Use project-dedicated, specific bank accounts even if it is not required.
- Segregate the duties of payment preparation, authorization, and payment signature.
- Make sure the currency rules in the Contractual Conditions are obeyed.



LEAP-RE

Accounting

Reliable accounting is vital to financial management and reporting purposes.

- Practice double-entry bookkeeping. Ensure the project's bookkeeping staff are qualified and experienced in accounting.
- For grants, use the same accounting policies and practices as the EU.
- The funded project for all other operations. If the entity or project operates in several currencies, consider using multi-Currency accounting software.
- Regularly check actual expenditures against the budget.



LEAP-RE

Financial Reporting

Drafting financial reports is a must!

- Ensure that the accounting records are kept up-to-date and that the financial reports are drafted by the deadline set in the Contract.
- Ensure that the financial reports agree with the underlying accounting records.
- Ensure the financial report mirrors the classification used in the budget and allows actual-to-budget comparison.
- Ensure currency conversions follow the rules laid down in the Contract.



LEAP-RE

Financial Reporting

Drafting financial reports is a must!

Regular errors:

- Declaration of the agreed budget for the project – the budget is a maximum amount, not the amount or a price!
- Full costs of assets charged
- Internal charging system with no relation to real costs
- No demonstrated link of consumables to the project



Financial Reporting

Drafting financial reports is a must!

You must declare costs based on the actual amounts spent (MGA Article 5, Article 6(1))

- Personnel Costs based on actual staff costs

Other direct costs based on actual costs for the project (MGA Article 6,2 D):

- Depreciation costs for assets
- Real costs of consumables
- Please declare all your costs (guidance to MGA Article 20) to mitigate potential disallowance



LEAP-RE

Financial Reporting

Drafting financial reports is a must!

Don't charge costs incurred before the start of the project !

- The project starts after the grant agreement enters into force unless an earlier starting date is agreed.

MGA Article 3, Article 6(1)a(ii)



LEAP-RE

FINANCIAL SUPPORT TO THIRD PARTY

Focus for the agencies
involved in Pillar 1



LEAP-RE

How to report your costs ?

What costs ?

- WP2
- WP7
- WP8

As for the first reporting, in personal costs and eventually other direct costs if you travelled for the project.

But for the money sent to the projects selected in the first and/or second call, this money enters in the category « Direct costs of Financial support ».



LEAP-RE

SyGMa - System for Grant Management - Internet Explorer
https://ec.europa.eu/research/participants/grants-app/reporting/REP-646443-1/PeriodicReportForm/finStatement/998454078?restartApplication=&ticket=ST-9953395-S8zVQvfyVKvBRqxuE4zbxTMKndyilEVgiY3ODZOot9rCwQCISu5gzM...

Grant Management Project Periodic Report

646443 (greenGain) CSA

Beneficiary 1: FNR
Legal Name: Fachagentur Nachwachsende Rohstoffe e.V.
PIC: 998454078 Status: VALIDATED
Legal Address: Hofplatz 1, 18276, Gülzow Germany

Financial Statement

Period No: 1 Duration (months): 18
Reporting Period : [01 Jan 2015 - 30 Jun 2016]

Horizon 2020

Financial Statement

Period: 01/01/2015 - 30/06/2016 (Period No '1')
Adjustment: No
Requested Contribution: 0.00 €

Financial Statement for period '1' (01/01/2015 - 30/06/2016)

Eligible costs:

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) Direct costs of providing financial support to third parties	0.00 €	
f) Other direct costs	0.00 €	
h) Indirect costs (= 0.25 * (a + b + f - o))	0.00 €	
j) Total costs (= a + b + d + e + f + h)	0.00 €	
m) Maximum EU contribution (100%)	0.00 €	
n) Requested EU contribution	0.00 €	

Additional Information for indirect costs:
Use of 'costs of in-kind contributions not used on premises?' (o) ☐ Yes ☒ No

Validate



LEAP-RE

Financial Statement

01 Sep 2021 - 28 Feb 2023 (Period No. 2)

No

0.00 €

SAVE

Financial Statement for period '2' - (01 Sep 2021 - 28 Feb 2023)

Eligible costs:

Cost Category

a) Direct personnel costs declared as actual costs

b) Direct personnel costs declared as unit costs (average costs)

▼c) Direct personnel costs declared as unit costs

c1) SME owner/Natural person costs

d) Direct costs of subcontracting

e) Direct costs of providing financial support to third parties

f) Other direct costs

h) Costs of internally invoiced goods and services

i) Indirect costs (= 0.25 * (a + b + c + f + h - p))

k) Total costs (= a + b + c + d + e + f + h + i)

n) Maximum EU contribution (= 100% * k)

o) Requested EU contribution

Direct costs of providing financial support to third parties

One line per support scheme.

