



Secure Societies SC7 Calls 2019

Legal & Financial issues



Presentation Outline

- Legal issues
- Financial issues
- Q&A

Legal issues - outline

- **H2020 GAP – Overview**
- **H2020 (Annotated) Model Grant Agreement**
- **Registration in the Participant Register of the Funding & Tenders Portal**
- **Validation, LEAR and Financial Capacity Assessment**
- **Third Parties**

H2020 GAP – Overview



- **Maximum five months from call closure date until applicants are informed about the outcome of proposal evaluation**
- **Maximum eight months from call closure until the signature of the grant agreement**

H2020 (Annotated) Model Grant Agreement - 1

H2020 Grant Agreement

Chapter 1: General

- Single article: subject of the agreement

Chapter 2: Action

- Action, duration and budget

Chapter 3: Grant

- Amount, reimbursement rates, eligible costs

Chapter 4: Rights and obligations

- To implement the action: resources, in-kind contributions, subcontracts
- Grant administration: reporting, payments, audits
- Background and results: access rights, protection of results, exploitation, dissemination
- Others: gender equality, ethics, confidentiality

Chapter 5: Division of roles

- Roles and responsibilities, internal arrangements

Chapter 6: Rejection, reduction, penalties, termination, etc.

- Rejection, reduction, recovery and penalties
- Suspension and termination of the action

