

TN1302: BESTPRAC

The voice of research administrators
building a network of administrative excellence

Updated versions of the Annotated Model Grant Agreement (aMGA)


Sixth Meeting of the WG 2 Finance
COST Targeted Network TN1302: BESTPRAC

Wolfram Rieneck
Medical University Innsbruck

Sources:
H2020 annotated Model Grant agreement (aMGA) – Participant Portal
Finance Helpdesk

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania

September 22-23, 2016



TN1302: BESTPRAC


The voice of research administrators
building a network of administrative excellence

Version History MGA

- December 11th, 2013: Initial version V. 1.0
- October 1st, 2014: Version 2.0
- October 1st, 2015: Version 2.1 – actual for the last meeting in Sofia
- July 1st, 2016: Version 2.11 (aMGA) – minor changes concerning country-specific issues for France and Slovenia and time recording
- July 20th, 2016: Version 3.0 (MGA) – major changes

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania

September 22-23, 2016




TN1302: BESTPRAC

The voice of research administrators
building a network of administrative excellence

Version 2.1.1

- Art.18 Time recording - §9 Records for personnel costs — hours worked for the action
- Time records should include (old):
 - the title and number of the action, as specified in the GA
 - the beneficiary's full name, as specified in the GA
 - the full name, date and signature of the person working for the action
 - **the number of hours per day declared for the action**
 - the supervisor's full name and signature
 - a reference to the action tasks or work package described in Annex 1, to easily verify that the work carried out matches the work assigned
 - **a description of the activities carried out, to understand and show what work was carried out.**

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania September 22-23, 2016




TN1302: BESTPRAC

The voice of research administrators
building a network of administrative excellence

Version 2.1.1

- New:
 - Time records should include, as a minimum:
 - the title and number of the action, as specified in the GA
 - the beneficiary's full name, as specified in the GA
 - the full name, date and signature of the person working for the action
 - **the number of hours worked for the action in the period covered by the time record;**
 - the supervisor's full name and signature
 - a reference to the action tasks or work packages of Annex 1, to which the person has contributed by the reported working hours

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania September 22-23, 2016



TN1302: BESTPRAC


The voice of research administrators
building a network of administrative excellence

Version 2.1.1

- New explanatory note:

If the researcher has neither hierarchical superior nor supervisor, for example when the beneficiary is a one-person company or when the researcher is the CEO of the beneficiary, the time records need to be signed only by the researcher.

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania September 22-23, 2016



TN1302: BESTPRAC

The voice of research administrators
building a network of administrative excellence


Version 2.1.1

List of issues applicable to particular countries

France: country-specific bonuses - qualify as basic remuneration if:

- it is paid in accordance with the applicable national law; and
- recipients and individual amounts are determined on the basis of
- objective criteria established and documented at least
- in the internal regulations of the beneficiary; and
- the event triggering the bonus is NOT the participation in the H2020 action (otherwise the bonus would be
- additional remuneration) and
- there is no bias in the award of the bonus resulting in a systemic overcharging of EU-actions compared with non EU-actions.

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania September 22-23, 2016



TN1302: BESTPRAC

The voice of research administrators
building a network of administrative excellence


Version 2.1.1

List of issues applicable to particular countries

- Slovenia: Bonus for "work performance resulting from increased workload due to special projects":

Qualifies as additional remuneration under H2020. As such it is subject to the specific eligibility conditions applicable to additional remuneration

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania September 22-23, 2016



TN1302: BESTPRAC


The voice of research administrators
building a network of administrative excellence

Version 3

Minor – mainly semantic changes (not covered in detail in this presentation)

- Article 4 – Estimated budget and budget transfers § 4.2
- Article 9 – Estimated budget and budget transfers § 9.2
- Article 20 – Reporting – payment requests § 20.4
- Article 21 – Payments and payment arrangements § 21.8
- Article 52 – Communication between the parties § 52.3

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania September 22-23, 2016



TN1302: BESTPRAC

The voice of research administrators
building a network of administrative excellence

Version 3

ARTICLE 6 – ELIGIBLE AND INELIGIBLE COSTS
6.2.A Direct personnel costs [(not covered by Point F)]


Types of eligible personnel costs - Calculation

The 'hourly rate' is one of the following:

(a) for personnel costs declared as actual costs: the hourly rate is the amount calculated **per full financial year** as follows:
{actual annual personnel costs (excluding additional remuneration) for the person divided by number of annual productive hours}.

~~The beneficiaries must use~~ **using** the annual personnel costs and the number of annual productive hours for each **full** financial year covered by the reporting period concerned. If a financial year is not closed at the end of the reporting period, the beneficiary must use the hourly rate of the last closed financial year available.

