



Financial Aspects

MSCA Training, 6 - 7th October 2016, Prague

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Content

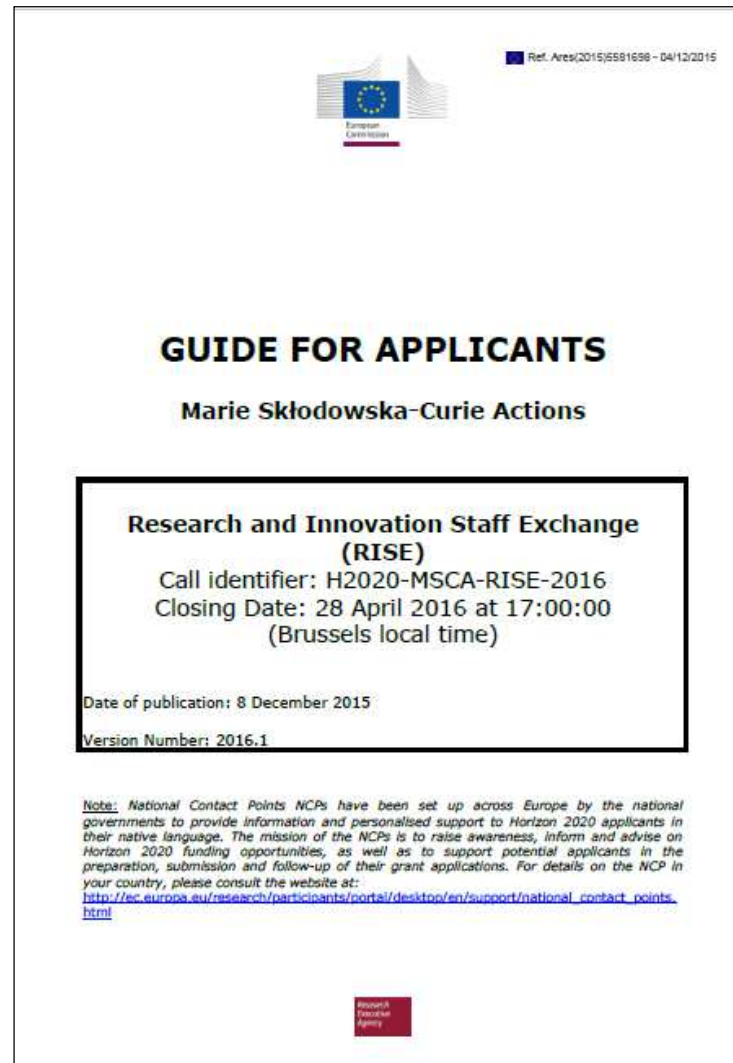
- Financial rules of MSCA
- Budget Categories
- Financial provisions in the employment contract
- Budget
- Payments

