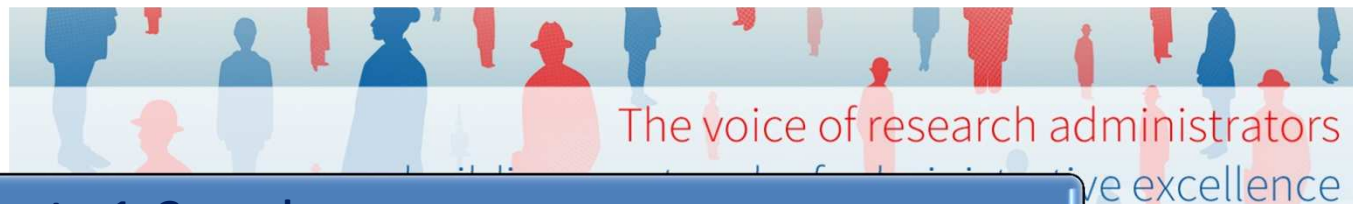




**COST Targeted Network**  
**TN1302: BESTPRAC**  
**WG1/WG2/WG3 Third Meeting**  
**Interactive Session IS.1**  
**Essentials of the Grant Agreement and Consortium Agreement**



## TN1302: BESTPRAC

# 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



**Annex 1: Description of the action**

**Annex 2: Estimated budget**

**Annex 3: Accession Forms, 3a Declar. on liability on linked third parties (art.14) or 3b Adm. Arrangem. if JRC**

**Annex 4: Financial statements**

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

**Annex 6: Certificate on the methodology**



## Budget transfers and re-allocation

## Amendment needed?

From one beneficiary to another

**NO**

From one budget category to another

**NO**

Re-allocation of Annex 1 tasks

**YES**

Transfers between forms of funding  
(actual costs, unit costs, etc.)

**YES** if no budget was foreseen for the  
"form" receiving the transfer

New subcontracts

**YES (strongly advised)**

*Lump sums set out in Annex 2 can never be adjusted.* If the GA foresees unit costs, transferring amounts declared as unit costs to other categories or other beneficiaries is possible if the actual number of units used (or produced) by the beneficiary is less than the number estimated in Annex 2. The cost per unit cannot be changed.



# Payments

	Time-to-Pay	From
<b>One Pre-financing</b>	<b>30</b> days	The latest between starting date and entry into force
→ Retention 5 % of maximum grant for the Guarantee Fund		
<b>Interim Payments</b>	<b>90</b> days	From reception of periodic report
→ Based on financial statements (EU contribution= eligible costs approved * reimbursement rate)		
→ Limit = 90 % of the maximum grant (Retention 10%)		
<b>Payment of the Balance</b>	<b>90</b> days	From reception of final reports

## GA: Final grant amount: calculation

### Step 1 — Application of reimbursement rates to eligible costs

Total approved eligible costs (*actual costs, unit costs, flat-rate and lump sum costs, if any*) X reimbursement rate (*100 % for research actions, 70% for innovation actions*)

### Step 2 — Limit to the maximum grant amount

The grant amount obtained in Step 1 is capped at the maximum grant amount set out in the GA

The grant amount following Steps 1 and 2 is the lower of the two amounts.

### Step 3 — Reduction due to the no-profit rule

Profit of the action = Grant amount obtained in Step 2 + Receipts - Total eligible costs of the action

If Profit > 0 → grant amount obtained in Step 2 is reduced

If Profit < or = 0 → grant amount obtained in Step 2 is not reduced

### Step 4 — Reduction due to improper implementation or breach of other obligations under the GA at the payment of the balance

*Final grant amount* is the lower of the following two amounts:

Amount obtained following Steps 1 to 3 ⇔ Amount obtained in Step 4



## *Consortium Agreement: Financial provisions*

### **Financial provisions**

The specific financial provisions of the Grant Agreement apply and must be reflected in the consortium agreement.

The consortium's budget for the action is generally attached as an annex to the agreement, or forms part of the work plan. It is recommended that the agreement set out very precisely the specific contributions of all the consortium parties, in cash or in kind.

Beneficiaries are also advised to foresee the potential implications of receipts in the consortium agreement (appreciated at the level of the action and not anymore on the level of each beneficiary). Receipts generated by one beneficiary may result in a reduction of the grant due to the application of the non-profit rule, calculated at the level of the action (consortium level) and not at the level of the individual beneficiary generating the receipts. If receipts are expected, it is important that the consortium agreement determines how this situation would be handled by the consortium.



## *Consortium Agreement: Financial provisions*

### **Financial provisions**

7.1 General Principles, 7.1.1 Distribution of Financial Contribution, 7.1.2 Justifying Costs

7.1.3 Funding Principles, 7.1.4 Financial Consequences of the termination of the participation of a Party

7.2 Budgeting

**7.3** Payments, 7.3.1 Payments to Parties are the exclusive tasks of the Coordinator.

**7.3.2** The payment schedule, which contains the transfer of pre-financing and interim payments to Parties, will be handled according to the following .....

**OPTION 1:** Funding of costs included in the Consortium Plan will be paid to Parties after receipt from the EU-Commission in separate instalments in conformity with the decision of the General Assembly on the applicable instalment mechanism.. Funding of costs accepted by the EU-Commission will be paid to the Party concerned, taking into account the amounts already paid for the reporting period concerned.

**OPTION 2:** Funding of costs included in the Consortium Plan will be paid to Parties after receipt from the EU-Commission without undue delay and in conformity with the provisions of Annex II of the EC-GA. Costs accepted by the EU-Commission will be paid to the Party concerned, taking into account the amounts already paid for the reporting period concerned.