HORIZON 2020



Organized by Academy of Sciences of Moldova Chisinau, Republic of Moldova, 9 - 12 November, 2015





PRESENTATION OUTLINE

- 1. H2020 simplification
- 2. Pragmatic approaches to managing and monitoring the budget
- spending
- 3. How to set up you budget at proposal phase
- 4. How to justify costs at implementation phase
- 5. How should the financial/accounting system be tailored to H2020 requirement





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H2020 SIMPLIFICATION

1). Simplification of the structure and programming

- **2). Simplification of the rules**
- **3). Simplification of implementation**





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SIMPLIFICATION OF THE STRUCTURE AND PROGRAMMING

- Integration of CIP, EIT
- Only one Specific Programme
- 3 main pillars
- More focus on societal challenges rather than specific technologies
- More focus on innovation, closer-to-market activities
- More cross-cutting activities





SIMPLIFICATION OF THE RULES

- Three year strategic programming
- Two-year work programme only one work programme for all H2020 activities (except ERC, Euratom)
- > Calls set ou for two-year period so that applicants can plan ahead
- Fewer, broader topics per call
- Common standard provisions on eligibility, evaluation
- "Focus areas" cutting across pillars





SIMPLIFICATION OF IMPLEMENTATION

SINGLE SET OF RULES for Horizon 2020

- Covering all research programmes and funding bodies
- In accordance with the new Financial Regulation and its Rules
- of Application.
- Coherent with the rules of the other EU programmes.
- Also applicable to Euratom.





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PRAGMATIC APPROACHES TO MANAGING AND MONITORING THE BUDGET SPENDING

1.Understanding of the financial rules is very important

2.A beneficiary should use the same cost basis in all contracts with

the Commission within H2020 and maintain it for all its

participation in H2020 Actions

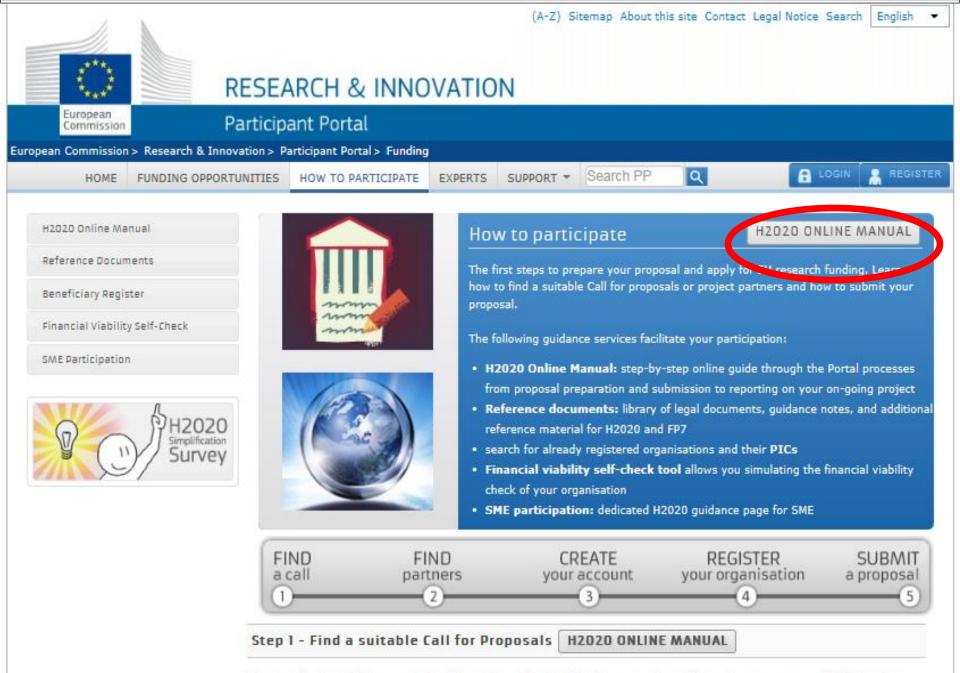




- Read the financial rules
- When financial monitoring will be done by the economic department check if the European Commisson requirements are correctly implemented (H2020 Online Manual:

http://ec.europa.eu/research/participants/portal/desktop/en/funding/in dex.html)