Financial rules of the MSCA

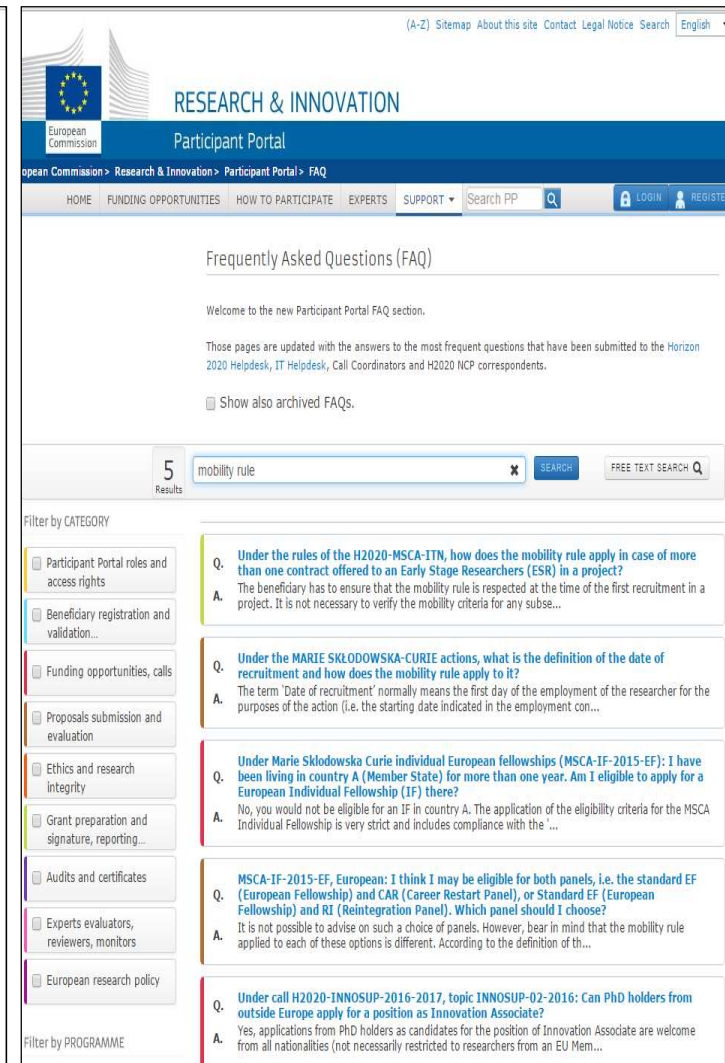
Practical information



The cover features the European Commission logo at the top. Below it, the text reads: "The EU Framework Programme for Research and Innovation" and "HORIZON 2020" in large yellow letters. A globe is shown on the left. At the bottom, it says "H2020 Programme" and "AGA – Annotated Model Grant Agreement". The version is "Version 2.1.1" dated "1 July 2015". A disclaimer is at the bottom left.



The cover features the European Commission logo at the top. Below it, the text reads: "GUIDE FOR APPLICANTS" and "Marie Skłodowska-Curie Actions". A central box contains: "Research and Innovation Staff Exchange (RISE)", "Call identifier: H2020-MSCA-RISE-2016", "Closing Date: 28 April 2016 at 17:00:00 (Brussels local time)", "Date of publication: 8 December 2015", and "Version Number: 2016.1". A note at the bottom explains the role of National Contact Points (NCPs). The Horizon Europe logo is at the bottom right.



The screenshot shows the "RESEARCH & INNOVATION Participant Portal" interface. A search for "mobility rule" has been performed, resulting in 5 items. The results are filtered by category and include questions and answers regarding mobility rules for Horizon 2020-MSCA-ITN, Marie Skłodowska-Curie actions, and MSCA-IF-2015-EF.

5 Results

mobility rule

Filter by CATEGORY

- Participant Portal roles and access rights
- Beneficiary registration and validation...
- Funding opportunities, calls
- Proposals submission and evaluation
- Ethics and research integrity
- Grant preparation and signature, reporting...
- Audits and certificates
- Experts evaluators, reviewers, monitors
- European research policy

Filter by PROGRAMME

Q. Under the rules of the H2020-MSCA-ITN, how does the mobility rule apply in case of more than one contract offered to an Early Stage Researchers (ESR) in a project?
A. The beneficiary has to ensure that the mobility rule is respected at the time of the first recruitment in a project. It is not necessary to verify the mobility criteria for any subse...

Q. Under the MARIE SKŁODOWSKA-CURIE actions, what is the definition of the date of recruitment and how does the mobility rule apply to it?
A. The term "Date of recruitment" normally means the first day of the employment of the researcher for the purposes of the action (i.e. the starting date indicated in the employment con...

Q. Under Marie Skłodowska Curie individual European fellowships (MSCA-IF-2015-EF): I have been living in country A (Member State) for more than one year. Am I eligible to apply for a European Individual Fellowship (IF) there?
A. No, you would not be eligible for an IF in country A. The application of the eligibility criteria for the MSCA Individual Fellowship is very strict and includes compliance with the '...

Q. MSCA-IF-2015-EF, European: I think I may be eligible for both panels, i.e. the standard EF (European Fellowship) and CAR (Career Restart Panel), or Standard EF (European Fellowship) and RI (Reintegration Panel). Which panel should I choose?
A. It is not possible to advise on such a choice of panels. However, bear in mind that the mobility rule applied to each of these options is different. According to the definition of th...