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania September 22-23, 2016



TN1302: BESTPRAC

The voice of research administrators
building a network of administrative excellence

Version 3

ARTICLE 6 – ELIGIBLE AND INELIGIBLE COSTS

As an alternative, beneficiaries may calculate the hourly rate per month as follows: {actual monthly personnel cost (excluding additional remuneration) for the person divided by {number of annual productive hours / 12}.
using the personnel costs for each month and (one twelfth of) the annual productive hours calculated according to either option (i) or (iii) above, i.e.:


- fixed number of hours or
- standard annual productive hours.

Time spent on parental leave may not be deducted when calculating the hourly rate per month. However, beneficiaries may declare personnel costs incurred in periods of parental leave in proportion to the time the person worked on the action in that financial year.

If parts of a basic remuneration are generated over a period longer than a month, the beneficiaries may include only the share which is generated in the month (irrespective of the amount actually paid for that month).

Each beneficiary must use only one option (per full financial year or per month) for each full financial year.

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania September 22-23, 2016



TN1302: BESTPRAC

The voice of research administrators
building a network of administrative excellence


Version 3

ARTICLE 6 – ELIGIBLE AND INELIGIBLE COSTS
6.2.D Other direct costs [(not covered by Point F)]

D.2 (...)

- ~~[OPTION (in addition to one of the two first options above) for trans-national and virtual access to research infrastructure: As an exception, the beneficiaries must not declare such costs (i.e. costs of renting, leasing, purchasing depreciable equipment, infrastructure and other assets) for providing trans-national or virtual access to research infrastructure (see Article 16.1).]~~
- [OPTION (in addition to one of the two first options above) for virtual access to research infrastructure, unless the work programme explicitly allows capital investments for virtual access to research infrastructure: As an exception, the beneficiaries must not declare such costs (i.e. costs of renting, leasing, purchasing depreciable equipment, infrastructure and other assets) for providing virtual access to research infrastructure (see Article 16.2).]

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania September 22-23, 2016



TN1302: BESTPRAC


The voice of research administrators
building a network of administrative excellence

Version 3

ARTICLE 34 – ETHICS AND RESEARCH INTEGRITY
34.2 Activities raising ethical issues

- Activities raising ethical issues must comply with the 'ethics requirements' set out as deliverable in Annex 1.
- Before the beginning of an activity raising an ethical issue, ~~the coordinator must submit (see Article 52) to the [Commission][Agency] copy of~~ each beneficiary must have obtained:
 - (a) any ethics committee opinion required under national law and
 - (b) any notification or authorisation for activities raising ethical issues required under national and/or European law. needed for implementing the action tasks in question
- The documents must be kept on file and be submitted upon request by the coordinator to the [Commission][Agency] (see Article 52). ~~If these documents they are not in English, the coordinator they must be also submitted together with an English summary, which shows that the action tasks in question are covered, and includes of the submitted opinions, notifications and authorisations (containing, if available, the conclusions of the committee or authority concerned (if available)).~~
- ~~If these documents are specifically requested for the action, the request must contain an explicit reference to the action title. The coordinator must submit a declaration by each beneficiary concerned that all the submitted documents cover the action tasks.~~

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania September 22-23, 2016



TN1302: BESTPRAC

The voice of research administrators
building a network of administrative excellence

Version 3

ARTICLE 48 – SUSPENSION OF PAYMENTS

48.1 Conditions

The [Commission][Agency] may — at any moment — suspend **payments**, in whole or in part, ~~the pre-financing payment, and interim payments~~ and for one or more beneficiaries ~~or the payment of the balance, if a beneficiary:~~


(a) **a beneficiary (or a natural person who has the power to represent or take decision on its behalf)** has committed or is suspected of having committed:

- substantial errors, irregularities **or** fraud or
- serious breach of obligations in the award procedure or under the **Agreement or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles), or**

(b) **a beneficiary (or a natural person who has the power to represent or take decision on its behalf)** has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (extension of findings from other grants to this grant; see Article 22.5.2).

If payments are suspended for one or more beneficiaries, the [Commission][Agency] will make partial payment(s) for the part(s) not suspended. If suspension concerns the payment of the balance, — once suspension is lifted — the payment or the recovery of the amount(s) concerned will be considered the payment of the balance that closes the action.

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania September 22-23, 2016



TN1302: BESTPRAC

The voice of research administrators
building a network of administrative excellence

Version 3

ARTICLE 48 – SUSPENSION OF PAYMENTS

48.2 Procedure

Before suspending payments, the [Commission][Agency] will formally notify the coordinator **or beneficiary concerned:**

- informing it of its intention to suspend payments and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If the [Commission][Agency] does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify confirmation of the suspension. Otherwise, it will formally notify that the procedure is not continued.


...