- Check twice the eligbility of any costs before commiting it
- Do not perform other expenses than those propose in Grant Preparation Form and approved in ECGA



The Commission publishes on the Participant Portal all the Calls of its research and innovation programmes H2020, and you can search calls from previous programmes (FP7 and CIP). In addition you can find information about some additional calls in the Other Funding Opportunities section. If you apply for the first time and do not know yet the programmes, it is useful to



RESEARCH & INNOVATION

Participant Portal H2020 Online Manual



🖀 H2020 Online Manual My Area - User account & roles My Area - User account & roles Login with ECAS > Roles & access rights Grants Terms and Conditions of Use Applying for funding Grants Applying for funding Register an organisation Find a call Find partners Submit a proposal 🚍 Find a call Horizon 2020 structure Evaluation & Grant signature and budget What you need to know Eligibility check Evaluation of proposals Grant signature Grant preparation about Horizon 2020 calls > Find partners or apply as Grant management individual Register in the Beneficiary Reports & payment requests Deliverables Keeping records Amendments Register Registration of your organisation Dissemination & exploitation Communication Checks, audits, reviews & investigations LEAR appointment Validation of potential beneficiaries Working as an expert Financial viability check Data update Expert registration Contracting & payment Expert roles & tasks Sertifications 🚍 Submit a proposal Get prepared Cross-cutting priorities & issues Selectronic proposal submission International cooperation Social Sciences & Humanities Open access & Data management From evaluation to grant signature Ethics Gender SMEs ERA-NETs Eligibility check Evaluation of proposals Links to regional policy Intellectual property Innovation procurement Eligibility and evaluation criteria Evaluation process and results



All the costs reported must be real not estimated, they must be actually paid

Implement within your institution a monitoring sistem for all expendinture of the H2O2O actions (excel, access) => easier to report

Ensure periodic monitoring, preferably and more easier to report = monthly monitoring





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you have doubts, questions or you need an advice

you can always contact the project officer or the

representative L&F NCP from your country

(http://ec.europa.eu/research/participants/portal/desktop/en/support/national_contact_points.html)



.....to remember

Transfer of budget between activities and beneficiaries is allowed without the need for an amendment of the ECGA, a condition for this is that the work be carried out as foreseen in Annex I to ECGA

If the transfer has a significant impact on the DoW (Annex I), an amendment is however needed







The coordinator should verify this on a case-by-case basis, but in practical terms, coordinators are encouraged, where a transfer with a potential impact on the DoW arises (most cases), to check this (i.e. by e-mail) with the Project Officer in the Commission





Who can participate ?

Any legal entity: laboprivate or academic lab, Sme, industry, non-profit organisation, cooperative, Non gouvernemental organisation, etc.

At least 3 entities from 3 member states or associated counties.





How much?

The 'reimbursement rate':

- for RIA actions is normally 100% of the total eligible costs;
- for IA actions it is normally 70% of the total eligible costs;
- The eligible costs of non-profit beneficiaries/linked third parties participating in innovation actions may be reimbursed at 100%;
- In exceptional cases fixed in the work programme/call, lower reimbursement rates may apply;

As a general principle there is only one funding (reimbursement) rate per action, the same for all activities and all beneficiaries of the action (one project — one funding rate).





What? The RIA, IA and CSA grants of the General MGA fund:

- for research and innovation actions (RIA): R&D aiming to establish new knowledge or explore the feasibility of a new technology, product, process, service or solution (including basic and applied research, technology development and integration, testing and validation on a small-scale prototype in a laboratory or simulated environment)
- For innovation actions (IA): innovation activities directly aiming at producing plans and arrangements or designs for new, altered or improved products, processes or services (including prototyping, testing, demonstrating, piloting, large-scale product validation and market replication)3
- For coordination and support actions (CSA): accompanying measures (such as standardisation, dissemination, awareness-raising and communication, networking, coordination or support services, policy dialogues and mutual learning exercises and





Estimation of eligible costs of the project must be shown in detail in the provisional budget included in the Grant Preparation Forms (GPF) and subsequently in the Description of Work (Annex I to ECGA).