Chapter 7: Final provisions

- Accession, entry into force, amendments, applicable law



H2020 (Annotated) Model Grant Agreement - 2

Annex 1: **Description of the action**

Annex 2: **Estimated budget, 2a – unit costs**

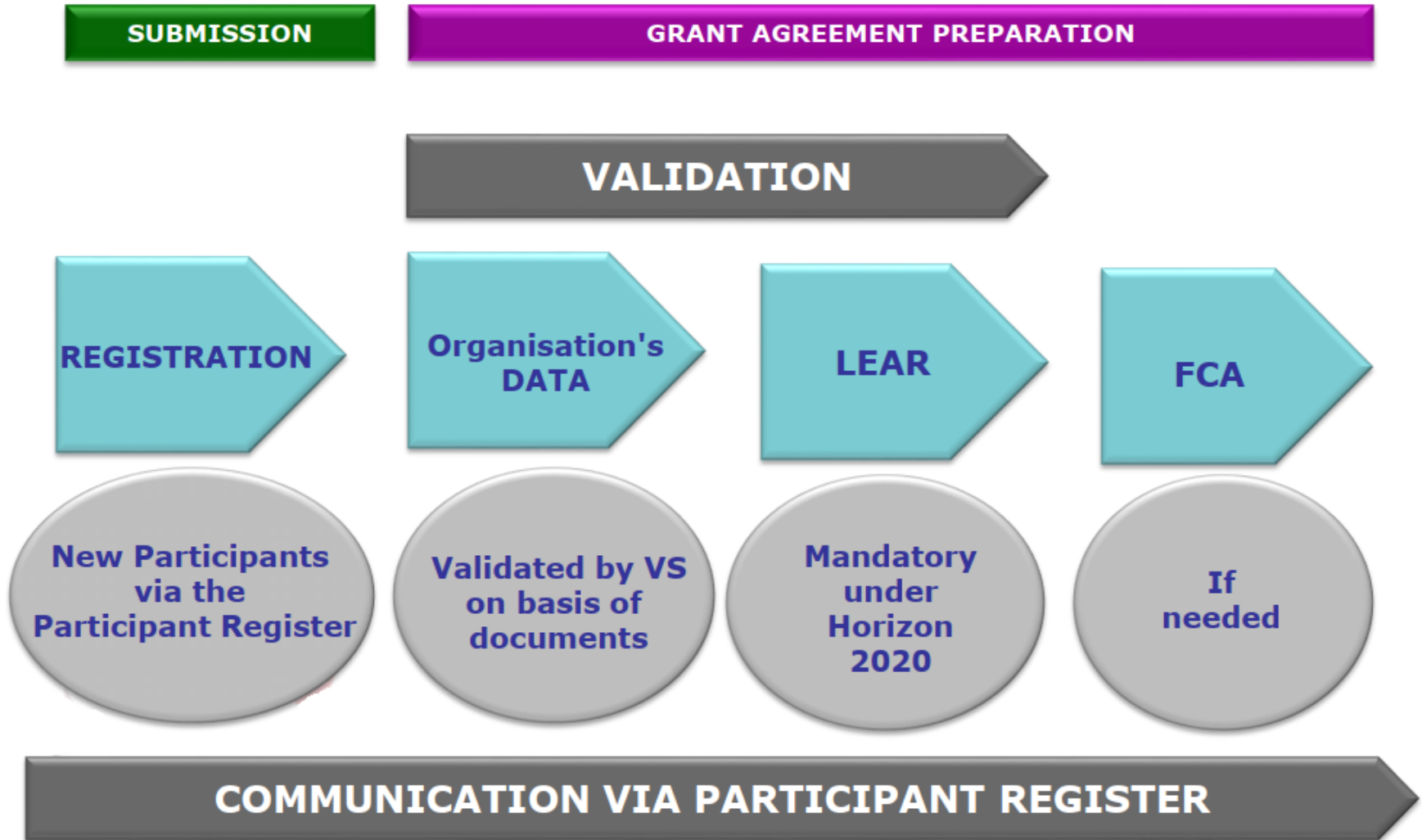
Annex 3: **Accession forms, 3a & 3b**

Annex 4: **Financial statements**

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

Annex 6: **Certificate on the methodology**

Registration and Validation: overview



Registration in the Participant Register of the Funding & Tenders Portal - 1



Funding & tender opportunities
Single Electronic Data Interchange Area (SEDIA)

English EN

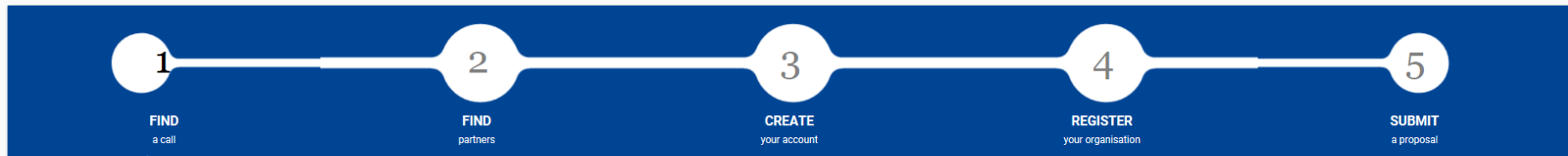
Register Login

SEARCH FUNDING & TENDERS HOW TO PARTICIPATE PROJECTS & RESULTS WORK AS AN EXPERT SUPPORT

select programme

How to participate

Key steps - Learn how to find and apply for suitable EU funding opportunities



Find a suitable call for proposal

The European Commission and its funding bodies publish calls for proposals on the Funding & Tenders Portal.

- You may start your search from the home page by entering different keywords that characterize best your field of interest, and then refine the results with the help of further filters.
- You may start your search by selecting one of the EU funding programmes listed on the home page, and then navigate via the quick links to the calls for proposals of a specific programme.
- Calls are divided into topics, implemented by different type of actions. Select a topic to read more about the identified opportunity: the topic-related documents, guidance and other instructions are available on a topic page.
- The site offers a search on calls for proposals and tenders of the European institutions.

[Read about calls for tenders](#)

Online manual*

The Online Manual on grants provides guidance on each step you need to perform from proposal submission to grant management. (*Currently fully available for Horizon 2020, under development for other programmes)



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Funding & tender opportunities
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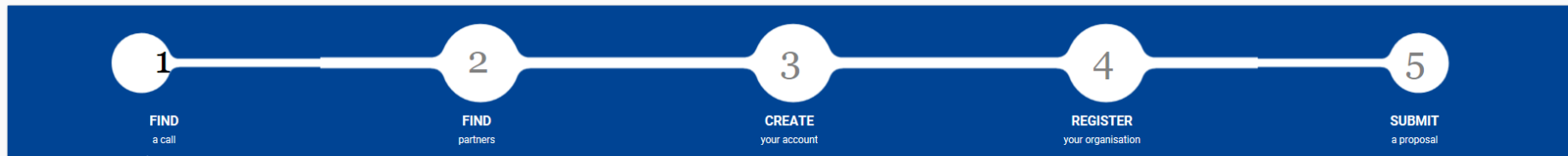
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Registration in the Participant Register of the Funding & Tenders Portal - 2



Funding & tender opportunities
Single Electronic Data Interchange Area (SEDIA)

English EN

Register Login



SEARCH FUNDING & TENDERS ▾ HOW TO PARTICIPATE ▾ PROJECTS & RESULTS WORK AS AN EXPERT SUPPORT ▾

select programme

Funding & tender opportunities (the Single Electronic Data Interchange Area) is the entry point for participants and experts in funding programmes and tenders managed by the European Commission and other EU bodies. >

Find calls for proposals and tenders

Search calls for proposals and tenders by keywords, programmes...

