

Webinar on ERA-NET Cofund Reporting Summary Q&A Session 16 December 2021

On 16 December 2021, ERA-LEARN organised a webinar on ERA-NET Cofund final reporting, including information about the certificate on the financial certificate (CFS).

This document is a summary of the Q&A session.

Costs for providing support to ERA-NET Cofund third parties

Q: Do the transnational projects within the cofunded call have to be completed within the ERA-NET Cofund project duration? If yes: does the "project duration" also contain the 60 days reporting period?

A: The Grant Agreement (GA) clearly indicates the start and end date of the ERA-NET Cofund action. To be eligible, all costs claimed in the financial statement must be incurred during the duration of the action set in Article 3 of the GA. Therefore, the transnational projects funded in the cofunded call need to be completed several months before the end of the ERA-NET Cofund action as the costs claimed by these transnational projects need to be verified by the responsible beneficiaries, and these costs must be recorded in the beneficiary's accounts.

The coordinator of the ERA-NET Cofund action must submit the final report within 60 days following the end date of the last reporting period of the ERA-NET Cofund action.

Q: "Costs actually incurred" for "direct costs of providing financial support to third parties" - those evaluated as unjustified/unrelated to project objectives, would be returned to agencies, further reducing the overall amount actually used for research tasks. Could this process extend beyond the end of the ERA-NET Cofund Contract and the deadline for final reporting?

A: The transnational projects funded in the cofunded call need to be completed several months before the end of the ERA-NET Cofund action to allow ample time for the beneficiaries to verify the work performed by the third parties, calculate the eligible final balance and to record the costs in the beneficiary's accounts.

Any payment correction done to the transnational projects during the reporting of the ERA-NET action, can be reported to the EU by submitting a revised version on the Financial Statement and the corresponding CFS, if applicable.

Only the amounts registered in the beneficiary's accounts at the time of the final reporting by the ERA-NET Cofund beneficiaries can be eligible. However, in an ex-post audit costs might need to be adjusted.

Q: Due to Covid, some private companies participating in the cofunded call are no longer eligible for receiving national grants. How can we deal with this problem which has an impact on the EC contribution?

A: Each beneficiary can only claim in the financial statements the costs that have been actually incurred by the beneficiary and are recorded in the beneficiary's accounts. The budget in Annex 2 is only the estimated budget for the action. Therefore, if the total funding actually paid by a beneficiary to the third parties implementing the transnational projects selected in the cofunded call is lower than the amount foreseen in Annex 2, then the amount claimed in category A.1 of the financial statement will be lower than the amount foreseen in Annex 2 for that beneficiary.

The maximum EU contribution for each beneficiary is automatically calculated in the financial statement and it is equal to 33% of the total claimed costs.

Therefore, the fact that one beneficiary has lower total costs, and therefore a lower maximum EU contribution, does not mean that the total EU contribution paid to the ERA-NET Cofund consortium will be lower than the maximum grant amount, since other beneficiaries may have incurred more costs than foreseen in Annex 2.

The internal arrangements for the distribution of the EU funding is established in the consortium agreement.

Q: If an agency receives less than 33% of their total transferred funding as top up, what amount should be recorded in the financial statement?

A: The costs reported in category A.1 ("Direct costs of providing financial support to third parties") of the financial statement are the costs actually paid to the third parties implementing the transnational projects selected in the cofunded call. This amount is independent of the internally agreed distribution of the EU funding.

The fulfilment of the conditions set out in Article 15.1 of the GA is a pre-requisite for the eligibility of the direct costs of providing financial support to third parties implementing the transnational projects selected in the cofunded call.

Q: What happens if one funding organisation has no transnational project approved?

A: If a beneficiary has not provided any funding to any transnational project selected in the cofunded call, then the costs in category A.1 ("Direct costs of providing financial support to third parties") of their financial statement will be zero. Nevertheless, all beneficiaries have to submit their electronically signed financial statement even if the requested EU contribution is zero.

Additional Activities – Unit Costs

Q: Is the amount of Units per beneficiary limited to 5 or is it possible, in case of an extension of the ERA-NET Cofund project duration, to increase the amount for example to 6 Units per beneficiary?

A: It needs to be clear that not more than one unit per beneficiary per year can be claimed in the financial statement. As indicated in the General Annexes to the Work Programme, “This would result in a maximum Union contribution per beneficiary per year of EURO 11 962,50.”

The EU contribution to coordination costs should not exceed 20% of the total EU contribution to the action. Please take into account that the indirect costs are also counted in this 20% limit.

Since most ERA-NET consortia request the maximum possible amount of units taking the 20% limit into account; in many cases there is no room to increase the total number of units any further. However, shifting units from one beneficiary to another is possible, if justified.

Q: Is it enough to update the number of units during the final reporting or is an amendment necessary beforehand?

A: A budget transfer between beneficiaries is allowed without an amendment if the action is implemented as described in Annex 1.

Q: Which proof is needed for charging a unit? Does this include keeping time sheets?

A: The work carried out needs to be verifiable. The proof needs to be sufficient and adequate. The documentation will depend on the type of activities and needs to prove convincingly that the additional activities were carried out and the respective beneficiaries really contributed to these activities. The evidence can comprise meeting minutes, lists of participants, presentations given and reports produced during/after the meetings etc.