In order to be considered for reimbursement, costs incurred by the beneficiaries in the course of the action, must satisfy the eligibility criteria laid down by the ECGA.





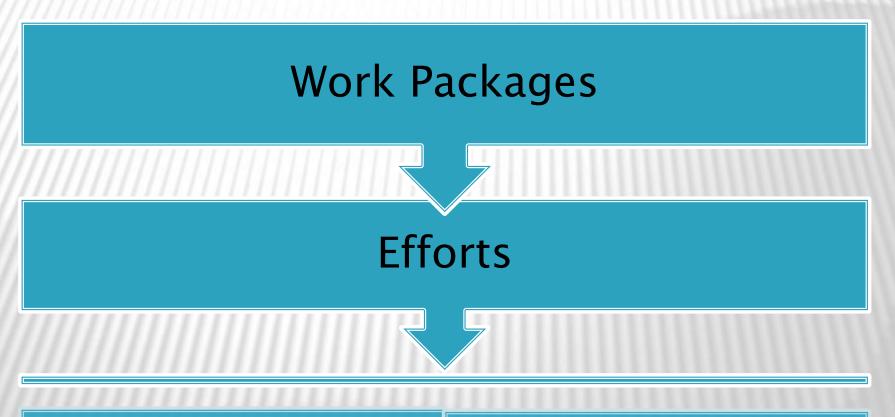
The Commission which takes the final decision on the nature and amount of the costs to be considered eligible, either when analysing proposals for the establishment of the estimated budget to be annexed to the ECGA or when examining financial statements for the purposes of determining the EU contribution





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H2020 PROJECT STRUCTURE



Milestones

Deliverables





HOW TO JUSTIFY COSTS AT IMPLEMENTATION PHASE

The project is divided into reporting periods of the following duration:

- P1: from month 1 to month X
- P2: from month X+1 to month Y
- P3: from month Y+1 to month Z
- (...)
- [final]: from month [N+1] to the last month of the project





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After 01/01/2013 = electronic transmission of Form C = the submission of paper forms is abolished



COSTS REPORTING

The rules on conversion (of costs incurred in other currencies into euros) are as follows:

- for beneficiaries/linked third parties with accounting records in euros: conversion of costs according to their usual accounting practices
- for beneficiaries/linked third parties with accounting records in a currency other than the euro: conversion of costs recorded in their accounts by one of the following:
- b daily euro exchange rate is published in the C series of the Official Journal of the European Union for the currency in question: using the average of the daily exchange rates published over the corresponding reporting period.
- To calculate this rate, the beneficiaries may use the editable charts on the ECB website (<u>http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html</u>).





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HOW SHOULD THE FINANCIAL/ACCOUNTING SYSTEM BE TAILORED TO H2020 REQUIREMENT

The accounting records include, among others:

Accounting entries:

- Accounting journal
- General ledger
- Cash book
- Inventory register
- Fixed assets register





Supporting documents:

- Sales and purchase invoices
- Delivery notes, in particular for fixed assets
- Credit notes
- Salary slips
- Bank statements





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Other documents:

- Rules applied for depreciation
- Method of allocation of indirect costs
- Internal rules for reimbursement of travel

expenses



PROJECT ACCOUNTS

Normally project accounts for H2O2O actions are management account codes allocated solely to individual H2O2O actions which are integrated in the double entry accounting system of the beneficiary

This integration with the double entry system reduces the likelihood of double counting and makes it easier to reconcile the costs with the accounting records





To be considered eligible costs must be:

