



LEGAL AND FINANCIAL ISSUES IN THE ERC ACTIONS

FINANCIAL RULES FOCUSED
IN THE ERC ACTIONS

Bonn 29th March 2017

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TOPICS TO BE COVERED

- Introduction
- Legal & Financial Basis
- Update on last changes in the MGA
- Budgeting a proposal vs Executing a Grant
- Specific ERC issues on Staff and Other Direct Costs
- Other Issues
- Main Conclusions

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THE CHALLENGE

- ✓ Understand that ERC is integral part of H2020
- ✓ Identify and go in depth on ERC particular issues
- ✓ Discuss common problems and potential solutions

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H2020 and ERC

ERC is a specific programme within H2020, thus they are intimately related and somehow should be mimetic, but the most important thing is that H2020 regulations lead over ERC specificities.



H2020: Legal Basis

Horizon 2020 Model Grant Agreement

Annexes to the grant

Annex 1: **Description of the action**

Annex 2: **Estimated budget**

Annex 3: **Accession Forms, 3a & 3b**

Annex 4: **Financial statements**

Annex 5: **Certificate on the financial statements**

Annex 6: **Certificate on the methodology**

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Disclaimer: Information not legally binding



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H2020 Main Principles and Changes

Main Principles

- **'Single'** reimbursement rate (100% ERC) & 25% for Indirect Costs
- More flexible rules for third parties, contracts and subcontracting costs
- **2+1** Options for number productive hours
- **1+1** Options for labour costs
- Broader acceptance of Usual Procedures
- Eligibility of Non-deductible VAT

Source: EC

H2020 Main Principles and Changes II

Main
Principles
YY

- **Basic Remuneration vs Additional Remuneration**
- **Internal Invoicing: Actual or Unit Costs**
- **Time recording systems less prescriptive**
- **Equipment: based on depreciation and use**
- **Third Parties, including new 14.A**
- **CFS, only at the end of the action**

Source: EC

Latest Updates

- New concept for **Additional Remuneration**, that (might) entail broader **Basic Remuneration** concept.
- Possibility to declare **Internal Invoices**, as far as they are based on Unit Costs. S.T: registration, eligible, historic, no IC, etc.

Latest Updates

- New concept: **Additional Remuneration** - broader concept.
- Possibility of **invoices**, as far as they are based on **Costs**. S.T: registration, eligible, historic, no IC, etc.

**IMPORTANT TO KNOW WHILE
BUDGETING, BUT UTMOST AT
REPORTING**

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Budgeting vs Executing

Not applied in ERC

Calculations:

- Staff categories
- Estimated PMs
- PMs Average
- Average for travels

Flexibility among partners (if any)

Be clear, reasonable and brief

Foresee funds for:

- IPR
- Publications
- CFs



'Only actual eligible costs evidenced and incurred by the beneficiary would be eligible'

Budget Template on part B

Cost Category			Total in Euro	
Direct Costs ²	Personnel	PI ³		
		Senior Staff		
		Postdocs		
		Students		
		Other		
	<i>i. Total Direct Costs for Personnel (in Euro)</i>			
	Travel			
	Equipment			
	Other goods and services	Consumables		
		Publications (including Open Access fees), etc.		
		Other (please specify)		
	<i>ii. Total Other Direct Costs (in Euro)</i>			
	A – Total Direct Costs (i + ii) (in Euro)			
B – Indirect Costs (overheads) 25% of Direct Costs⁴ (in Euro)				
C1 – Subcontracting Costs (no overheads) (in Euro)				
C2 – Other Direct Costs with no overheads⁵ (in Euro)				
Total Estimated Eligible Costs (A + B + C) (in Euro)⁶				
Total Requested EU Contribution (in Euro)⁶				

Corresponds to Article 11 (TP making available resources against payment)

The project cost estimation should be as accurate as possible. Significant mathematical mistakes may reflect poorly on the credibility of the budget table and the proposal overall. The evaluation panels assess the estimated costs carefully; unjustified budgets will be consequently reduced.

In case you are requesting additional funding above the normal EUR 1 500 000, fully justify your request by filling in the table below (please delete the table if not applicable).

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Specific Issues on ERC: Staff Costs

- Fixing competitive Labour Conditions

Balance between Attracting researchers vs Usual practices

- Time:
 - Devoted vs Charged to the action
 - Inside/outside EU
- Recruiting the Team



Specific Issues on ERC: ERC EXTRAFUNDING

- Adquisition of **Major Equipment**
 - Critical and exclusive needed Equipment
 - Based on Use and Depreciation



- **Mobility** (from a TP to EU/AC):
 - Startup a new lab
 - Includes reallocation costs



- **Access to Large Infrastructures**
 - ≠ LRIs
 - whether in-house (other direct Costs)
 - Or outside (art.11)



Budget Template on part B for Extra funding

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In case you are requesting additional funding above the normal EUR 1 500 000, fully justify your request by filling in the table below (please delete the table if not applicable).

Request for additional funding above EUR 1 500 000 for	Justification
Keep only that category(ies) that apply to the project. (a) covering eligible 'start-up' costs for a PI moving from another country to the EU or an Associated Country as a consequence of receiving an ERC grant and/or, (b) the purchase of major equipment and/or, (c) access to large facilities.	

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MAIN CONCLUSIONS

- ERC it is integrally part of H2020
- H2020 looks pretty like FP7-ERC IDEAS
- Some specific issues: Staff, Mobility, portability, etc
- Smart () at proposal stage, but cleverer at executing time



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