



FINANCIAL REPORTING

FOR H2020 PROJECTS

TECHNIKON



REALHOLO

mGov4EU



Content of the Webinar

01

Payment overview

02

Person Months (PMs) and
time records

03

Interim Management
Reporting & Deliverables

04

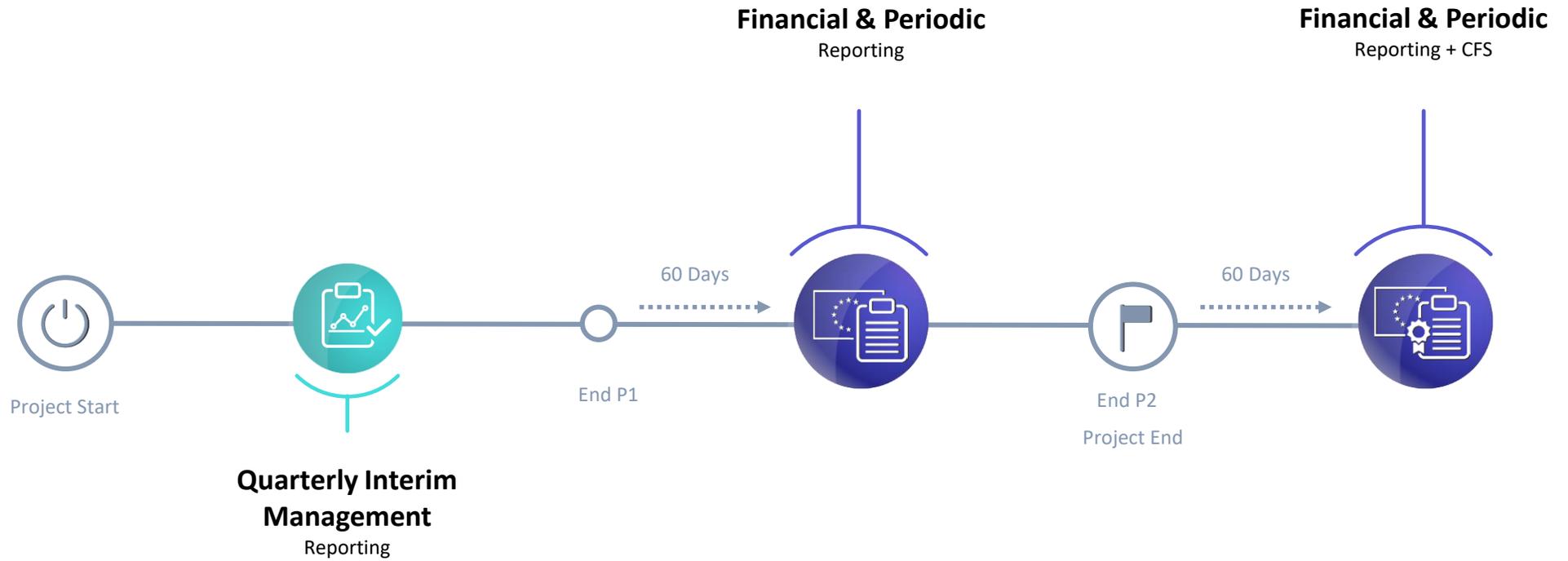
Reporting to the EC
(periodic reports, financial
reports, audits)

05

Project costs

0

Timeline



Pre-financing & Payments



TECHNIKON

Project Start

Payment Overview

1

Project
Start



Pre-financing

After Kick-Off meeting

- Ensures cash flow for implementing the project – remains the property of the EU Commission until the balance payment
- Retention of 10% + 5% Guarantee Fund until final payment!

Payment

Within 30 days of the entry into force of the GA or 10 days prior to the starting date of the action (whichever is the latest)



Interim Payments

After each reporting period

- Contribution = amount justified & accepted
- Retention of 10% + 5% Guarantee Fund until final payment!

