

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

On 6 October 2020, ERA-LEARN organised a webinar on final reporting in ERA-NET Cofund networks, including information about the financial certificate (CFS). This document is a summary of the Q&A Session.

Support to third parties

Q: What is the basis for calculating the EC co-funding amounts ("top-up")? Is it the national funding paid to the final beneficiaries or is it the costs of the transnational projects?

A: *Calculations are based on the actual funding paid by the funding agencies to the final beneficiaries; the project costs are not considered.*

Q: What happens if a funding agency declares costs in the final reporting of the ERA-NET Cofund but due to an economic revision at national level some of the funding originally transferred to the final beneficiaries needs to be re-transferred to the funding agency and therefore the costs are different from what was reported?

A: *Only the booked accounts at the point of the final reporting of the ERA-NET Cofund beneficiaries matter. In an ex-post audit costs might need to be adjusted.*

Q: During the lifetime of a transnational project there might be changes to the originally proposed project costs and funding. Are these adjusted costs and the corresponding funding still eligible for reporting?

A: *What counts for reporting (and the calculation of the EC top-up funding) is the actual money spent. Amendments to the Grant Agreement may be needed in case of substantial changes. The EC top-up funding will be based on eligible costs. The max. EC contribution defined in the GA cannot be exceeded.*

Q: If the eligible costs were produced within the duration of the Grant Agreement but not all the payments are done, the auditors should indicate an 'exception'. To what extent could this exception affect the EC funding received?

A: *You need to distinguish between CFS audits (1st level) and ex-post audits (2nd level). CFS audits never lead to reduced funding. "Exception" here means a standard finding that cannot be clearly stated. In an ex-post audit this might have an impact on the EC contribution.*

Q: With regard to the transnational projects, what does the EC consider as the "final end date" of a project? Is it the national project end date?

A: *In a transnational consortium funded in a cofunded call, not all partners will run the project in exactly the same period of time. Therefore, there may be different end dates in different countries. Nevertheless, since costs are not eligible after the end date of the ERA-NET Cofund, all payments in all involved countries must in any case be made before this date. It may be necessary to consider a request for an extension of the ERA-NET Cofund duration.*

Q: For the purpose of reporting (technical and financially) on a transnational project are the national end dates (e.g. max 36 months) the ones to be considered?

A: *36 months is a typical duration of a research project but national rules may be heterogeneous. What is important is that national rules are followed. The cost reported by the final beneficiaries have to be accepted within the duration of the ERA-NET Cofund Grant Agreement.*

Q: What kind of assessment of projects, to be done by the involved funding agencies, needs to be provided to the auditors?

A: *This depends on the national rules. Auditors may ask for proof that the project reports and reported costs have been checked.*

Additional Activities – Unit Costs

Q: What documentation is really needed as a justification to claim unit costs? Are meeting agendas, presentations, travel costs etc. sufficient for justifying the participation in additional activities over 12 months?

A: *The documentation will depend on the type of activities and needs to prove convincingly that the additional activities were really carried out and the individual beneficiaries really participated. If no additional activities are declared no unit costs can be claimed.*

Q: The financial statements typically refer to the period M13-M60. What about additional activities during the period M1-M12?

A: *There might also be additional activities carried out in the first year. These must be described in a dedicated Work Package. Proof of implementation must be provided.*

Non-Eligible Costs / Black Box

Q: What happens when a country uses Structural Funds to fund the projects in a co-funded Call? Which kind of CFS should be submitted?

A: *Structural Funds are not eligible for co-funding. Only eligible costs shall be reported.*

Q: How should the implementation costs be declared? Are those costs part of the total payment to the third parties?

A: *Implementation costs are non-eligible costs. Typically, a Consortium Agreement defines how the network covers the implementation costs. This internal financial administration is considered a “black box”. It is not part of the reporting to the EC. If –in addition to unit costs- a part of the EC top-up funding is used to cover implementation costs, an equivalent amount of national funding needs to be supplied to the co-funded call (see ERA-NET Cofund rules).*

Formal Requirements

Q: The actual amount of top-up funding which the funding agencies receive, is calculated on the basis of the actual national funding transferred to the transnational projects. If, at the end, the projects spend less, does the EC top-up funding also decrease or are the amounts fixed?

A: *What counts are the eligible costs, i.e. the actual payments to the final beneficiaries. If the amounts of national funding decrease, the EC top-up funding may decrease accordingly since it cannot exceed 33% of what was really paid.*

Q: If the amounts of national funding decrease and the EC top-up funding decreases accordingly, this may affect the amount of unit costs as well since they are limited to 20% of the total EC contribution, is this correct?

A: Yes. The 20% limit of unit costs will also be checked with the final reporting. The total amount used for coordination of additional joint activities cannot exceed 20% of the total EC contribution.

1st and 2nd level Audit

Q: When should the audit be scheduled?

A: The CFS is needed together with the financial report, to be done within the reporting phase of 60 days after the end of the project. Ideally, the auditors start as soon as all project costs were accepted by the funding agency and payments were made.

Q: Will only EC auditors carry out the ERA-NET Cofund audits or will also external auditors be involved?

A: 1st level audits (needed to receive a CFS) are carried out by external auditors; 2nd level audits (ex-post announced by the EC) can be carried out either by the EC or by external auditors.

Q: Does ERA-LEARN provide a list of certified auditors?

A: This is not possible. Funding organisations are free to select an auditor of their choice. Keep in mind, however, that there are only very few ERA-NET Cofund projects and therefore an auditor may not be familiar with the details of the scheme and will require assistance.

Q: In FP7 there was a second option instead of assigning external auditors: 'The auditor is a competent public officer for which the relevant national authorities have established the legal capacity to audit the beneficiary and has not been involved in the preparation of the financial statements.' Does this option still exist in H2020?

A: This option still exists but only for public organisation audited by public servants which is a very specific situation.

CFS

Q: Must the CFS be uploaded as well?

A: Yes, a pdf document must be uploaded during the reporting session.

Q: How can the costs for the CFS be included in the report?

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

Q: Should the costs for a CFS be considered within the max EU grant amount or on top of that? These costs were not considered at the start of the ERA-NET Cofund.

A: The maximum grant amount cannot be exceeded.

Q: Can the costs for the CFS be added in the individual reports even if they were not part of the budgets in the Grant Agreement?

A: Yes, they can be added; no amendment is needed. The maximum EC-contribution cannot be exceeded.

Further information

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

FAQ CFS: https://www.era-learn.eu/documents/cfs_eranetcofund.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