

# **HORIZON 2020**



## **Horizon 2020 Work Programme for 2016- 2017: Legal and Financial Aspects**

Organized by Academy of Sciences of  
Moldova  
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# 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



# H2020 SIMPLIFICATION

- 1). Simplification of the structure and programming
- 2). Simplification of the rules
- 3). Simplification of implementation





# 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.



# 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 Commission requirements are correctly implemented (H2020 Online Manual:  
<http://ec.europa.eu/research/participants/portal/desktop/en/funding/index.html> )
- Check twice the eligibility of any costs before committing it
- Do not perform other expenses than those proposed in Grant Preparation Form and approved in ECGA





# RESEARCH & INNOVATION

European Commission

## Participant Portal

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REGISTER

H2020 Online Manual

Reference Documents

Beneficiary Register

Financial Viability Self-Check

SME Participation



### How to participate

**H2020 ONLINE MANUAL**

The first steps to prepare your proposal and apply for EU research funding. Learn how to find a suitable Call for proposals or project partners and how to submit your proposal.

The following guidance services facilitate your participation:

- **H2020 Online Manual:** step-by-step online guide through the Portal processes from proposal preparation and submission to reporting on your on-going project
- **Reference documents:** library of legal documents, guidance notes, and additional reference material for H2020 and FP7
- search for already registered organisations and their PICs
- **Financial viability self-check tool** allows you simulating the financial viability check of your organisation
- **SME participation:** dedicated H2020 guidance page for SME

FIND a call

1

FIND partners

2

CREATE your account

3

REGISTER your organisation

4

SUBMIT a proposal

5

Step 1 - Find a suitable Call for Proposals

**H2020 ONLINE MANUAL**

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

### H2020 Online Manual

- My Area - User account & roles
  - > Login with ECAS
  - > Roles & access rights
  - > Terms and Conditions of Use
- Grants
  - Applying for funding
    - Find a call
      - > Horizon 2020 structure and budget
      - > What you need to know about Horizon 2020 calls
    - > Find partners or apply as individual
  - Register in the Beneficiary Register
    - > Registration of your organisation
    - > LEAR appointment
    - > Validation of potential beneficiaries
    - > Financial viability check
    - > Data update
    - > Certifications
  - Submit a proposal
    - > Get prepared
    - > Electronic proposal submission
  - From evaluation to grant signature
    - > Eligibility check
  - Evaluation of proposals
    - > Eligibility and evaluation criteria
    - > Evaluation process and results

My Area - User account & roles

## Grants

### Applying for funding

Find a call

Find partners

Register an organisation

Submit a proposal

### Evaluation & Grant signature

Eligibility check

Evaluation of proposals

Grant preparation

Grant signature

### Grant management

Keeping records

Amendments

Reports & payment requests

Deliverables

Dissemination & exploitation

Communication

Checks, audits, reviews & investigations

## Working as an expert

Expert registration

Contracting & payment

Expert roles & tasks

## Cross-cutting priorities & issues

International cooperation

Social Sciences & Humanities

Open access & Data management

Ethics

Gender

SMEs

ERA-NETs

Links to regional policy

Intellectual property

Innovation procurement



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

Implement within your institution a monitoring  
system for all expenditure of the H2020 actions  
(excel, access) => easier to report

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





..... *If*

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](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



## .....ATTENTION

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 governmental 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)<sup>3</sup>
- 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





## H2020 PROJECT STRUCTURE

Work Packages

Efforts

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



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



## 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





## *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 H2020 actions are management account codes allocated solely to individual H2020 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.



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H2020

Research Fund for Coal & Steel

COSME

3rd Health Programme

Consumer Programme

Justice Programme



### Funding Opportunities

H2020 ONLINE MANUAL

Find the European Union funding opportunities and search for new or closed calls of the programmes described on this page.



### Horizon 2020

Horizon 2020 is the new EU funding programme for research and innovation running from 2014 to 2020 with a €80 billion budget. H2020 supports SMEs with a new instrument that runs throughout various funded research and innovation fields, enhances EU international research and Third Country participation, attaches high importance to integrate social sciences and humanities encourages to develop a gender dimension in project.

### FP7 & CIP Programmes 2007-2013

Calls

Other Funding Opportunities

### Cosme

Programme for the Competitiveness of Enterprises and SMEs (COSME) will run from 2014 to 2020, with a planned budget of €2.3bn. It will facilitate SME access to finance, create supportive environment for business creation, help small businesses operate outside their home countries and improve their access to markets.





## CONCLUSIONS:

- ✓ Read and understand the financial rules for H2020 actions
- ✓ Comply with both national and european legislation
- ✓ Collaborates with other departments within your institution  
(especially financial and juridic departments)
- ✓ In case of doubt, .....ASK
- ✓ 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).

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Thank you for your attention!

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