Payment

Within 90 days of submission of the interim report



Final Payments

For last reporting period
+ any adjustments

Payment

Within 90 days of submission of the final report

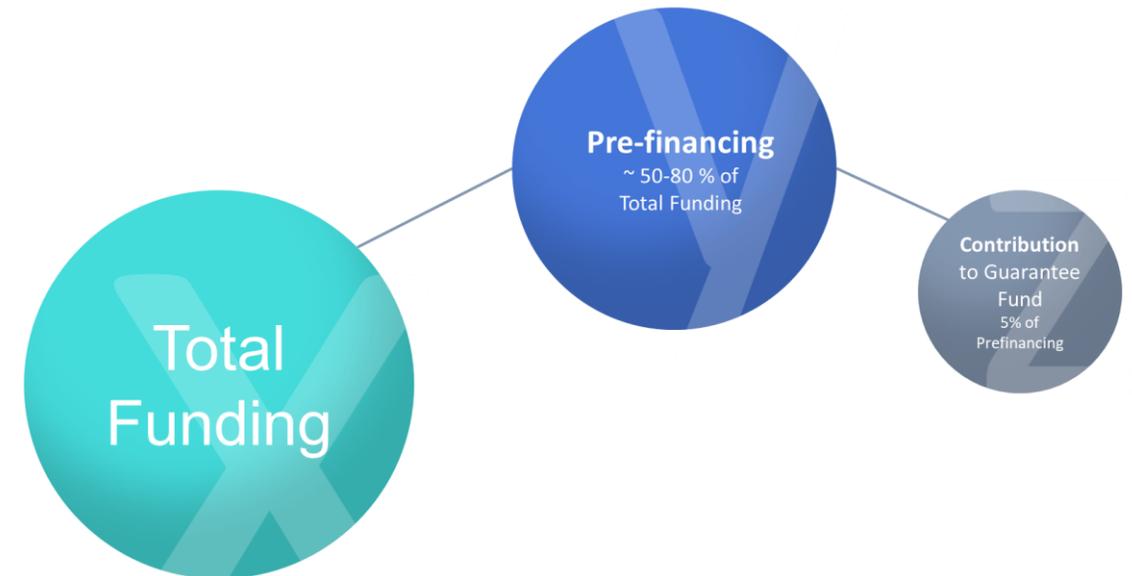
Initial Payment Example

1

Project Start

Partner	Total Funding (Annex 2)	Funding share (% of total Funding)	Pre-financing	Prefinancing [- 5% GF]	5% GF	Prefinancing which will be distributed to Partners
A	€ 384.750,00	6,41%	€ 205.200,00	€ 185.962,500	€ 19.237,50	€ 185.962,50
B	€ 802.500,00	13,38%	€ 428.000,00	€ 387.875,000	€ 40.125,00	€ 387.875,00
C	€ 2.148.200,00	35,82%	€ 1.145.706,67	€ 1.038.296,668	€ 107.410,00	€ 1.038.296,67
...
TOTAL	€ 5.997.852,50	100,00%	€ 3.198.854,67	€ 2.898.962,05	€ 299.892,63	€ 2.898.962,05

Project running for 2 reporting periods with EC contribution:	€ 5.997.852,50	
Pre-financing according to GA (53,33 %):		€ 3.198.854,67
Contribution to the Guarantee Fund: (5% of total EC funding)	5997852,50*5%	€ 299.892,63
Net amount of pre-financing transferred to the project: (Pre-financing – Contribution to the Guarantee Fund)	3198854,67-299892,63	2.898.962,05 €



Person Months

1

Project
Start



One Person Month = 143,33 hours
1 Year = 12 PM = 1720 annual productive hours



Interim Management Report

Best estimates of PMs per WP



Official Reporting towards the EC

Final number of PMs per WP has
to be provided

Time Records

1

Project Start



Records on time spent on the project

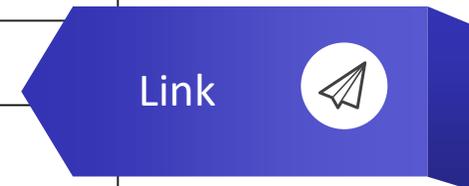
(GA Article 18):

- Staff must record the hours they spend on the project (except staff working 100% on the project)
- Kept regularly
- Countersigned by supervisor

TIME RECORDING FOR A HORIZON 2020 ACTION – Minimum requirements

Title of the action (acronym):		Grant Agreement No:	
Beneficiary's / linked third party's name:			
Name of the person working on the action:		Type of personnel <small>(see Art. 6.2.A Grant Agreement)</small>	