Search

Calls for proposals by EU Programme

3rd Health Programme (3HP)

Asylum, Migration and Integration Fund (AMIF)

Consumer Programme (CP)

Creative Europe (CREA)

European Defence Industrial Development Programme (EDIDP)

Erasmus+ Programme (EPLUS)

European Maritime and Fisheries Fund (EMFF)

European Statistics (ESTAT)

HERCULE III (HERC)

Horizon 2020 Framework Programme (H2020)

Internal Security Fund Borders and Visa (ISFB)

Internal Security Fund Police (ISFP)

Justice Programme (JUST)

Pilot Projects and Preparatory Actions (PPPA)

Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME)

Promotion of Agricultural Products (AGRIP)

Research Fund for Coal & Steel (RFCS)

Rights, Equality and Citizenship Programme (REC)

Union Civil Protection Mechanism (UCPM)

Programming Period 2007-2013 (FP7 - CIP)

SUBMISSION

- **Create user account to login to the Funding & Tenders Portal**
- **All Participants of a proposal must be self-registered in the Participant Register and be identified with a (provisional) PIC**
- **Third parties (including linked third parties) do not need a PIC at proposal stage**

Validation of legal entities

The Validation Services verify:

Legal Existence

- **Legal Entity Form** – filled in, dated, signed
- **Registration** or **Law/Decree extract**
- **VAT extract**

H2020 Status

- **Registration extract** or **Law/Decree extract**
- **Statutes/Articles of Association**

