

FP7

*Financial aspects,
overview*

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Funding schemes

- *Indirect actions*
 - Collaborative projects*
 - Networks of Excellence*
 - Coordination and support actions*
 - Individual projects*
 - Support for training and career development of researchers*
 - Research for the benefit of specific groups (in particular SMEs)*
- *Article 169*
- *Article 171*
- *Direct actions*
 - JRC*

General principles, Forms of grants

- *Forms of grants*
 - Reimbursement of eligible costs*
 - Flat rate financing, including scale of unit cost*
 - Lump sum financing*
 - Combination possible*
- *No cost reporting models*
 - Participants charge direct and indirect costs*
 - Flat rate always an option for indirect costs*
- *Co-financing, no profit*
- *Grant agreement will specify forms of grants*

Pre-financing

- *To coordinator within 45 days following entry into force of the grant agreement*
- *Coordinator shall distribute to the beneficiaries who have acceded to the grant agreement and after the minimum number of beneficiaries have acceded to the grant agreement*
- *In projects with > two periods, around 160% of the average funding per period*

Direct and indirect costs

- *Direct costs*
 - *can be attributed directly to the project and*
 - *identified as such by the beneficiary in accordance with its accounting principles and usual internal rules*
- *Indirect costs*
 - *can not be identified as being directly attributed to the project, but incurred in direct relationship with the eligible direct costs attributed to the project*
 - *May not include any eligible direct costs*
 - *shall represent a fair apportionment of the overall overheads of the organisation*

Eligible costs

- *Actual **
- *Incurred by the beneficiary*
- *During the duration of the project, except*
 - *costs in relation to final reports, which may be incurred up to 60 days after the end of the project*
- *Determined in accordance with usual accounting and management principles and practices of the beneficiary*
- *Used for the sole purpose of achieving the objectives of the project and consistent with the principles of economy, efficiency and effectiveness*
- *Recorded in the accounts*
- *Indicated in the estimated budget in Annex I*

Trans-national co-operation among NCPs for International Cooperation

Non-eligible costs, ex.

- *Identifiable indirect taxes incl. Value Added Tax*
- *Exchange losses*
- *Costs declared or incurred in another Community project*



Upper funding limits

- *Research and technological development activities*
 - 50% of total eligible costs except for:
 - *Non-profit public bodies* – 75%
 - *Secondary and higher education establishments* – 75%
 - *Research organisations (non-profit)* – 75%
 - *SMEs* – 75%
- *Demonstration activities* – 50% of total eligible costs
- *Frontier research actions* – 100%

Trans-national co-operation among NCPs for International Cooperation

Upper funding limits, cont.

- *Other activities, management, training, coordination, networking and dissemination – 100% of total eligible costs*
- *Coordination and support actions – 100% of total eligible costs*
- *Training and career development of researchers actions – 100% of total eligible costs*
- *Receipts to be taken into consideration*



Financial audits and controls

- *Any time during the implementation of the project and up to five years after the end of the project*
- *Audits may cover financial, systematic and other aspects (accounting and management principles)*
- *Originals shall be kept up to five years from the end of the project*
- *The Commission shall have on the spot access at all reasonable times*

Sanctions

- *Recovery procedures*
- *Liquidated damages (if overstatement)*
 - *unjustified Community financial contribution x (overstated amount/total Community financial contribution claimed)*
 - *the Commission may refrain from claiming*
- *Financial penalties (if false declarations)*
 - *between 2% and 10% of EC contribution received*
 - *may be increased if repeated*