



**FCH 2 JU Financial Workshop  
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## **FAQ on H2020 - Interactive Analysis**

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<http://www.fch.europa.eu/>

**Q:** Do part-time employees working ONLY for the FCH project need to prepare a timesheet?

### Answer

- NO

### Recommended approach

- they should sign a “declaration on exclusive work for the action” - equivalent to time-sheet;
- Follow the template (available in AGA) and always provide a brief description of the tasks undertaken during the period covered with declaration;
- (!) Only one declaration can be made per reporting period for each person (!)

**Q:** Our company uses an electronic time-recording system. Is it ok?

### Answer

- YES

### Recommended approach

- Verify that minimum requirements for timesheets under H2020 are fulfilled -> the E-system should meet the minimum requirements for a H2020 timesheets;
- In case some elements are missing, those could be included manually - e.g. timesheets are printed and signed at the end of each month and kept in the project files;
- Make sure that no ex-post (i.e. at the end of the reporting period) unjustified changes of hours spent on the projects are allowed.

**Q:** Is the planned number of PM for given beneficiary a definite/fixed parameter, which cannot be exceeded/changed?

### Answer

- NO

### Recommended approach

- Always report actual costs;
- DoA serves as an indicative budget -> it's an estimate at time of proposal;
- Any huge deviations shall be explained at time of reporting;
- However, significant changes affecting project objectives as defined in DoA may require amendment.

**Q:** Is it possible (and to what extent) to increase the number of person months during the implementation of the project (in comparison to what was planned in the project proposal), while the costs per person month will be reduced, but the overall personnel costs will not be affected?

### Answer

- YES

### Recommended approach

- if such situation happen, FCH needs to understand why;
- Explain the reasons (deviation section of the periodic report); e.g. principal investigator left and you work with PHD students / senior expert is not available and had to be replaced by 1.5 junior experts, etc.

## Personnel Costs

**Q:** A new person joined the company (and worked for the project for 5 months), for whom we do not have salary data for 12 months from a previous closed financial year. Can we use his actual costs?

### Answer

- YES

### Recommended approach

- Hourly rate can be calculated based on monthly salary / monthly productive hours (either 1720/12 or standard);
- Any bonuses included in the salary should be charged on pro-rata basis (i.e. only bonus “earned” for 5 months should be included).

## Personnel Costs

**Q:** It is our normal practice to hire temporary workers via work agency. Can we report them under personnel costs?

### Answer

- NO

### Recommended approach

- For personnel costs, there should be a direct contract with the person;
- Only contracts signed directly with individual persons can be considered under personnel costs category;
- However, such costs may be eligible as “purchase of a service” (Article 10) or as a “subcontracting cost” (Article 13).

Q: Can we charge VAT?

### Answer

- YES

### Recommended approach

- Not all VAT is eligible !
- Only non-deductible part of the VAT is eligible under H2020, i.e. the part of the VAT that is reimbursed / claimed back from tax authorities is not eligible;
- deductible VAT, even if it cannot be identified, cannot be charged to the project (!)



## Other Direct Costs

**Q:** Is freight to customers eligible under H2020?

### Answer

- YES

### Recommended approach

- Transport cost to customers as part of the installation costs for demo projects would be eligible as needed to deliver and install an equipment;
- However, any duty/customs tax related to that delivery is ineligible.

## Other Direct Costs

**Q:** Are there general conditions for travel to be considered? (e.g. maximum prices for hotels etc.) Do we need a prior approval of FCH for international travel?

### Answer

- NO

### Recommended approach

- Your internal travel policy (i.e. use of flat rates for daily allowances) / usual practice needs to be respected;
- We recommend to identify all major overseas travel (e.g. international conferences) in DoA and provide clear link to/clarify why needed for the project;
- A choice of a more expensive hotel would need to be justified (for audit purposes).

**Q:** Is it considered a reckless expenditure to travel first class?

### Answer

- NO

### Recommended approach

- Provided that first class travel is normally allowed according to your entity internal travel policy, under certain conditions (e.g. long journey, etc.);
- NO “upgrade” of the usual travel policy is allowed for the purpose of claiming costs in the FCH project (!).