Q. Under call H2020-INNOUP-2016-2017, topic INNOUP-02-2016: Can PhD holders from outside Europe apply for a position as Innovation Associate?
A. Yes, applications from PhD holders as candidates for the position of Innovation Associate are welcome from all nationalities (not necessarily restricted to researchers from an EU Mem...

Financial rules of MSCA

Basic principles

- **Reimbursement rate**
 - 100 % for IF, ITN and RISE; 50% COFUND
- **Simplified funding model (unit costs)**
 - Total grant amount depends on the number of units consumed
 - 1 unit = 1 person month (PM)
 - Amount per unit – Annex 2
- **Budget categories**
 - Costs for recruited researchers/seconded staff member
 - Institutional costs

Eligible and ineligible costs

- General eligibility conditions
 - units must be:
 - calculated by multiplying the number of **actual units** used by the **amount per unit**
 - be used during project's duration
 - be necessary for implementing the action
 - number of units must be identifiable and verifiable and supported by records and documentation
- Specific eligibility conditions
 - apply to individual budget categories
 - may differ for individual types of MSC actions
- Ineligible costs
 - costs that do not comply with conditions set out in Art. 6 (see above)
 - costs reimbursed under another EU or Euratom grant, in particular, management and indirect costs if the beneficiary is already receiving an **operating grant** financed by the EU or Euratom budget in the same period.

BUDGET CATEGORIES

Budget Categories

- **Costs for recruited researchers/seconded staff members**
 - Living allowance (ITN, IF, COFUND)
 - Mobility allowance (ITN, IF)
 - Family allowance (ITN, IF)
 - Top-up allowance (only RISE)
- **Institutional Costs**
 - Research, training and networking cost (ITN, IF, RISE)
 - Management and indirect costs (ITN, IF, COFUND)

COSTS FOR RECRUITED RESEARCHERS

- ITN, IF



Costs for recruited researchers - ITN, IF

Monthly amounts in EUR

	RESEARCHER				INSTITUTION		
	Living allowance	Mobility allowance	Family allowance	Top-up allowance	Research, training and networking costs	Management	Indirect costs
ITN	3 110*	600	500	x	1 800	1 200	
IF	4 650*	600	500	x	800	650	

*country correction coefficient applies

Costs for recruited researcher - ITN, IF

- **Must be fully used for the benefit of the researcher.**
 - The beneficiary's costs (gross amount) for researcher remuneration, mobility and family allowances must be at least as high as the living, mobility and family allowances set out in Annex 2.
 - Underpayments (if not corrected) may lead to rejection of costs.
- **FAQ: Can we pay researcher more?**
 - YES, the HI may decide to pay researcher a top-up using:
 - its own resources
 - unused institutional costs

Living allowance (1)

ITN, IF

- Covers researcher's monthly salary **before any deductions** (i.e. salary, social security contributions, income tax, etc.)



Net amount paid to the researcher is lower than the amount set out in the Annex II!



- **Country Correction Coefficient applies**
 - List of CCCs provided in the WP (e.g. CZ: 0,838)
 - Is applied based on the **location** of the host institution
- **FAQ: Does the CCC change during the secondment?**
 - **secondments to another MS or AC → no change of CCC**
 - **outgoing phase of the IF-GF → CCC of the TC destination**

Living allowance (2)

ITN, IF

Type of contract

- Employment contract (Type A)
 - Standard situation
- Fixed amount fellowship (Type B)
 - **Exceptional** – only if the national regulation prohibits appointing researcher under employment contract.
 - Prior consent of the REA needed!
 - **50%** of Type A rate

Mobility allowance

ITN, IF

- covers costs related to researcher's mobility
 - e.g. travel and accommodation costs
- private costs, **not professional costs!**
- FAQ: Can we use mobility allowance to cover work-related travels of the researcher?
 - NO, all professional costs (incl. work-related travels) are covered by the budget category *Research, training and networking costs*

Family allowance

- Only for researchers with family

Family is defined as persons linked to the researcher (i) by marriage, or (ii) a relationship with equivalent status to a marriage recognised by the legislation of the country or region where this relationship was formalised; or (iii) as dependent children who are actually being maintained by the researcher.