	Month	[Month / Year]	...	Total					
Number of hours									
Work packages (of Annex 1) to which the person has contributed by the reported hours									
Date and signature of the person working for the action									
Name, date and signature of the superior									



Common Errors



Staff is working and absent at same time



Claimed hours cannot be supported



Claimed number of hours are impossible

Time Records

1

Project
Start



Time records should include, as a minimum:



**Title and
number of
the action**

as specified in
the GA



**Beneficiary's
full name**

as specified in
the GA



**Full name,
date and
signature**

of the person
working for the
action



**Number of
hours
worked**

for the action in
the period
covered by the
time record



**Supervisor's
full name
and
signature**



**Reference to
the action
tasks or
work
packages**

of Annex 1, to
which the person
has contributed
by the reported
working hours

Interim Management Reporting (IMR) &
Deliverables



Interim Management Reports

(internal reports)

Cumulative interim progress report

Builds the basis for internal & official EC reporting



Per each partner



On quarterly basis



Short description

Work done,
achievements / results,
problems occurred and
deviations



Overview

Dissemination /
exploitation / cooperation
/ standardisation activities
&
Risk assessment



Effort overview per each WP

Best estimates of PMs consumed
per WP / partner / quarter
(Exact financial reporting in
Periodic Reports)

2

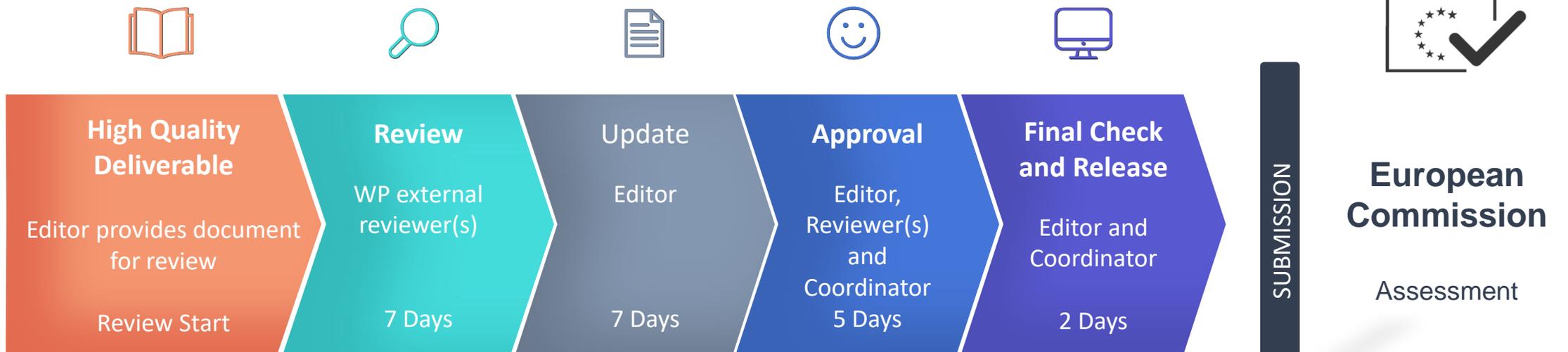
Project
Check

TECHNIKON

Deliverables – Quality assurance

2

Project
Check



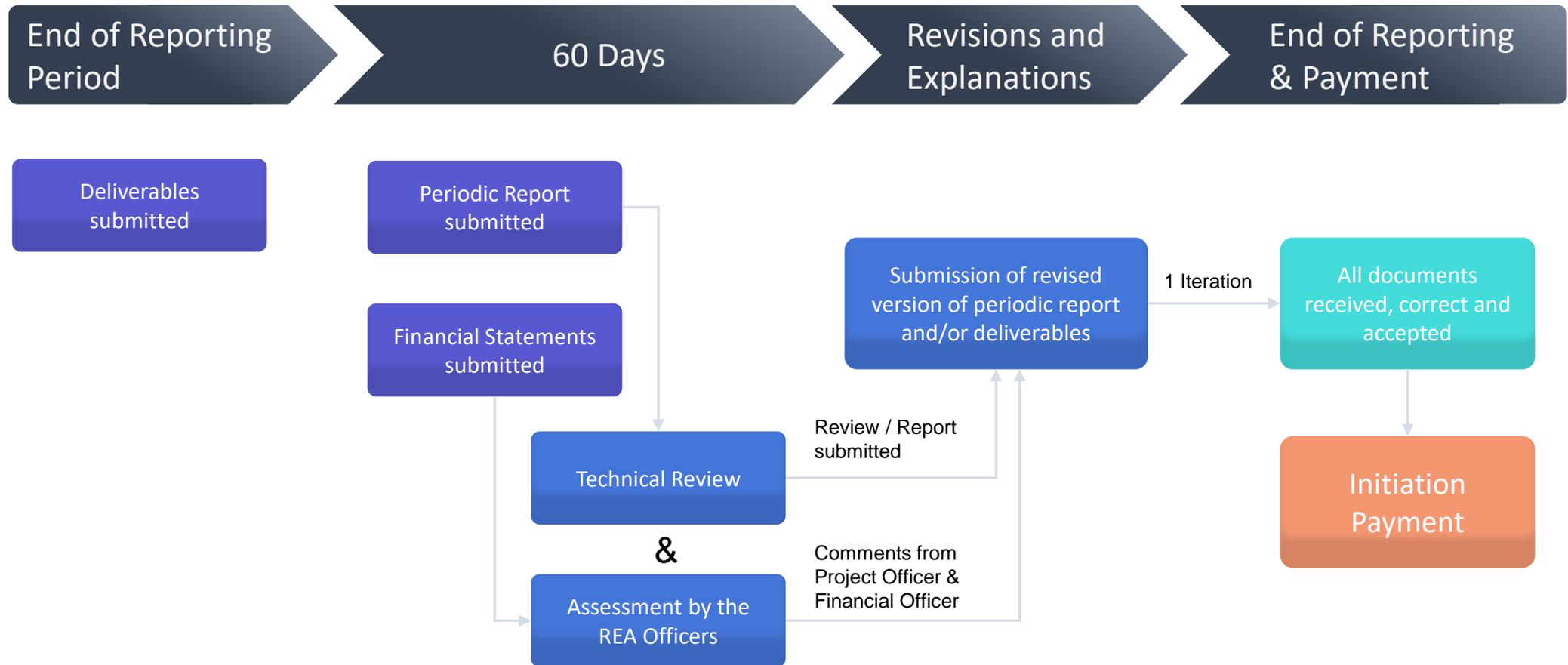
Reporting, Review &
Financial Reporting



TECHNIKON

Project Mid

Reporting to the Commission



3

Project Mid

TECHNIKON

Project reporting obligations



Deliverables

(as described in DoA)



