



# FINANCE AND BUDGET

Research Executive Agency  
Marie Curie Host-driven Actions

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ITN Coordinators briefing meeting  
Brussels, November 2013



# Overview

- 1. EU contribution**
- 2. Eligible costs**
- 3. Cost categories**
  - **Living Allowance**
  - **Mobility Allowance**
  - **Training/research/transfer of knowledge expenses**
  - **Management**
  - **Overheads**
- 4. Parental and maternity leave**
- 5. Subcontracting**
- 6. Associated Partners**
- 7. Non-eligible costs**
- 8. Guarantee Fund**
- 9. Useful documents**



# A maximum EU contribution

## Where is it recorded?

- Grant Agreement - Article 5
- Annex 1 - Part D
- GPF - Form A3.3 and Form A3.4

## Can It Change?

- The maximum EU contribution cannot increase
- Amounts are indicative - costs claimed during the project can be lower

SEVENTH FRAMEWORK PROGRAMME OF THE  
EUROPEAN UNION

RESEARCH EXECUTIVE AGENCY

SP3-People

Support for training and career development of researchers  
(Marie Curie)

Industry-Academia Partnerships and Pathways (IAPP)

FP7-PEOPLE-2012-IAPP

**Grant Agreement Number**

FP7-PEOPLE-2012-IAPP-GA-2012-XXXXXX

**Multi ITN: Max. 40% of the EU contribution to any one country.**

# Eligible costs of the project

## Article II.14.1

- Actual costs and flat rate costs (*defined by the cost categories*)
- Incurred costs & only during project duration
- Related to objectives of the project
- Economic, efficient and effective
- Recorded in accounts of beneficiary in accordance with the usual accounting rules of the beneficiary

FP7 Marie Curie Grant Agreement - Annex II REA  
Version 3, 07/10/2011

**FP7 Grant Agreement  
Annex II - General Conditions  
Marie Curie Actions  
Multi-beneficiary**

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# The cost categories

## Fellows

➤ Living allowance (salary)



**Cost category 1**

➤ Mobility allowance  
**category 2**



**Cost**

**Research, training  
and networking**



**Cost category 3**

**Management**



**Cost category 4**

**Overheads**



**Cost category 5**





## **Cost Category 1 - Monthly living allowance**

### **For Whom?**

Recruited fellows

### **Employment Contract or Stipend?**

Already agreed during negotiation, in general:

- Fellows should always be paid with employment contract (Type A).
- Stipend (Type B) should only be given where national regulation would prohibit the possibility of appointing a researcher under an employment contract and only with the prior consent of the Project Officer.

### **What does it include?**

Monthly salary for the fellow before any deductions: contributions of both employers and employees to social security, pension, taxation, voluntary deductions.





## How Much?

Depends on 3 factors

- Level of experience (determined at the time of recruitment)
  - Early-stage researcher
  - Experienced researcher (4-10 years' experience)
- Type of contract
  - Employment contract (Type A)
  - Fixed-amount fellowship (Type B)
- Country Correction Coefficient (in Work Programme and Annex 1)

## How is the monthly salary calculated?

- Annual base rate \* country coefficient / 12

## What are the base rates?

Researchers Categories	EUR/year
Early-stage researchers	38 000
Experienced researchers (< 10 years' experience)	58 500



## **Cost Category 1 - Monthly living allowance**

### **Can we pay the fellow less?**

- No → Breach of the conditions of the Grant Agreement

### **Can we pay the fellow more?**

- Yes → The top-up cannot be charged to the project, but from other funds

### **Must I pay at the actual level of experience of the fellow or the level foreseen in the Grant Agreement?**

- You must pay according to the experience of the fellow at the time of recruitment. Researchers eligible as ERs cannot be recruited/paid as ESRs.







## **Cost Category 1 - Monthly living allowance**

### **What if the fellow changes level of experience during the project?**

- The fellow is always paid at the level correct at the time of recruitment to the project.

### **We operate on a 13 month pay regime, can we use this for the fellows?**

- Yes → provided the fellow receives the full amount owed and it is clearly stated in the contract with the fellow and the reports.

### **Do we always pay the fellow in euro?**

- No → The fellow can be paid in the local currency, but the costs must be reported in euro.