## Other Direct Costs

**Q:** Can we combine private and business travel and charge the costs to FCH project?

### Answer

- YES

### Recommended approach

- Only when it is allowed normally under your travel policy / usual practice (e.g. for limited duration);
- Only the part of the costs related to business travel can be charged;
- Price of the combined ticket is not higher than the one covering only the business trip ( recommended to keep comparable offers in the file as evidence).

Q: Can we subcontract the tasks of the coordinator?

## Answer

- NO

## Recommended approach

- tasks to be executed exclusively by the coordinator of the project cannot be subcontracted;
- The role of the coordinator cannot be performed by third party, only by personnel directly hired by the coordinator;
- NB: no subcontracting between the partners of the same GA is allowed , neither is subcontracting to its affiliates!

Q: We identified our subcontractors in the Annexes to the G.A., is it enough?

## Answer

- NO

## Recommended approach

- obligation to ensure best value for money and no conflict of interest remains;
- If sub-contractors are chosen on grounds of pre-existing framework contract, that framework contract should have been competitively awarded at the time.

Q: In case 3 offers received, can we select the one which is NOT the lowest price?

## Answer

- YES

## Recommended approach

- Best value for money is not just price - but quality and price as per the award criteria - weight of technical merits and price;
- choice of another bidder has to be very well explained and justified.

**Q:** Are the indirect costs verified during the audit?

**Answer**

- NO

**Recommended approach**

- Make sure that no costs of indirect nature are included in the direct costs;
- Make sure that in case of third parties providing in-kind contributions, there is no double-charging of indirect costs.



**Q:** Is there a possibility for third parties providing in-kind contributions to charge indirect costs?

**Answer**

- YES

**Recommended approach:**

- if the in-kind contributions are NOT used on the beneficiary's premises (but, for instance, on the third party's premises);
- Same rule applies: 25% of the direct costs (not the actual indirect costs);
- Verify that the indirect costs are not charged twice.

**Q:** We receive national funding in addition to and for the FCH project - is it considered receipts to be declared?

### Answer

- YES

### Recommended approach

- National funding explicitly dedicated to a certain project is considered “receipt”, as project-specific in-kind contributions received by Beneficiary;
- General national subsidy to work on various research projects shall not be considered receipts as not specifically dedicated/intended for the project;
- If you won national funding to work on a similar research project => this is not receipts as considered to be a completely separate project.

**Q:** Is it correct that beneficiaries are required to declare receipts received in support of a specific EU project only at final report?

### Answer

- YES

### Recommended approach

- Receipts shall be declared at final period, yet recommended to monitor receipts during project life to ensure non-profit rule compliance: *Art. 5.3.3 The grant must not produce a profit;*
- Art. 5. Receipts will be taken into account only at (final) payment and must be declared in Final report (yet beneficiaries free to do so also in periodic reports);
- If (receipts + FCH share) > costs, FCH Grant is decreased by the excess amount.

## Other - Use of EU / FCH Logo

**Q:** Do we need to display FCH / EU logo if majority (e.g. more than 60%) of the funding is provided by our own funding?

### Answer

- YES

### Recommended approach

- Article 38 of the AGA on “PROMOTING THE ACTION - VISIBILITY OF EU FUNDING”
- <http://publications.europa.eu/code/en/en-5000100.htm>
- The FCH 2 JU logo is available on our website at the following link: <http://fch.europa.eu/page/fch-ju-logo-0>

## Other - Visibility of EU funding

**Q:** What results of the project need to display FCH / EU logo to comply with the acknowledgement of funding obligation?

**Answer:**

1. IPR results  
e.g. in the Description of a Patent Application
2. Dissemination and communication activities  
e.g. on the presentation made to the public in a conference
3. On infrastructure, equipment and other major results  
e.g. on an HRS, on a bus etc.

Q: More questions?

**Answer**

- Thank you for your attention!

**Recommended approach**

<http://ec.europa.eu/research/participants/portal/desktop/en/funding/guide.html>