Periodic Report

(within 60 days following the end of each reporting period)



Periodic technical report



Periodic financial report



Final Report

(within 60 days following the end of each reporting period)



Final technical report



Final financial report & CFS

Continuous Reporting Module



Publishable
summary



Submitted
deliverables



Achievement
of milestones



Questionnaire on
horizontal issues

- Publications and Research Data
- Communications activities
- Rest of questionnaire on horizontal issues

3

Project
Mid

TECHNIKON

How to fill in Financial Statements

3

Project
Mid

TECHNIKON



Funding & tender opportunities
Single Electronic Data Interchange Area (SEDIA)

FINANCIAL REPORTING IN H2020 PROJECTS:
How to fill in a financial statement in the European
Commission Participant Portal

Link



a tutorial created by:

TECHNIKON

Financial Report &
Project Costs



Eligibility & Declaration of Costs

<p>Personnel Costs based on hourly rate of last closed financial year</p>	ELIGIBLE 100%
<p>Other direct costs based on actual costs for the project: Travel / Equipment (depreciation charges) / Consumables / Other</p>	
<p>Subcontracting Costs</p>	
<p>Indirect Costs (not directly attributed to project, excluding costs of subcontracting and costs of in-kind contributions by 3rd parties)</p>	ELIGIBLE 25%



Costs eligible if:

actually incurred, used for the project, during its duration, identifiable and verifiable

Common Errors



Not all costs are declared
(potential disallowance)



Declaration of agreed
budget
not actual costs



Full Equipment costs
instead of depreciation charges
of assets declared



Internal charging system
with no relation to real costs



No demonstrated link
of consumables to the project

Purchasing & Subcontracting

Declare best value:



Tendering

tender, three offers, market survey ...