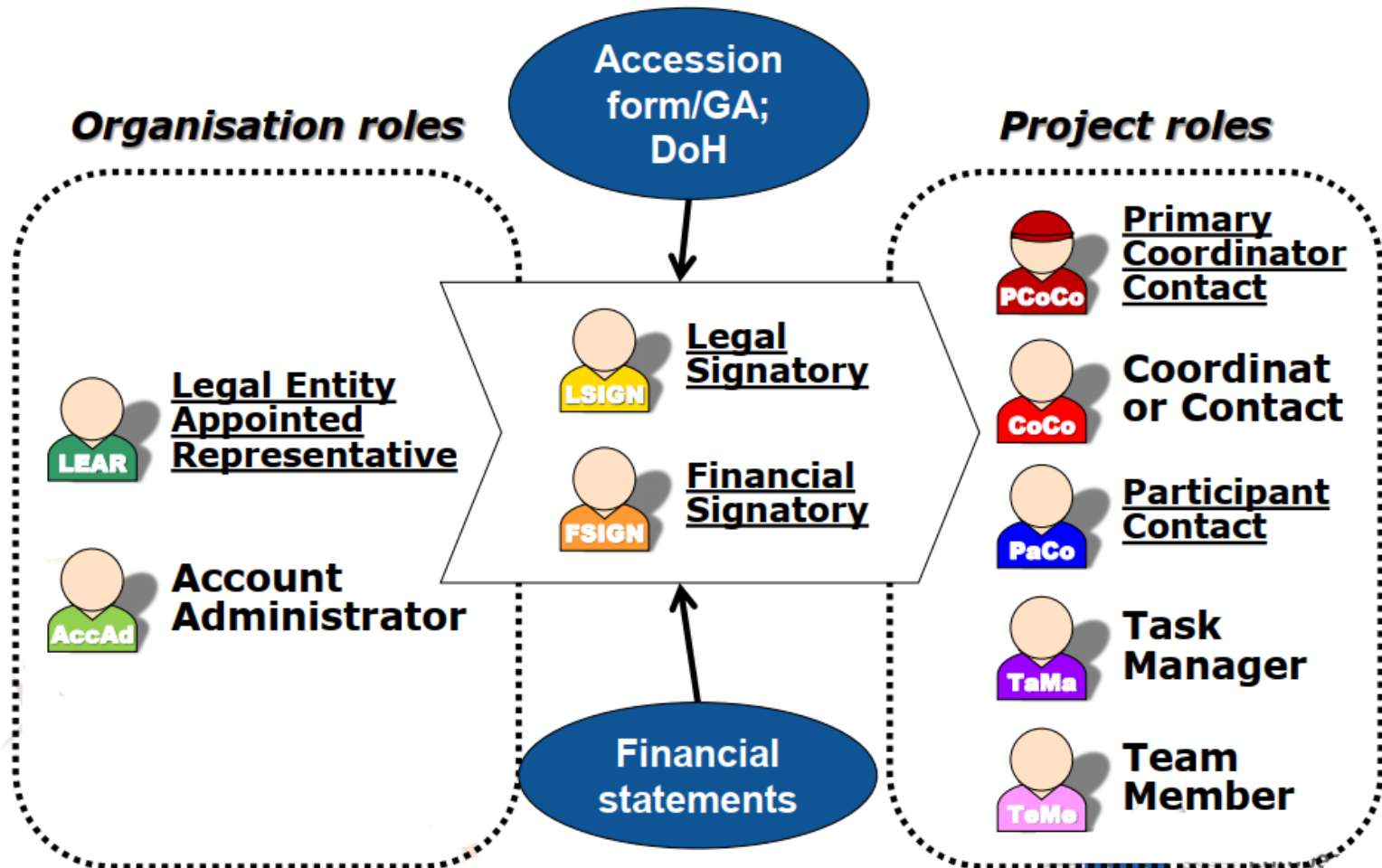
GRANT AGREEMENT PREPARATION

Under H2020: nomination of the Legal Entity Appointed Representative is mandatory!

Role of the LEAR:

- **Notifies the VS of changes in legal data / status**
- **Submits FCA documents if required**
- **Nominates persons who act as legal representatives and signatory for the organization**
- **Nominates persons who sign financial statements**

GRANT AGREEMENT PREPARATION



GRANT AGREEMENT PREPARATION

Financial Capacity Assessment takes place after legal validation is completed

The FCA of the COORDINATOR is checked if:

- **The requested maximum grant amount for the action is $\geq 500,000\text{€}$**
- **Unless coordinator:**
 - Public body
 - Higher or secondary education establishment
 - International organization
 - Participation guaranteed by a MS or associated country
 - Private individual in receipt of a scholarship
- **FCA could be required at any time for any applicant if the EC/REA consider it necessary**

Third Parties – 1

- **Beneficiaries** implement the action and shall have appropriate resources
- Third party is a legal entity which carries out work of the action, supplies goods or provide services for the action, but which **did not sign the grant agreement**
- Third Parties are indicated in Section 4.2 Part B Annex 1 (except contractors)
- **Main types** of third parties:
 - Directly carrying out part of the work described in Annex 1
 - Providing resources, goods or services to the beneficiaries

Third Parties – 2

Third Party directly carrying out action tasks

Linked third parties



Art. 14 GA

Subcontractors



Art. 13 GA

- Affiliated entities/ third parties with a legal link (not ad-hoc for the project)
- PIC to be validated
- Declare costs
- Must be identified in article 14 GA + Section 4.2 of Annex 1 of the DoA and Annex 2

Third Parties – 3

Third Party directly carrying out action tasks

Linked third parties

Art. 14 GA

Subcontractors

Art. 13 GA

- Charge a price
- Best value for money and no conflict of interest
- In principle, must be identified in the GA (Section 4.2 of Annex 1 of the DoA and Annex 2)
- Not allowed between beneficiaries

Third Parties – 4

Third Parties providing resources, goods or services

Contractors

Art. 10 GA



In-kind Contributions

Art. 11 & 12 GA



- For the purchase of goods, works or services
- Best value for money and no conflict of interest

Third Parties – 5

Third Parties providing resources, goods or services

Contractors

Art. 10 GA

- Free of charge or against payment
- Actual eligible costs

In-kind Contributions

Art. 11 & 12 GA

- In principle, must be identified in the GA (Section 4.2 of Annex 1 of the DoA and Annex 2, if not used at beneficiaries premises)

Third Parties – A summary

TYPES OF THIRD PARTIES	CHARACTERISTICS						
	Works of the action?	Provides resources or services?	What is eligible?	Must be indicated in Annex 1	Indirect costs	Selecting the third party	Articles
Linked third party	YES	NO	Costs	YES	YES	Must be affiliated or have a legal link	Article 14
Subcontractors	YES	NO	Price	YES	NO	Best value for money, avoid conflict of interest	Article 13
Third party providing in-kind contributions	NO	YES	Costs	YES	YES	Not used to circumvent the rules	Articles 11 and 12
Contractors	NO	YES	Price	NO	YES	Best value for money, avoid conflict of interest	Article 10

