



Enabling Grids for E-science-II

Reporting procedures & Financial Guidelines

Anna Cook
Dita Mocova

www.eu-egee.org



- Governed by the rules of the 6th Framework Programme
- CERN: coordinator of the project. Liaises with EU, coordinates contract, CA, reporting
- 91 partner institutes
- 13 federations
- 11 active Joint Research Units
 - 139 institutes in total
- 10 activities
- Clear reporting guidelines in place

- EU Contract: Between contractors and EU
- Outlines the modalities of the agreement between the contractors and the Consortium to carry out the project
 - Duration of the project
 - Community financial contribution
 - Reporting periods
 - Reports
 - Payment modalities
 - Special clauses
- In preparation, will be signed to the Consortium
- Signed by the EU and CERN, counter-signed by the Consortium
 - Partners “accede to the contract counter-signed by the coordinator”



- Consortium Agreement: Between contractors (“Parties”)
- Outlines the rules and obligations between the contractors in the EGEE-II project, including
 - Obligations of the coordinator
 - Obligations of the parties
 - Organisation of the project and definition of boards (PMB, PEB, CB, AFC)
 - Costs and Payments
 - Liability
 - Access Rights
 - Default and termination rules
- JRUs coordinated by the contractor representing its members in the project

- Supports the management activity of the project
- Oversees the administration of the project, relations between partners, related projects
- Supports events
- Maintains website technical pages
- Hosts NA2 staff, for close interaction with management
- Submits deliverables, project reports to the EU

<u>MONTHLY</u>	<u>QUARTERLY</u>	<u>PERIODICALLY</u>
Individuals submit Timesheets	Institutes submit Internal Cost Claims	Institutes submit Form C + Audit Certificates
What does the PO produce?		
-	Effort Reports Financial Status	Periodic Management Report

Reporting procedures are described in Annex 4 of Consortium Agreement.

TIMESHEETS

- Purpose:**
- ▶ demonstrate all personnel costs are directly related to the project
 - ▶ working time on each task must be recorded and validated by the individual supervisors of the partner
 - ▶ people working on several EU projects cannot report more than 100% (no. of hours per month cannot exceed 200)
 - ▶ effort monitoring in PM – quarterly Effort report submitted to EU by PO

Who: all personnel working on the project, independent of cost model, funded/unfunded (matching) manpower **MUST** submit timesheets

Tool: PPT (Project Progress Tracking)
for any technical problems contact ais.support@cern.ch

Deadline: submission to supervisors by M+2 days
validation by supervisors by M+5 days

QUARTERLY INTERNAL COST CLAIM (ICC)*

***cumulative**

Purpose: ► to monitor the costs of each partner by activity and cost category (personnel, travel & subsistence, durable equipment,..)
► financial status report to EU

Who: ► each partner including all JRU members
► supervisor at the partner institute responsible for ICC

Tool: PPT – Cost Claims tab

Deadline: by Q+15 days

FINANCIAL STATEMENT (FORM C) + AUDIT CERTIFICATE

Purpose: to get reimbursement of the cost incurred by each partner

Who: all contractors and JRU members (JRU specifics on next slide)

Tool: Form C will be produced automatically in PPT using data from ICC

Audit Certificate:

- ▶ produced by independent qualified external auditor or public officer (public bodies or international organizations)
- ▶ partners can use their usual external auditor – if independent and qualified, does not have to be EU accredited auditor

Each partner should check the status of the auditor !!

Audit Certificate Guidance notes (useful for content and presentation of audit certificate)

ftp://ftp.cordis.lu/pub/documents_r5/natdir0000001/s_6918005_20050727_150035_2521en.pdf

Documents to be submitted to PO:

3 signed and stamped FORM Cs

3 signed, stamped and dated Audit Certificates

Deadline for submission to PO: Project Period end + 22 days

PP1: 22.4.2007

PP2: 22.4.2008

Special clause 23 of the FP6 Financial Guide applies

JRU members:

**Each JRU member provides Form C and audit certificate
Costs declared under 3rd parties/JRU on the Form C**

Contractor:

**Contractor provides his own Form C and audit certificate
Declares costs under “Contractor” column on Form C
Consolidated Form C for all – costs of contractor and JRU members
shown in separate fields, don’t need to be audited**