Commercial Agreements

already in place



Standard Practices

when properly used

Common Errors

- ⊘ "best value" not demonstrated (only 1 supplier named)
- ⊘ Participants own normal practices not applied
- ⊘ Subcontracted to a Partner
- ⊘ No documentation kept

Options for Calculation of Annual Productive Hours

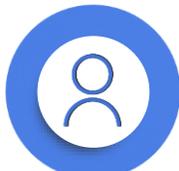


Fixed (1720 Hours)



Individual

(annual workable hours + overtime – absences)



Standard Annual Productive Hours

(According to the beneficiary's usual accounting practices)

More Info
GA Article 6

Calculation of Actual Personnel Costs (1)



Actual Personnel Costs = Hours worked for the Project * Hourly Rate



Hourly Rate =
per financial year



Annual personnel costs



Annual productive hours

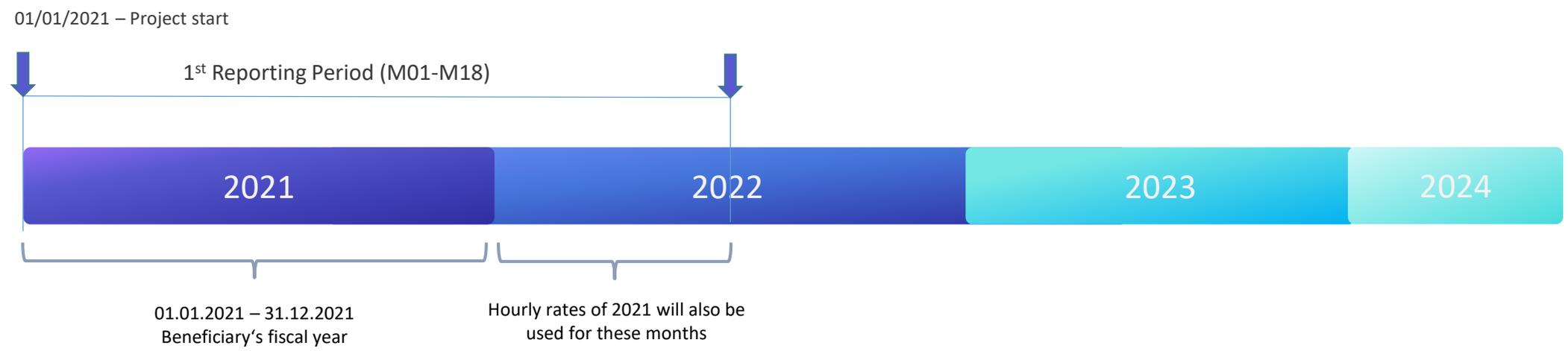


If the financial year is not closed at time of reporting, the last closed financial year has to be used (in this case, it is not allowed to perform an adjustment to this in the next period)

Calculation of Actual Personnel Costs (2)



Use of the last closed financial year:



Advantages

- **No Adjustments** have to be declared in next period
- **Legal certainty:** no doubts about what period and what data must be used for calculation
- **Removes errors** due to incorrect calculations for fractions of a year

Exchange rates provisions



Beneficiary's accounts in Euro

For purchases in other currencies



Conversion into Euros according to its usual accounting practice



Beneficiary's accounts in other currencies



Average of daily exchange rates published in Official Journal of EU calculated over reporting period

Calculation Shortcut
You may use editable charts



Final Report & CFS



TECHNIKON

Final Report

Project reporting obligations



Deliverables

(as described in DoA)



Periodic Report

(within 60 days following the end of each reporting period)



Periodic technical report



Periodic financial report



Final Report

(within 60 days following the end of each reporting period)



Final technical report (summary for publication)



Final financial report & CFS




Publishable summary



Submitted deliverables



Achievement of milestones



Questionnaire on horizontal issues

- Publications and Research Data
- Communications activities
- Rest of questionnaire on horizontal issues

Controls and Audits



Audit Certificates

Certificates of the Financial Statements - CFS

- for Final Reporting only
- if request is ≥ 325.000 EUR (excl. overhead costs)