Determined according to the usual accounting

and management principles and practices of the

beneficiary identifiable and verifiable



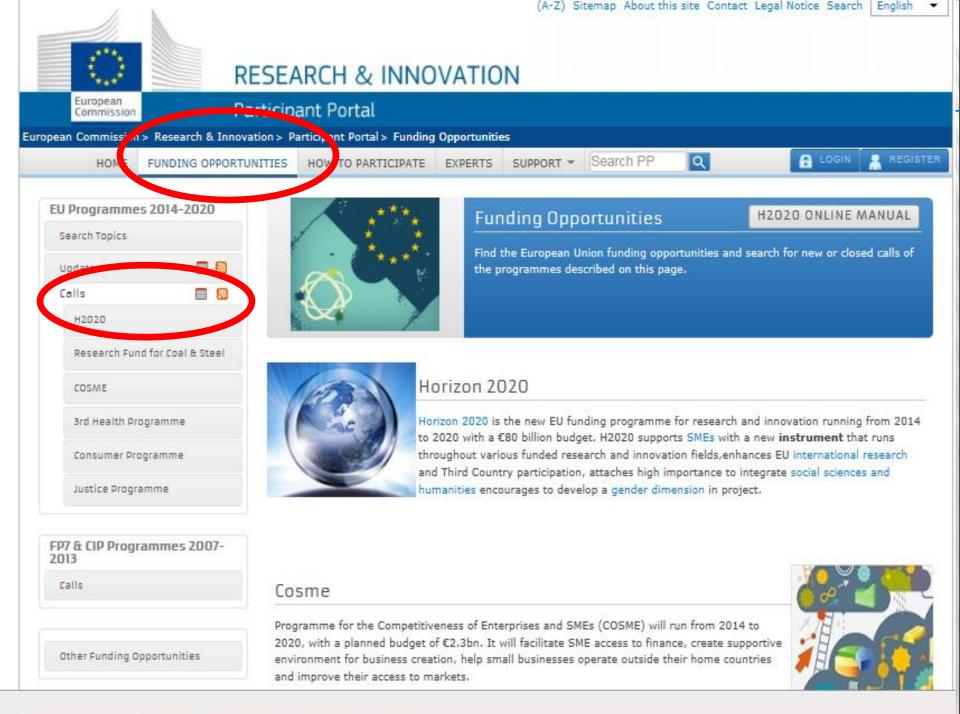
TYPES OF COSTS

- A. direct personnel costs;
- B. direct costs of subcontracting;
- C. direct costs of providing financial support to third parties
- D. other direct costs;
- E. indirect costs (25% of direct personnel costs + other direct costs);
- F. for specific unit lump sum costs;

'Direct costs' are costs that are directly linked to the action implementation and can

therefore be attributed to it directly. They must not include any indirect costs

'Indirect costs' are costs that are not directly linked to the action implementation and therefore cannot be attributed directly to it.







CONCLUSIONS:

- Read and understand the financial rules for H2020 actions
- \checkmark Comply with both national and european legislation
- ✓ Collaborates with other departments within your institution (especially financial and juridic departments)
- √ In case of doubt,ASK
- \checkmark And so everything will be very simple





H2020 Framework Programme – Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020) (OJ 347, 20.12.2013, p. 104).

Euratom Research and Training Programme (2014-2018) – Council Regulation (Euratom) No 1314/2013 of 16 December 2013 on the Research and Training Programme of the European Atomic Energy Community (2014-2018) complementing the Horizon 2020 – The Framework Programme for Research and Innovation (OJ L 347, 20.12.2013, p. 948).

H2020 Specific Programme — Council Decision 2013/743/EU of 3 December 2013 establishing the Specific Programme Implementing Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020) (OJ L 347, 20.12.2013, p. 965).

Rules for Participation (RfP) – Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 of December 2013 laying down the rules for the participation and dissemination in Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020) (OJ L 347, 20.12.2013, p.81).

Financial Regulation (FR) – Regulation (EC, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the European Union (OJ L 298, 26.10.2012, p.1).

Rules of Application (RAP) – Commission Regulation (EC, Euratom) No 1268/2012 of 29 October 2012 on the rules of application of I Regulation (EC, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 298, 26.10.2012, p.1).

Thank you for your attention!

Legal&Financial NCP

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