If the conditions for resuming payments are met, the suspension will be lifted. The [Commission][Agency] will formally notify the coordinator **or beneficiary concerned.**

...

During the suspension, the periodic report(s) **for all reporting periods except the last one** (see Article 20.3) must not contain any individual financial statements from the beneficiary concerned [and its linked third parties]. ~~When the [Commission][Agency] resumes payments, t~~ **The coordinator may must include them in the next periodic report after suspension is lifted or – if suspension is not lifted before the end of the action – in the last periodic report.**

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania September 22-23, 2016



TN1302: BESTPRAC

The voice of research administrators
building a network of administrative excellence


Version 3

ARTICLE 49 – SUSPENSION OF THE ACTION IMPLEMENTATION
49.2 Suspension of the action implementation, by the [Commission][Agency]
49.2.2 Procedure

ARTICLE 50 – TERMINATION OF THE AGREEMENT OR OF THE PARTICIPATION OF ONE OR MORE BENEFICIARIES
50.3.2 Procedure

Notification by the Commission/Agency to the coordinator **or the beneficiary concerned**
(as above)

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania September 22-23, 2016



TN1302: BESTPRAC

The voice of research administrators
building a network of administrative excellence

Version 3

ANNEX 5 – MODEL FOR CERTIFICATE ON FINANCIAL STATEMENTS Reference
A.3 – Hourly personnel costs II) For individual hourly rates:

The Auditor:

- HOURLY reviewed the documentation provided by the Beneficiary, including manuals and internal guidelines that explain how to calculate hourly rates;
- recalculated the hourly rates of staff included in the sample (**recalculation of all hourly rates if the Beneficiary uses annual rates, recalculation of three months selected randomly for every year and person if the Beneficiary uses monthly rates**) following the results of the procedures carried out in A.1 and A.2;
- (only in case of monthly rates) confirmed that the time spent on parental leave is not deducted, and that, if parts of the basic remuneration are generated over a period longer than a month, the Beneficiary has included only the share which is generated in the month.


RATE FOR INDIVIDUAL ACTUAL PERSONAL COSTS:
IT IS CALCULATED **FOLLOWING ONE OF THE TWO OPTIONS BELOW:**

A) [OPTION BY DEFAULT] BY DIVIDING THE TOTAL ACTUAL ANNUAL AMOUNT OF PERSONNEL COSTS OF AN EMPLOYEE VERIFIED IN LINE WITH PROCEDURE A.1 BY THE NUMBER OF ANNUAL PRODUCTIVE HOURS VERIFIED IN LINE WITH PROCEDURE A.2 (FULL FINANCIAL YEAR HOURLY RATE);

B) BY DIVIDING THE MONTHLY AMOUNT OF PERSONNEL COSTS OF AN EMPLOYEE VERIFIED IN LINE WITH PROCEDURE A.1 BY 1/12 OF THE NUMBER OF ANNUAL PRODUCTIVE HOURS VERIFIED IN LINE WITH PROCEDURE A.2.(MONTHLY HOURLY RATE).

Column standard factual finding
32.1) The Beneficiary used only one option (per full financial year or per month) throughout each financial year examined.

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania September 22-23, 2016



TN1302: BESTPRAC


The voice of research administrators
building a network of administrative excellence

Summary – Take-home messages

- Some slight changes for clarification and/or corrections
- New possibility to calculate hourly rates on monthly basis (closed financial year isn't the only option anymore) – also influences CFS regulations, income increases influence the hourly rate immediately
- Budget transfers between forms of costs (e.g. actual costs vs. Unit costs) without amendment even if not budgeted yet. Amendments stay for non budgeted subcontracts or in-kind contributions provided by third parties
- More responsibility for the beneficiaries concerning activities raising ethical issues, but submitting documents to the Commission (Agency) only on request
- Reporting for NEW contracts: periodic technical report now also requires Communication activities (beside Dissemination activities)

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania

September 22-23, 2016



TN1302: BESTPRAC


The voice of research administrators
building a network of administrative excellence

Summary – Take-home messages

- Clearer rules for the eligibility of costs for virtual access to research infrastructures
- Clear distinction between consortium and beneficiaries in case of suspension of payments, suspension of the action and termination of the agreement – „contradictory procedure“ with the possibility of a reactive statement by the beneficiary concerned (only the beneficiary will be contacted – for confidentiality and data protection reasons)
- Unfortunately (!) NO changes concerning internal invoices
- All changes except new reporting rules can be applied retroactively

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania

September 22-23, 2016



TN1302: BESTPRAC



The voice of research administrators
building a network of administrative excellence

Thank you very much for your attention!

Discussion

Joint Meeting of WG1/WG2/WG3, Vilnius, Lithuania

September 22-23, 2016