- The family status of a researcher is determined:
 - at the deadline of the call (IF)
 - at the time of recruitment (ITN)
- FAQ: What if the researcher's family status changes during the project?
 - NOTHING. The family status (as determined) remains unchanged during the project's lifetime.



Family and mobility allowances

Payment

- Can be paid to the researcher in various ways:
 - in salary
 - 'against documents' submitted by the researcher or paid directly by the beneficiary for the researcher (receipts for rent, private flying ticket, etc.)
- ➔ Any way is acceptable, provided that:
 - both sides agree
 - it is allowed under national law
- **FAQ: Are mobility and family allowances taxed?**
 - Usually YES, but depends on the national taxation rules

Parental & maternity leave

- Costs incurred during maternity/parental leave are INELIGIBLE. **New in H2020**
- The beneficiary may request suspension of the action implementation during the maternity/parental leave.

Sick leave

3 scenarios depending on the national legislation:

- 1) beneficiary is obliged to pay the full researcher's salary
 - REA will reimburse the full MSC rate

- 2) beneficiary pays only % of researcher's salary
 - REA will reimburse only the actual costs of the beneficiary

- 3) (part of) salary is paid by social security
 - REA will reimburse only the part paid by beneficiary

Employment contract may be extended for months/days, which may be covered from the unspent funds earmarked for the researcher.

- The extension may not go beyond the end date of the project

Source: REA

Monthly support for the researcher in the employment contract - *ITN, IF*

- The employment contract must specify the monthly support for the researcher (in euro and, if relevant, in the currency in which the remuneration is paid)
- **FAQ (from countries outside the euro-zone):** How to set the exchange rate in the employment contract to avoid overpayment of the researcher?
- **Example AGA:** *Researcher X is recruited in a country outside the euro-zone. The average exchange rate is normally EUR 0.9 but this fluctuates from time to time. In order to ensure that the researcher receives a regular monthly income and to **avoid exchange rate losses, the beneficiary chooses to apply a conservative exchange rate of EUR 0.87** and to make a payment to correct any underpayment at the end of the reporting period. The researcher is fully informed of this procedure at the time of recruitment.*

COSTS FOR SECONDED STAFF MEMBERS

- RISE



Costs for seconded staff members – RISE

Monthly amounts in EUR

	SECONDED STAFF MEMBER				INSTITUTION		
	Living allowance	Mobility allowance	Family allowance	Top-up allowance	Research, training and networking costs	Management	Indirect costs
RISE	x	x	x	2000	1800	700	

Top-up allowance

RISE

- Covers **travel, accommodation and subsistence** costs relating to the secondment.
 - The salary of the seconded staff member is financed by the HI in accordance with his/her existing contract!
- Top-up allowance may be:
 - **paid directly** to the seconded staff member in advance or via different instalments or **managed centrally** by the beneficiary according to the specific needs of the secondment.
 - fully used for the benefit of seconded fellow.

COSTS FOR RECRUITED RESEARCHERS

- COFUND

Costs for recruited researchers - COFUND

Monthly amounts in EUR

	RESEARCHER				INSTITUTION		
	Living allowance	Mobility allowance	Family allowance	Top-up	Research, training and networking costs	Management	Indirect costs
<u>Cofund</u>	ESR 1855*	x	x	x	x	325*	
	ER 2625*						

*EU contribution, as established in Commission Decision No C(2013) 8194

Costs for Recruited Researchers

COFUND

- **The remuneration**, i.e. the *living allowance* (salaries, social security contributions, taxes and other costs included in the remuneration), and the *mobility allowance* **must not be lower** than:
 - ESR: EUR 2 597
 - ER: EUR 3 675
- **EU contribution**

Living allowance
ESR 1855*
ER 2625*



Beneficiary must bear ('co-fund') at least the difference of EUR 742/1050 per researcher

INSTITUTIONAL COSTS

- ITN, IF, RISE, COFUND



Institutional Costs

Monthly amounts in EUR

	RESEARCHER				INSTITUTION		
	Living allowance	Mobility allowance	Family allowance	Top-up allowance	Research, training and networking costs	Management	Indirect costs
ITN	3 110	600	500	x	1 800	1 200	
IF	4 650	600	500	x	800	650	
RISE	x	x	x	2000	1800	700	
CO	ESR 1855 ER 2625	x	x	x	x	325	x

