

KICK-OFF MEETING

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Financial management of Horizon Europe Grants Case Study

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You are an administrative officer, in charge of the management of Horizon Europe grants. Every day you assist and accompany the researchers of your institute in the legal and financial management of their grants.

One day, one of your researchers comes to you asking if he can recruit 2 post docs instead of the 3 foreseen in the Grant Agreement. He will use the rest of the money to fund a PhD position instead

Question : what do you do/tell him?



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Answer

Transfers of amounts between budget categories are allowed and do not require an amendment provided that the action is implemented in line with Annex 1 (description of the action).

However, you may not add costs relating to subcontracts not foreseen in Annex 1, unless such additional subcontracts are approved by an amendment or in accordance with the project officer.



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A sequencing machine has been bought two years before the start date of the Horizon Europe project and has not been completely depreciated yet. The researcher in charge of the project is using this machine not exclusively but only 50% for his project. Your depreciation policy is linear in five years.

Question

Can you claim costs for this piece of equipment? How do you advise him to claim those costs?

If costs are eligible, how could you justify them in the financial report?



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Answer

Provided that the equipment has not been fully depreciated before the action's start, yes, you can claim the remaining depreciation costs.

Therefore, in this case you can still claim the three remaining years. Your equipment depreciation policy has to be followed taking into account the period during which the machine is expected to be used. Since the sequencing machine is not exclusively for the action, only the portion used on the action may be charged. Therefore, in this case only 50% of the remaining depreciation costs can be claimed.

Please bear in mind that the amount/portion of use must be auditable (through log books, diaries, timesheets, etc)



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Mr. P a researcher of your organization, has a great network of scholars in other universities with whom he works a lot. He decides that he absolutely needs one of them to work with him on his project. He will need this person to come to work in his lab and he has even already reached an agreement with the expert's university to reimburse his salary costs to this entity. He is asking you to arrange all the legal/financial matters with the project.

Question : What do you do?



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Answer (1/2)

If necessary to implement the action, the beneficiaries may use in-kind contributions provided by third parties against payment.

A 'third party' can be any legal entity that has not signed the GA. Article 6.1 refers to 'in-kind contributions' (i.e. non-financial resources of third parties put at the beneficiaries' disposal) that beneficiaries receive against payment. In this case, the beneficiary makes a payment and therefore incurs a cost.

Third parties make available some of their resources to a beneficiary but they do not carry out any action tasks themselves.

They do NOT concern the case of affiliated entities carrying out part of the action tasks described in Annex 1



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Answer (2/2)

If the need for third parties' in-kind contributions was not known at the moment of the signature of the GA, the coordinator must request an amendment of the GA in order to introduce it in the Annex 1. Exceptionally, the Commission/Agency may approve costs related to in-kind contributions not included in Annex 1 without formally amending the GA ('simplified approval procedure').

The approval is at the discretion of the Agency and there is no automatic entitlement to it. Beneficiaries that rely on the 'simplified approval procedure' bear the full risk of non approval and rejection of costs by the Agency. Therefore, it is not necessarily recommended to use it, but it is to be aware of the existence of this procedure.



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One of your researcher tells you that she has to purchase a very special microscope tailor-made for her research for an estimated cost of 200.000€.

This piece of equipment has been foreseen in the Grant Agreement (Description of Action).

She proposes you to buy it to company XYZ which is the only one able to tailor-made the microscope for this research.

Question: What do you say towards this proposition?



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Answer

In order to purchase such equipment, you have to follow the usual procurement rules defined by your organization which have to comply with the national law on public procurement.

Usually such purchases are included as exceptions in your public Procurement rules. This method of acquisition should not be used to avoid competition or where there is insufficient time to procure through usual procurement channels.

Usually a justification with the reasoning behind the sole supplier selection is needed which should be based upon thorough research, (i.e. conducting a market survey).



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One of your researcher does a lot of fieldwork outside the EU for his studies. In the Description of Action the task for data collection at the place of fieldwork was not foreseen. It turned out now that by far the best and also the cheapest solution would be to employ local students to perform this task.

Question : Under which cost category this could be charged to the HE grant?



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Question : What do you do?



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Answer (1/2)

Local students may be involved in the action, and may be declared as personnel costs if they work under conditions similar to those of an employee

If they do not fulfil the above conditions, and depending on the nature of the task to be carried Out, their costs may still be eligible as:

Subcontracting: if the data collection is considered an action task.

Contract for purchase of services: if the data collection is not considered an action task. If the local students are provided by a temporary work agency it could be a subcontract or contract subject to the nature of the tasks (actions tasks or not).

In both subcontracting or ordinary contract for purchase of services, the award of the contract must fulfil the specific eligibility conditions, including that the contract must be awarded ensuring best value for money and no conflict of interest.



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Answer (2/2)

In-kind contribution, if the aforementioned task is not considered an action task and the third party provides only resources without a profit.

In case you consider claiming subcontracting or in-kind contribution costs, please contact your Project Officer as an amendment may be needed.