PO produces the Management Report consisting of:

Consolidated Financial Statement

Justification of major cost items and resources

All Form Cs and Audit certificates



**submission to EU
by the following dates:**

PP1: 15.5.2007

PP2: 15.5.2008

- **DIRECT COSTS (FC, FCF)**
 - eligible costs directly associated to the project
 - Examples:
 - Travel & subsistence costs to conferences and events
 - Salary costs of personnel working on the project (Including social security, health insurance, etc.)
 - Dissemination material

- **DIRECT ADDITIONAL COST (AC)**
 - would not be incurred if the project did not exist
 - Examples:
 - Salary costs of staff with temporary contracts

- **INDIRECT COSTS/OVERHEADS**

- cannot be directly allocated to the project, but incurred in direct relationship with the direct eligible costs
- Examples:
 - cost of office space/laboratory
 - administrative expenses
 - utilities
 - office supplies
 - common office software
 - internet fees
 - common office equipment maintenance (printers, copy & fax machines)

Eligible costs must meet ALL of the following criteria:

- **Actual**
 - not estimated, budgeted

- **Economic**
 - reasonable, in relation with normal practices of the contractor
 - BUT e.g. remuneration in excess of normal levels → NOT eligible

- **Necessary**
 - for carrying out the project

- **Determined in accordance with usual accounting principles**
 - follow your normal accounting practices & rules, e.g. depreciation method, cost classification

- **Incurred during the duration of the project (1.4.06 – 31.3.08)**
 - costs incurred before the start of the project or after the end => non eligible

- **Recorded in the accounts of the contractor**
 - shall respect the accounting rules of the state

- **Indirect taxes**
 - e.g. VAT, customs duties, insurance premium taxes
- **Interest owed – on loans**
- **Exchange losses**
- **Debt and debt service charges**
- **Excessive/reckless expenses** 😊
 - business class travel if not a normal practice to use it, remuneration levels higher than the normal practice
- **Any estimated costs – budgeted, imputed**

- **FC (Full Cost with actual indirect costs)**
 - 100% of direct eligible costs
 - 100% of indirect eligible costs
 - only 50% reimbursement – principle of co-funding
 - **FCF (Full Cost with indirect Flat rate costs)**
 - 100% of direct eligible costs
 - indirect costs: 20% of direct eligible costs
 - only 50% reimbursement – principle of co-funding
 - **AC (Additional Costs with indirect flat rate costs)**
 - 100% of direct additional costs
 - indirect costs: 20% of direct additional costs
 - 100% reimbursement – matching manpower to be provided (to work on tasks described in DoW and in agreement with activity managers)
- same cost model has to be used in all FP6 projects in which you participate
 - cost model used on ICC and Form C has to be in line with the one stated in Description of work!

Maximum reimbursement rates

<p>Research and technological development or innovation activities</p> <p>All activities except for NA1</p>	<p>Management of the consortium activities</p> <p>NA1+cost of audit certificate</p>
<p>FC/FCF: 50%</p> <p>AC: 100%</p>	<p>100%</p> <p>(up to 7% of the community financial contribution)</p>

EXAMPLE - All activities except NA1

	FC	FCF	AC
DIRECT COSTS	1,000 EUR	1,000 EUR	1,000 EUR
INDIRECT COSTS	500 EUR	200 EUR* <small>*20% of direct costs</small>	200 EUR* <small>*20% of direct costs</small>
TOTAL COSTS	1,500 EUR	1,200 EUR	1,200 EUR
MAXIMUM COMMUNITY CONTRIBUTION	750 EUR* <small>*50%</small>	600 EUR* <small>*50%</small>	1,200 EUR* <small>*100%</small>

- AC partners must provide matching manpower balanced across all activities
- All matching MP must contribute to the program of work
- Any changes must be agreed with activity managers and PO

- FP6 Financial Guide:
- ftp://ftp.cordis.lu/pub/documents_r5/natdir0000035/s_2034005_20050316_104305_2034en.pdf
- Visit our technical pages:
<http://egee-intranet.web.cern.ch/egee-intranet/index.html>
- Contact your AFC representative.
- Contact: Dita.Mocova@cern.ch
 - tel.: **+41 22 767 0605**
- EGEE II conferences – there will be special sessions to discuss the financial matters of the project and answer your questions.