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## Advanced financial issues in FP7

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# Presentation Outline

1. Main principles
2. Beneficiaries
3. Upper funding limits
4. The financial contribution of the European Union
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# (1) Main principles

- ▶ Funding is a non repayable grant to a project. All payments are considered advance. Acceptance of cost is done with the final payment.
- ▶ All costs have to be economic, efficient, and effective.
- ▶ Reimbursement is done according to the type of organisation, action and/or activity.
- ▶ Understanding of the financial rules is very important.
- ▶ Co-financing, no profit.
- ▶ EU financial contribution covers (fully or partly) the total costs.
- ▶ A beneficiary should use the same cost basis in all contracts with the Commission within FP7 and maintain it for all its participation in FP7 contracts.

## (2) Beneficiaries

### Legal persons:

- ▶ Research entities
- ▶ Universities
- ▶ Companies and SMEs

### Natural persons

- ▶ Researchers

## (3) Upper funding limits

- **Research and technological development activities (RTD)** – two upper funding limits: 50% or 75% of eligible costs (non-profit public bodies; secondary and higher education establishment; research organizations; SME's).
- **Demonstrations activities** – may reach a maximum of 50% of the total eligible costs.
- **Coordination and support actions** may reach a maximum of 100% of the total eligible costs.
- **Other activities** – up to 100% of eligible costs.

## (3.1) Upper funding limits

- ▶ **RTD activities** – activities directly aimed at creating new knowledge, new technology, and products, including scientific coordination.
- ▶ **DEMO activities** – activities designed to prove the viability of new technologies that offer a potential economic advantage, but which cannot be commercialised directly.
- ▶ **CSA's** – activities which aim at coordinating or supporting research activities and policies.
- ▶ **Other activities** – management activities, training, coordination, networking and dissemination (including publications).

## (4) The financial contribution of the European Union

1. The EU financial contribution in the form of reimbursement of eligible costs.
2. EU contribution in the form of lump sums.
  - a) Payment of lump-sums for ICPC beneficiaries.
  - b) Reporting and auditing of lump-sums for ICPC beneficiaries.
3. EU financial contribution in the form of lump sums (other than for ICPC).

## (4.1) The EU financial contribution in the form of reimbursement of eligible costs

### Principles:

- ▶ calculated by reference to the costs of the project as a whole and its reimbursement.
- ▶ based on the accepted costs of each beneficiary.
- ▶ determined by applying the upper funding limits indicated in per activity and per beneficiary to the actual eligible costs.
  - ▶ not any profit for any beneficiary.
- ▶ cannot exceed the eligible costs minus the receipts for the project.

## (4.2.a) EU contribution in the form of lump sums. Payment of lump-sums for ICPC beneficiaries

International Cooperation Partner Countries (ICPC) – countries that are not Member States

- ▶ ICPC countries have got the option between being reimbursed on the basis of eligible costs or on the basis of lump-sums.
- ▶ Pre-financing, interim payments and final payments follows the same rules as the standard required by the EC.
- ▶ Payments are released based on periodic reporting.

## (4.2.a) EU contribution in the form of lump sums. Payment of lump-sums for ICPC beneficiaries

### Lump sum contribution per country income group

Economy of the ICPC	Contribution (EUR/researcher/year)
low-income	8.000
lower middle income	9.800
upper middle income	20.700

## (4.2.a) EU contribution in the form of lump sums. Payment of lump-sums for ICPC beneficiaries

The upper funding limits to be applied for the different funding schemes

Funding Scheme	Non-profit public bodies, secondary and higher education establishments, research organisations and SMEs	All other organisations
Collaborative project	75%	50%
Network of Excellence	75%	50%
Coordination and support action	100%	100%
Support for "frontier" research (ERC)	100%	100%
Research for the benefit of specific groups	75%	50%
Support for training and career development of researchers (Marie Curie)	Not applicable	Not applicable

(4.2.b) The financial contribution of the European Union.  
Reporting and auditing of lump-sums for ICPC beneficiaries



- ▶ Financial Form C and the number of actual hours worked by the researchers on the project.
- ▶ Keep a record of the time (e.g. timesheets).
- ▶ No requirement to submit certificates on financial statements.
- ▶ Commission + other entities authorised carry out audits.

## (4.3) EU financial contribution in the form of lump sums (other than for ICPC)

### The case of the Networks of Excellence (NoE)

- ▶ On the basis of eligible costs.
- ▶ Or, the form of a lump sum of EUR 23,500 per researcher/year.
  - ▶ Proposers must forecast their costs in the same way as for other funding schemes.
  - ▶ Three categories R&D, Management and Other Activities.

## (5) Financial content – general

- ▶ Transfer of funds to the part reimbursed as a lump sum is not allowed.
- ▶ Do not require the submission of financial justifications.
- ▶ Transfers of budget from the part of the grant reimbursed on the basis of costs to the part reimbursed as a lump–sum, or between lump–sums for different activities, are not allowed.
- ▶ Changes in those amounts could only be considered in the context of a potential reorientation of the project via a formal amendment to the ECGA.

## (5.1) Financial content – for ICPC

- ▶ For ICPC countries it is foreseen that they may opt for an EU contribution in the form of lump sums or based on reimbursement of eligible costs.
- ▶ Consortia can transfer budget from the part of the grant reimbursed on the basis of costs to the part reimbursed as a lump sum (and *vice versa*).
- ▶ Transfers between beneficiaries using lump sums is possible for ICPC countries.
- ▶ ICPC countries may opt for lump sums not specifically aimed at fostering this international cooperation.

## (6) Useful links

2012 Work Programme:

[http://cordis.europa.eu/fp7/wp-2012\\_en.html](http://cordis.europa.eu/fp7/wp-2012_en.html)

Standard model Grant agreement (GA):

[http://cordis.europa.eu/fp7/calls-grant-agreement\\_en.html#standard\\_ga](http://cordis.europa.eu/fp7/calls-grant-agreement_en.html#standard_ga)

[http://cordis.europa.eu/fp7/find-doc\\_en.html](http://cordis.europa.eu/fp7/find-doc_en.html)

Guide to financial issues:

[ftp://ftp.cordis.europa.eu/pub/fp7/docs/financialguide\\_en.pdf](ftp://ftp.cordis.europa.eu/pub/fp7/docs/financialguide_en.pdf)

Eligible countries:

[http://cordis.europa.eu/fp7/who\\_en.html#countries](http://cordis.europa.eu/fp7/who_en.html#countries)

**Contact:**

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**Thank you for your attention**