Art. 18 of the Grant Agreement specifies the rules for time records and supporting documentation. It mentions “adequate records and other supporting documentation to prove the number of units declared.

Beneficiaries do not need to identify the actual eligible costs covered or to keep or provide supporting documentation (such as accounting statements) to prove the amount per unit.”

Q: Can the participation in non-cofunded calls be counted as participation in additional activities?

A: The work plan (part of the Grant Agreement) contains work packages dedicated to the additional activities. Additional non-cofunded calls are the most common additional activity in ERA-NET Cofund projects.

Q: When calculating the unit costs: does it matter what role the beneficiary has in the reported additional activities (i.e. WP leader, participant)?

A: The additional activities are specified in the work plan. For some beneficiaries this might mean a heavier workload, for others less. It needs to be in line with what was foreseen in the description of action and it is independent of the task of the beneficiary.

Q: Can a unit be justified by more than one activity per partner in a year? Could it be 2 or 3 smaller activities which justify one unit?

A: This depends on what was specified in the work plan. In principle, a number of smaller activities can justify a unit per beneficiary.

Q: Will the Commission assess the evidence for claiming unit costs?

A: Yes, checks are possible. It is not allowed to charge the same activity to different ERA-NET contracts (for example, if joint activities are organised between different ERA-NETs there is a need to agree where the activity is claimed).

CFS – Certificate on the Financial Statement

Q: When is a CFS needed?

A: A CFS is required for each beneficiary (or linked third party) that requests an EU funding contribution of 325 000 € or more, (excluding funding related to unit costs for additional activities) which is the case if more than 984.849 € were spent for transnational projects = direct costs for providing financial support for third parties related to trans-national projects (A.1 in the Financial Statement).

The CFS is part of the final report. The reporting session in the Funding & tender opportunities Portal (<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/myarea/projects>) will open after the end of the project. The reporting duration is 60 days. During that time, the CFS can be uploaded.

Q: What is the right moment to prepare a CFS, considering possible changes in eligible project costs?

A: You have to report what is booked in your account meaning the funding really transferred to the transnational projects. Any corrections during the reporting duration can be done by submitting a revised version on the Financial Statement and the corresponding CFS. Only the booked amounts at the time of the final reporting by the ERA-NET Cofund beneficiaries matter. In an ex-post audit costs might need to be adjusted.

Q: In your experience, how much time do the auditor need to prepare the CFSs?

A: Ideally, the auditor starts to work immediately after the end of the ERA-NET Cofund action when all costs have been incurred and recorded in the beneficiaries' accounts. Typically, several weeks should be foreseen for the preparation of the CFSs. However, depending on the experience of the auditor with the ERA-NET Cofund actions and the quality of the documentation, additional time may be needed.

It is important to take into account that the CFSs must be submitted with the final periodic report and the consortium has 60 days from the end of the ERA-NET Cofund action to submit the final report.

Q: Are costs for the CFS eligible and where should they be charged?

A: For cash-based ERA-NET Cofund the practical answer is "NO", even in case of a mandatory CFS. Therefore, in practice, any costs for producing a mandatory CFS should be covered by the respective funding organisations or by an internal agreement among the consortium.



Other aspects

Q: Is there a need to submit a technical report by each of the funding agency?

A: The coordinator of the ERA-NET Cofund action submits the periodic report, which contains the final technical report, on behalf of the consortium. All the beneficiaries, at least task and work package leaders, are expected to contribute to the preparation of the final technical report.

Q: If the ERA-NET Cofund consortium can justify the whole EU contribution with the reported payments to third parties then the unit costs will be distributed between partners, right?

A: The distribution of the EU contribution is up to the consortium (black box).

Q: Since the total project budget for any ERA-NET Cofund can only be estimated after the acceptance of the final report there might be "left over" money in the end. Can this money still be used, e.g. for monitoring of additional calls?

A: The EU contribution is based on actual costs and not on estimated ones. Therefore, there is no possibility for "left over" money with respect to the total costs reporting to the EU. If the advanced payments exceed the finally calculated EU contribution, then the excess payment must be reimbursed.

Further information

H2020 MGA ERANET Cofund - Multi_V4.0:

https://ec.europa.eu/research/participants/data/ref/h2020/mga/eranet/h2020-mga-eranet-cofund-multi_en.pdf

Annotated Grant Agreement – specific information for ERA NET Cofund page 635 ff

https://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf

General Information on Reporting:

https://ec.europa.eu/research/participants/docs/h2020-funding-guide/grants/grant-management/reports_en.htm

European Commission Helpdesk for all questions regarding implementation and audits of ERA NET Cofund projects: Research enquiry Service: https://ec.europa.eu/info/research-and-innovation/contact/research-enquiry-service-and-participant-validation_en

ERA-LEARN guidance on ERA-NET Cofund reporting:

<https://www.era-learn.eu/support-for-partnerships/cofunded-p2p/era-net-cofund/era-net-cofund-under-h2020-practical-information/implementing-an-era-net-cofund-action/reporting-in-era-net-cofund>