There are no Use of Resources provided

OkCancel

+ Add Detail

Subtotal	Total	Actions
	0.00 €	
	0.00 €	
	0.00 €	
0.00 €		
	0.00 €	
	0.00 €	
	0.00 €	
	0.00 €	
	0.00 €	
	0.00 €	

Additional Information for indirect costs:

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

Validate



LEAP-RE

1. Indicate the amount sent to a partner and then
2. write some details : date, name of the sub granted partner, name of the project and % of the total grant, and if it is prefinancing or not.
3. Please do it for each sub granted partner.

Financial Statement

01 Sep 2021 - 28 Feb 2023 (Period No. 2) No 0.00 €

Financial Statement for period '2' - (01 Sep 2021 - 28 Feb 2023)

Eligible costs:

Cost Category

- a) Direct personnel costs declared as actual costs
- b) Direct personnel costs declared as unit costs (average costs)
- ▼ c) Direct personnel costs declared as unit costs
 - c1) SME owner/Natural person costs
- d) Direct costs of subcontracting
- e) Direct costs of providing financial support to third parties
- f) Other direct costs
- h) Costs of internally invoiced goods and services
- i) Indirect costs (= 0.25 * (a + b + c + f + h - p))
- k) Total costs (= a + b + c + d + e + f + h + i)
- n) Maximum EU contribution (= 100% * k)
- o) Requested EU contribution

Direct costs of providing financial support to third parties

One line per support scheme.

No.	Costs	Description	Actions
1			

Ok Cancel

Additional Information for indirect costs:

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

Validate



LEAP-RE

CERTIFICATE ON FINANCIAL STATEMENT & AUDITS

CFS article 24.2 of the grant



The CFS is a factual report produced by an independent auditor or Public Officer. Its purpose is to enable the European Commission or grant awarding agency to check whether costs declared in the financial statements are eligible.

A separate CFS must be submitted for each beneficiary (and linked third party) that requests:

- Total of €325 000 or more as reimbursement of actual costs and unit costs calculated according to its usual cost accounting practices in [Horizon 2020 projects](#)
- 430.000€ total costs in [Horizon Europe Projects](#)

Note that costs previously audited by the Commission/Agency do not have to be covered again by the Certificate on the Financial Statements (CFS).

Audits article 22 of the grant



- EC up to 2 years after receipt of the FINAL PAYMENT (article 22 of the grant agreement)
- European Court of Auditors
- OLAF - Office de Lutte Anti Fraude

Possible consequences :

- Rejection of ineligible costs
- Reduction of the grant
- Financial compensation etc



LEAP-RE

Q&A SESSION

The floor is yours!

Reference materials



Annotated model grant agreement

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

Online Manual For H2020

https://ec.europa.eu/research/participants/docs/h2020-funding-guide/index_en.htm

Online Manual for Horizon Europe

<https://webgate.ec.europa.eu/funding-tenders-opportunities/display/OM/Online+Manual>

Avoiding error in declaring personnel costs in H2020 grants

<https://ec.europa.eu/research/participants/docs/h2020-funding-guide/other/event220622.htm>

Guidance on timesheet

https://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf#page=178

Further information

<http://ec.europa.eu/euraxess/index.cfm/rights/index>

For more on roles definition in H2020 access the following link:

http://ec.europa.eu/research/participants/docs/h2020-funding-guide/user-account-and-roles/roles-and-access-rights_en.htm

THANK YOU

CONTACT US FOR MORE INFORMATION



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[@leapRE_EU](https://twitter.com/leapRE_EU)



The LEAP-RE project has received funding from the European Union's Horizon 2020 Research and Innovation Program under Grant Agreement 963530.