## **Cost Category 1 - Monthly living allowance**

### **What records do we need to keep for EU audit purposes?**

- Evidence of the eligibility of the fellow.
- Employment contract/agreement with the fellow.
- Proof of payment of the salary to the fellow and of the deductions for social security etc.
- Evidence that the fellow worked on the project: this can include lab books, conference abstracts, library records, etc.

### **Is the fellow obliged to keep timesheets?**

- No → Timesheets are not an obligation for Marie Curie Fellows but can be used if in line with local practices.





## Cost Category 2 - Monthly mobility allowance

### **For Whom?**

All recruited fellows

### **How much?**

This depends on 2 factors:

- **Family status of the fellow\*:**
  - ❑ With family = € 1000 per month
  - ❑ Without family = € 700 per month
  
- **Country Correction Coefficient**

\* Family = persons linked to the researcher by: (i) marriage, or (ii) a relationship with equivalent status to marriage recognised by the national legislation of the country of the host organisation or of the nationality of the researcher, or (iii) dependent children maintained by the researcher.





## **Cost Category 2 - Monthly mobility allowance**

### **Is the mobility allowance taxed?**

- Normally yes - it depends on local taxation rules
- Some institutes offer to operate this as a 'virtual real cost' category in accordance with their administrative procedures. This means that fellows can submit receipts for rent, household bills etc. which can be used to grant partial exceptions from tax

### **What records do we need to keep for EU audit purposes?**

- Same as for living allowance and
- Evidence of the eligibility for the mobility allowance

### **What if the family status changes during the project?**

- The mobility allowance is calculated for the family status at the time of recruitment to the project





## **Cost Category 3 - Contribution to research / training / transfer of knowledge**

### **How much?**

- Fixed amount of €1.800 per fellow-month for multi-beneficiary and €1.200 for IDP & EID projects

### **What is it used for?**

- To contribute to expenses related to:
  - Publication of vacant positions
  - Training courses etc.
  - Research costs
  - Conference attendance etc.
  - Co-ordination between participants including network meetings





## **Cost Category 3 - Contribution to research / training / transfer of knowledge**

### **How is it distributed between the partners (MULTI)?**

- Calculated according to the fellow-months per beneficiary.
- The full flat rate must always be reported by the beneficiary paying the fellow.
- The consortium can agree to distribute it differently, in which case it should be addressed in the consortium agreement, but not in the reports.

### **What if we don't use as many fellow months as foreseen?**

- The fixed rate of €1.800/€1.200 applies to the implemented fellow months; therefore, the maximum allowable for category 3 by the end of the project is as follows: total fellow months delivered x 1800 or 1200.





## **Cost Category 3 - Contribution to research / training / transfer of knowledge**

### **What documents to keep for an audit?**

- For the purposes of the Grant Agreement, you do not need to keep detailed records of what the money was used for.
- However, you must comply with the accounting rules of your institution, as they normally require more records.
- In the case of an audit by the EU, the consortium will need to provide the same evidence as required for categories 1 and 2.





## **Cost Category 4 - Management activities**

### **How much?**

- The amount was agreed during negotiation and is up to 10% of the total EU contribution.

### **Is the 10% applied per period or per project?**

- The amount is applied per project, and does not need to be spent in the same timeframe as the fellow months nor divided equally per period.

### **How is it distributed between the partners (MULTI)?**

- That is a decision of the consortium, normally the coordinator retains the largest share of the management costs. The distribution should be addressed in the consortium agreement.

### **What if our total project costs are less than planned?**

- The 10% applies to the total accepted costs at the end of the project.







## **Cost Category 4 - Management activities**

### **What is it used for?**

Reimbursement of costs related to:

- Costs associated with the preparation of the reports and other documents required by the REA:
  - ❑ Declarations of conformity, progress reports, mid-term report, periodic reports and final report.
  - ❑ Certificate on financial statements (CFS).
- Maintenance of the consortium agreement.
- Salary of the person recruited to manage the project.
- The overall legal, ethical, financial and administrative management for each of the beneficiaries.





## Cost Category 4 - Management activities

### What records do we need to keep for EU audit purposes?

- Category 4 is a real cost category. Therefore full records of expenditure must be retained:
  - ❑ All receipts of expenditure;
  - ❑ Full timesheets for personnel costs.
  
- The receipts & timesheets do not need to be provided to the REA with the reports; however, the periodic report must give an explanation of the breakdown of costs charged to cost category 4.

### **Important note:**

The Coordinator can charge the time spent on the management of the project only, i.e. time taken to prepare the reports, organise recruitment, etc. Coordination of research and technological development activities **cannot** be charged under the management cost category.