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One of your researcher has a large team and does not want to share anymore the printer available in the Department with all other groups. He comes to you saying that he has budget in his HE grant, and needs to buy a new printer to be used specifically for the HE research project.

Question : What do you tell him?



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Answer

If it is the general beneficiary policy to provide departments with basic office equipment then they shouldn't be charged to the project. Even when there is no particular policy on this, basic equipment (non-project specific) should be covered by the overheads.

However, if you can fully demonstrate that there is a specific need for a particular project then the costs can only be charged proportionately and it would be up to you to be able to prove to an auditor the direct link to the project both in the cases of exclusive usage and part use. In any case, costs can only be considered eligible if they are reasonable, justified and compliant with the principle of sound financial management, in particular regarding economy and efficiency. The eligibility requirements are cumulative.



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Answer

What information is missing on this time-sheet?

		A			
		WP 1	WP	WP	WP
	02/01/2020	4 hours			
	03/01/2020				
	06/01/2020		6 hours		
	07/01/2020				
	08/01/2020				
	09/01/2020	5 hours			
	10/01/2020				
	13/01/2020		2 hours		
	14/01/2020				
	15/01/2020				3 hours
	16/01/2020				
	17/01/2020				
	20/01/2020				
	21/01/2020				
	22/01/2020				2 hours
	23/01/2020				
	24/01/2020				
	27/01/2020				
	28/01/2020			3 hours	
	29/01/2020				
	30/01/2020		4 hours		
	31/01/2020				
	Total	9 hours	12 hours	3 hours	5 hours



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Answer

Information needed on time-sheet

The call identifier, acronym, and number of the action

The beneficiary's full name

The full name of the person working for the action

The number of days worked for the action monthly in the year covered by the time record

The person's full name and signature/month

The supervisor's full name and signature/month

A reference to the work packages of Annex 1, to which the person has contributed by the reported working day



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A researcher leads a HE grant, with a lot of IP issues. An advisor is therefore required for this project, even if not full time. A professor of law in the nearby Department of Law has the skills and qualifications to do it.

Question

What do you advise to do? In which category could the beneficiary charge the costs of such IP advisor?



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Answer

The involvement of such professor will follow the normal eligibility criteria for personnel costs.

Due keeping of timesheets will be particularly important given the limited time to be devoted to the task



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The Director of your Department of Agronomy, states that he needs to attend a scientific conference in Mexico City on 20/21 December. He would like to take advantage of this trip to discuss his future job opportunities and spend the whole Xmas break in the Cancun till 03/01. He also wants to travel business class.

Question

What do you tell him? What kind of documents would you request to him to keep in your file in case of an audit?



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Answer (1/2)

All travel costs must be limited to the needs of the action; costs related to extensions (for other professional or private reasons) are NOT eligible. How to split the costs and/or how to find the most cost efficient solution remains up to the researcher.

If business class is in line with the beneficiary's usual practices on travel ie. if the beneficiary usually pays for staff in this category to travel in business class, then it's eligible.



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Answer (2/2):

Moreover, in case of combination with personal travels or travels for other purposes, the costs of a combined travel can be charged to the action — but ONLY up to the cost that would have been incurred if the travel would have been made exclusively for the action AND if:

- it is the usual practice of the beneficiary to pay for such travels (e.g. travels combining professional and personal reasons)
- it has been an actual cost for the beneficiary

In such a case, the beneficiary must pay attention at the record keeping.



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A young researcher of yours, sees the end of his HE project in view. His grant ends on 31/06/2023. He will disseminate all project results in a great international conference which is taking place in Brussels each year in July. He is asking you if he can charge at least the cost of the travel to his grant.

Question: What do you tell him?



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Answer

Unfortunately the travel cannot be charged to his grant even if the ticket is bought before the end. The event generating it, the conference, takes place after the end of the action.

Indeed, to be eligible, costs must be incurred in the period set out in the Grant Agreement, with the exception of costs relating to the submission of the periodic report for the last reporting period and the final report



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A researcher, would like to send her two Post-docs to a conference in Brussels to present the first results of his HE project. They both work on the HE grant, but their salaries are not charged to it, since they both secured personal funding from other sources.

Question

**He wonders if he could still cover their travel costs and conference fees with the HE money.
What do you tell him?**



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Answer

In fact this is possible. Travel and subsistence costs relate to the personnel of the beneficiaries so, as long as the usual eligibility criteria are respected, it does not matter whether the project covers the salary of the person travelling or not.

It might also be worth reminding that travel and subsistence costs might also relate to experts that participate in the action on an ad hoc basis (e.g. attending specific meetings), if:

- >the experts' participation is foreseen in Annex 1 or
- >their participation is specifically justified in the periodic technical report and the Commission/Agency approved it without formally amending the GA (simplified approval procedure).

The beneficiary may reimburse the experts or handle the travel arrangements itself (and be invoiced directly). There is no distinction between travelling in- or outside Europe.



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Any question?

Do not hesitate to contact antoine.moatti@inrae.fr



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Thank you for your attention!

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