Institutional Costs

- The eligibility of the institutional costs is linked to the eligibility of the costs for the recruited researcher (or seconded staff)
- Calculated based on the number of implemented PM (declared for the fellow)
- Reported by the beneficiary paying the fellow
- FAQ: Can consortium decide to **redistribute** these costs between the beneficiaries?
 - YES, should be addressed in the Consortium agreement

Management and indirect costs

- What does it typically cover?
 - legal, financial and administrative costs of each beneficiary
 - i.e. salary of the project manager
 - Indirect costs
- **FAQ: Does the contribution always get divided 50/50?**
 - Not necessarily, it is a decision of the consortium how to use this contribution

Research, training and networking costs

- What does it typically cover?
 - Research costs
 - Secondment costs (ITN, IF)
 - Training courses
 - Participation of the fellow in conferences
 - Tuition fees (where applicable)
 - ...

BUDGET

Budget

- Calculated automatically based on the information inserted in the project proposal (Part A).
- Key information
 - **Number of person-months** per partner
+ IF, ITN
 - **CCC** (applied automatically)
 - **Family status** of the researcher
 - **IF**: needs to be identified in the budget
 - **ITN**: is not known yet (REA uses average calculation)
- **FAQ: Can the maximum grant amount be increased during the project implementation?**
 - **NO**

Budget table – ITN

European Commission
Research & Innovation - Participant Portal
Proposal Submission Forms
Research Executive Agency

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Proposal ID SEP-210392621 Acronym test Go to

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Researcher Number	Recruiting Participant (short name)	Planned start month	Duration (months)
1	TC AV CR	1	10
Total			10

Add Remove

Participant Number	Organisation Short Name	Country	IOEI	No of researchers	Number of person.months	Researcher Unit Cost			Institutional Unit Cost		TOTAL
						Living allowance	Mobility Allowance	Family Allowance	Research, training and networking costs	Management and overheads	
1	TC AV CR	CZ	no	1	10	26061,80	6000,00	2500,00	18000,00	12000,00	64561,80
Total				1	10	26061,80	6000,00	2500,00	18000,00	12000,00	64561,80

CZ CCC (0,838)

Average calculation

Budget transfers

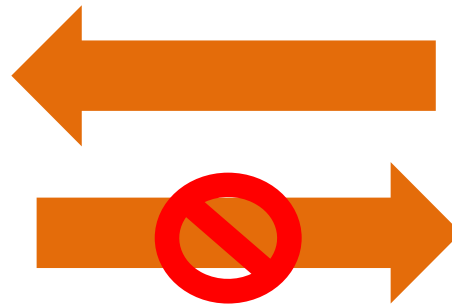
Between budget categories

- Unit costs = **fixed monthly amounts**
 - Technically it is not possible to move budgeted amounts from one budget category to another
 - Financial report is filled in automatically based on the **number of consumed PM**

However

- Beneficiary can decide about the **use of institutional costs**. Unused amounts of institutional costs can be used for other action-related purposes, e.g.:
 - additional training activities
 - salary increase of the researcher (ITN, IF, COFUND)
 - travel and subsistence costs of a staff member (RISE)
- **FAQ: Can beneficiary decide also about the use of the Costs for recruited researchers/seconded staff?**
 - **NO, these costs must be fully used for the benefit of the fellow.**