Please remember at GAP stage

- Beneficiaries must have the **appropriate resources** to carry out the work
- Linked Third Parties are **one kind of** third party
- Detailed information about link/affiliation of the Linked Third Party shall be provided in Section 4.2 of Annex 1 part B
- Breakdown of efforts/budget per WP to be provided in Section 4.2 of Annex 1 part B

Financial issues - outline

- Types of action & funding rates
- Grant Amount
- Estimated budget
- Budget categories
- Payments
- Controls and audits

Types of action & funding rates

IA



Funded up to 70%
Except for non profit or public
organisation 100%

RIA



Funded up to 100%

CSA



Funded up to 100%

IA = Innovation Action
RIA = Research & Innovation Action
CSA = Coordination & Support Action

THE MAX EU FUNDING IS FIXED IN THE GA



The final total amount of EU funding received may be lower due to:

- Receipts
- Ineligible costs
- Errors
- Breach of obligations
- Irregularities
- Fraud

Estimated Budget

Budget Categories:

No	Participant	Country	(A) Direct personnel costs/€	(B) Other direct costs/€	(C) Direct costs of sub- contracting/€	(D) Direct costs of providing financial support to third parties/€	(E) Costs of inkind contributions not used on the beneficiary's premises/€	(F) Indirect Costs / € (=0.25(A+B-E))	(G) Special unit costs covering direct & indirect costs / €	(H) Total estimated eligible costs / € (=A+B+C+D+F +G)	(I) Reimburse- ment rate (%)	(J) Max.EU Contribution / € (=H*I)	(K) Requested EU Contribution/ €
			?	?	?	?	?	?	?	?	?	?	?
1			0	0	0	0	0	0,00	0	0,00	100	0,00	0,00
	Total		0	0	0	0	0	0,00	0	0,00		0,00	0,00

Forms of costs:

- Actual costs
- Unit costs
- Flat rate costs

Budget Categories

DIRECT PERSONNEL COSTS

Employees



**ACTUAL
COSTS**



**UNIT
COSTS**

SME Owners



**UNIT
COSTS**

- Budget flexibility transfer amounts between forms of costs without amendment
- For employees, both forms of cost cannot be used at the same time
- Requirements for time record (except for researcher working exclusively on a project)

Budget Categories

OTHER DIRECT COSTS

- Actual costs only
- If the costs amount $\geq 15\%$ of personnel costs, details and justification needed in the DOA – Part B – under point 3.4

Participant Number/Short Name	Cost (€)	Justification
Travel		
Equipment		
Other goods and services		
Total		

SUBCONTRACTING

Actual costs only

- Best value for money
- Best offer
- Avoid conflict of interest

SUBCONTRACTING

- Flat rate of the eligible direct costs (25%)
- Excluded: subcontracting costs and in-kind contributions

Please remember

SUBCONTRACTING



- To include detailed description of subcontracting
- To provide detailed breakdown of Other Direct Costs (number of travels/persons)
- To declare SME owner unit costs correctly
- To foresee CFS costs when $\geq 325,000$ euro

Payments

One Pre-financing

(Time to pay: 30 days as of starting date or entry into force)

- X% of the average grant amount per period
- 5% of the maximum grant amount:
 - directly transferred to the Participant Guarantee Fund
 - released to the participant at the end of the action

Interim Payments

(Time to pay: 90 days from the reception of the periodic report)

- Based on financial statements
- Limited to 90% of the max grant amount

Payment of the balance

(Time to pay: 90 days from the reception of the final report)

- Based on financial statements
- Up to 100% of the max grant amount

Certification on Financial Statement

- only at the final period
- only if the max grant amount excluding indirect costs \geq 325,000 euros

Ex-Post Audit

- Audits limited to 2 years after payment of the balance

Useful links

- Participant Register:
<https://ec.europa.eu/info/fundingtenders/opportunities/portal/screen/home>
- H2020 Reference Documents
<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/how-toparticipate/reference-documents>
- Multi-beneficiary annotated General GA (cf. financial issues):
http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf
- Country specific guidance on H2020 issues:
http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-issues-list-countries_en.pdf

More useful links

- Rules of Participation:
http://ec.europa.eu/research/participants/data/ref/h2020/legal_basis/rules_participation/h2020-rulesparticipation_en.pdf
- H2020 Online Manual (section on Grant Preparation):
http://ec.europa.eu/research/participants/docs/h2020-fundingguide/grants/from-evaluation-togrant-signature/grantpreparation_en.htm
- Research Enquiry Service:
http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf
- Country specific guidance on H2020 issues:
<http://ec.europa.eu/research/enquiries>



Thank you!
Any Questions?