Certificates on Methodology

- optional
- on average personnel costs

5

Final Report

Ex-post Audits

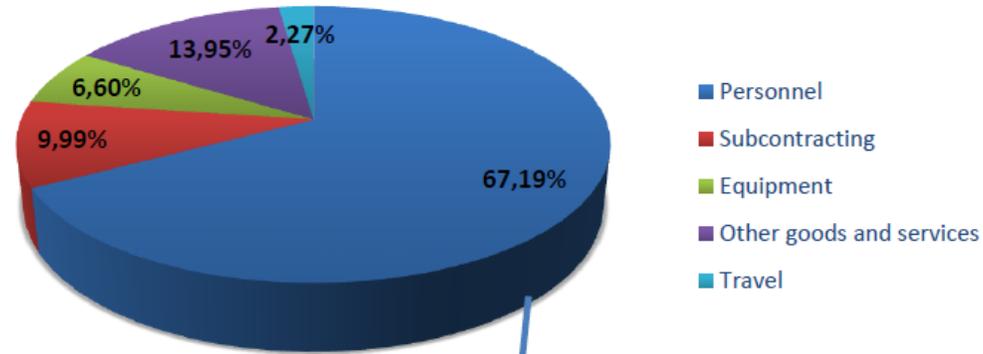
(Limited to 2 years after payments of Balance)

Common Errors & how to
avoid them

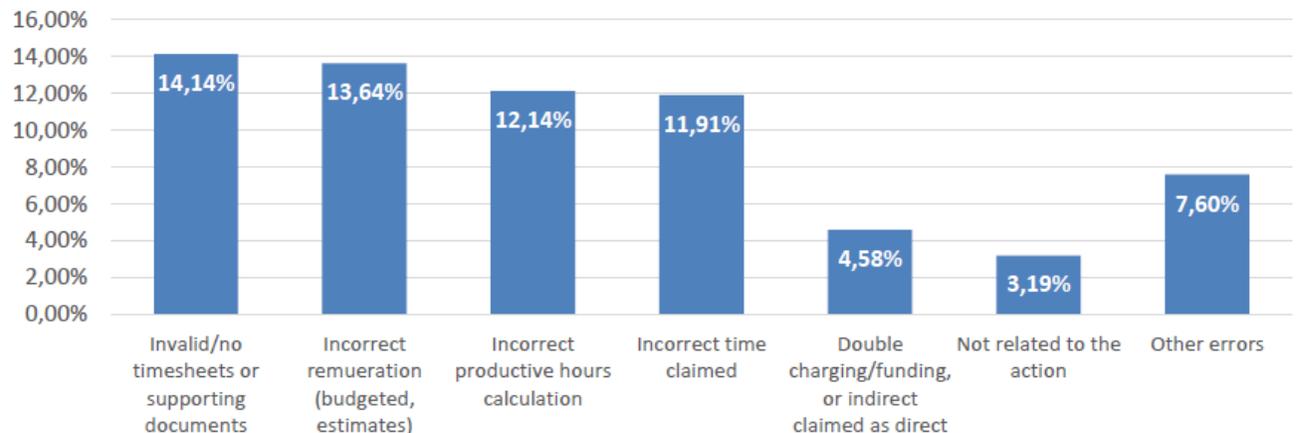


Most Common Errors in H2020

Percentage of errors identified in H2020 ex-post audits leading to adjustments in favour of the EU budget



Percentage of type of error in personnel costs



How to avoid the most common errors

- **Keeping records of personnel costs and incorrect time claimed**
 - Must keep timesheets
 - Ensure that total number of hours declared for a person per year is not higher than the number of annual productive hours used to calculate the hourly rate.
 - Claim only hours actually worked on the project.
- **Calculation of productive hours**
 - Use one of the 3 options
 - If in doubt, use option 1 (1720 productive hours)
- **Ensuring all costs are properly documented**
 - Costs claimed must be identifiable/verifiable (supported by documentation)
 - Demonstrate best value in money

TECHNIKON

Address

Burgplatz 3a,
A-9500 Villach

Web

www.technikon.com

Email

coordination@technikon.com

REALHOLO

coordination@realholo.eu

mGov4EU

coordination@mgov4eu.eu

REINDEER

coordination@reindeer-project.eu



coordination@exfiles.eu



PHOTONICS PUBLIC PRIVATE PARTNERSHIP

The four projects have received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 959072 (MGov4EU), No. 101013425 (REINDEER), No. 101014977 (REALHOLO) and No. 883156 (EXFILES). REALHOLO is an initiative of the Photonics Public Private Partnership.

Thank You