Use of Costs



**Costs for recruited
researchers/seconded
staff**

Institutional Costs

Budget transfers

Between beneficiaries

- **Redistribution of person-months**

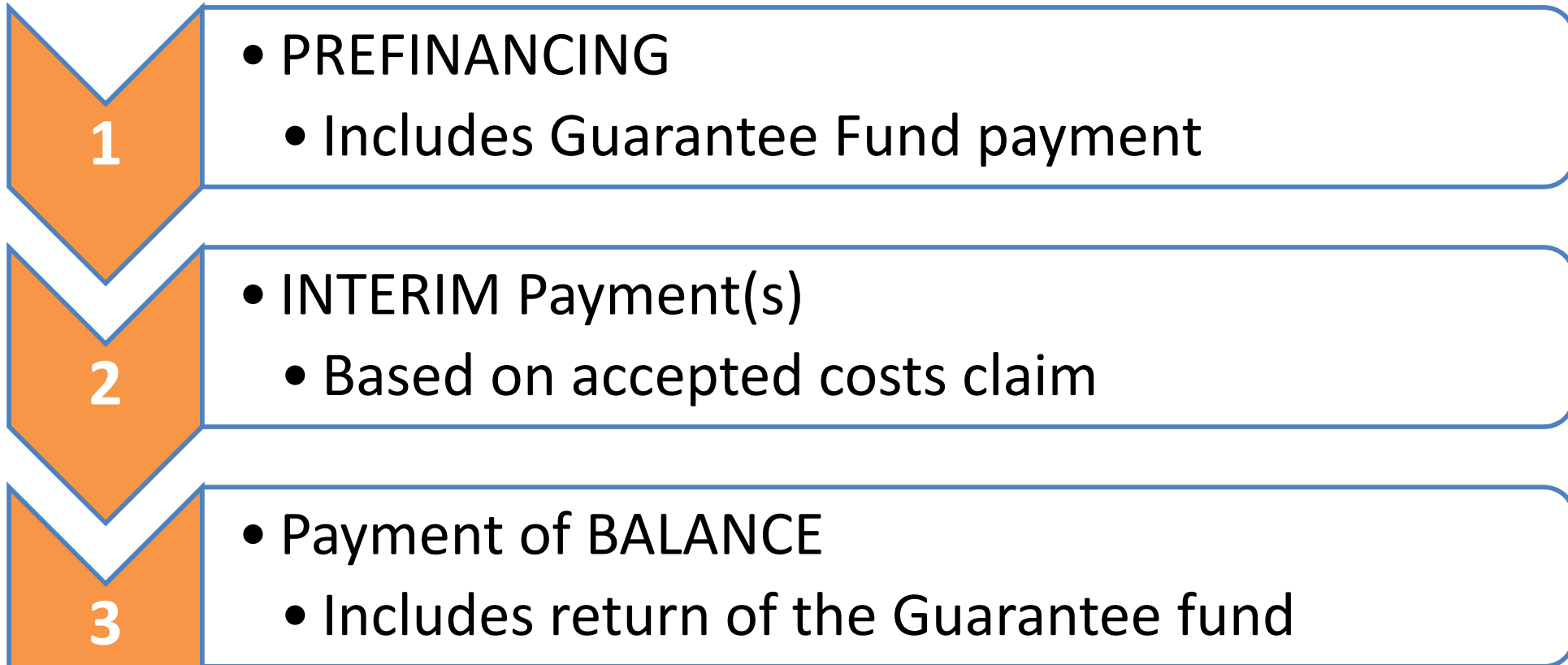
- With or without amendment depending on the impacts on action (Annex I)
- Substantial change of action → amendment needed
- Coordinator should inform REA in advance of any redistribution of person-months

- **Redistribution of institutional costs**

- Reflected in the internal agreement of the consortium
- Notification to REA not needed!

PAYMENTS

PAYMENTS



All payments are paid to **the coordinator**

- Coordinator distributes payments to individual partners based on their internal agreement (CA).

Pre-financing

- Paid within **30 days** from
 - entry into force of the GA
 - 10 days before the start of project activities (whichever is the latest)
- How much?
 - Amount depends on type of action, duration of the grant, etc.
- Amount retained for **Guarantee fund**
 - 5% of the maximum grant amount

Interim payment(s)

Grants with multiple reporting periods

- Paid within **90 days** after receipt of the **complete** periodic report
- How much?
 - Amount **depends on accepted costs** reported in the summary financial statement
- pre-financing + interim payments must not exceed 90% of the maximum grant amount
 - **10% of the maximum grant amount retained** until the payment of balance

Payment of Balance

- Paid within **90 days** after receipt of the **complete** final report
- How much?
 - Amount = Total accepted costs – (Pre-financing + Interim payments)
 - Amount retained in the Guarantee fund is returned in a separate payment

QUESTIONS?



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 633563