## **Cost Category 5 - Contribution to overheads**

### **How much?**

- 10% of direct costs of the period.
- Excludes costs of subcontractors and the costs of the resources made available by third parties which are not used on the premises of the beneficiary.

### **Do we need to claim the money evenly over the lifetime of the project?**

- YES, the amount is applied per period and must be proportional to the costs claimed for the reporting period.

### **How is the overhead budget reported?**

- It is always 10% per partner per period of the other cost categories less subcontracting.

### **What records do we need to keep for EU audit purposes?**

- None → beneficiaries do not report on the use of the overheads, only on the amount claimed.





# Parental and maternity leave

## **Can a fellow take maternity or parental leave?**

- Yes, in accordance with national legislation.

## **Are the costs of the leave eligible?**

- Yes → when mandatory under national law.

## **What costs can be claimed?**

- Only mandatory (under national law or any other rule imposed on the beneficiary and thus not at its discretion) and non-refundable costs (from social security schemes or private insurances) are reimbursed, under request and submission of pertinent documents together with the final reports at the end of the project.

## **Will the EU contribution automatically be increased by that amount?**

- Typically in host-driven actions by the end of the project the total amount of costs claimed are less than the maximum EU contribution; therefore, any eventual increase will take remaining funds into account.





# Subcontracting

## Is subcontracting allowed?

- Yes if foreseen in Annex I (except for minor tasks, such as printing leaflets, and certificates on the financial statements).
- Core management tasks (see Article II.2.3) **cannot** be subcontracted.

## What can be subcontracted:

- Only non-core tasks.

## What procedures do we need to follow?

- You need to follow the rules of your institution.
- In addition, the choice of subcontractor must be transparent, on the basis of equal treatment and represent best value for money.

## Why do I need to record all subcontracting costs?

- Subcontracting costs do not generate overheads (category 5); therefore, they must be recorded separately to ensure the correct calculation of category 5.



# Associated Partners

## **How are the costs of Associated Partners reimbursed?**

- The costs of Associated Partners can be reimbursed through invoices to the beneficiary.
- The cost of the invoice paid by the full participant is then covered by the EU contribution under the cost category relevant for the activity/ies carried out by the Associated Partner.





## Non-eligible costs\*

- Identifiable taxes, including VAT
- Duties
- Interest owed
- Provisions for possible future losses/charges
- Exchange losses, etc
- Costs reimbursed in respect of other EUs project
- Debt and debt service charges
- Excessive or reckless expenditure

\* does not apply to flat rates (Cat 3)





# Guarantee Fund



- The Guarantee Fund replaced the financial collective responsibility between participants under FP6.
- It was set up to manage the financial risks during the implementation of FP7 and is managed by the European Investment Bank.
- 5% of the total EU contribution is subtracted from the pre-financing and paid into the Fund.
- The interest generated covers the risks incurred by the non-reimbursement of amounts due by the beneficiaries.
- The money paid into the Fund will be returned to the consortium at the end of the project.
- The amount can be corrected to allow for losses in the Fund, but this only applies to some beneficiaries and is capped at 1% of the EU contribution.







# Guarantee Fund

Example:

- A beneficiary goes bankrupt.
- The consortium request an amendment to end the beneficiary's participation in the project.
- The beneficiary sends a leaving report and a cost claim.
- The REA checks the costs and establishes the amount of debt owed by the beneficiary.
- If the bankrupt beneficiary fails to return the amount due, the REA will order the Fund to transfer the equivalent amount to the Coordinator.

**The Coordinator must inform the REA immediately in the case of bankruptcy of any of the beneficiaries.**

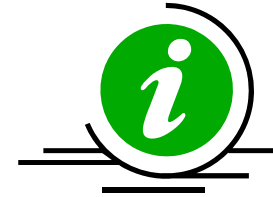




European  
Commission

# Useful documents





## **Grant Agreement**

In particular Annexes II and III

## **Marie Curie website**

[http://ec.europa.eu/research/mariecurieactions/index\\_en.htm](http://ec.europa.eu/research/mariecurieactions/index_en.htm)

- Funded Projects
  - 'How to manage my project' page

## **Documents**

Work programme

Guide for Applicants

MC Financial Guidelines





**Thank you for your attention**

<http://ec.europa.eu/mariecurieactions>

