



HORIZON EUROPE

THE EU
RESEARCH & INNOVATION
PROGRAMME

2021 – 2027

Implementation
Days

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LEGAL AND FINANCIAL ASPECTS

AVOIDING COMMON ERRORS



Model Grant Agreement

Types of costs

Q&A



Types of participants

Focus on personnel costs

HORIZON EUROPE

The Model Grant Agreement



What is the grant agreement and why do I need it?



Contractual document signed with a 'granting authority' (e.g. *the Commission or one of its executive agencies*) that defines:



YOUR RIGHTS

- **To receive EU funding**, under the terms and conditions defined in the GA, to help you to accomplish your project
- **To own the results** of the project that you have generated
- **To ask for amendments** if something needs to be changed



YOUR OBLIGATIONS

- **To implement the project** as planned in the description of the action (Annex 1 to the grant agreement)
- **To submit reports** at the time and for the periods defined in the grant agreement
- **To display the EU emblem and reference to Horizon Europe funding**



HOW MUCH MONEY YOU CAN GET

- **Maximum grant amount**

Overall, the granting authority can never pay more than the maximum grant amount fixed in the grant agreement

How does the Horizon Europe grant agreement look like?



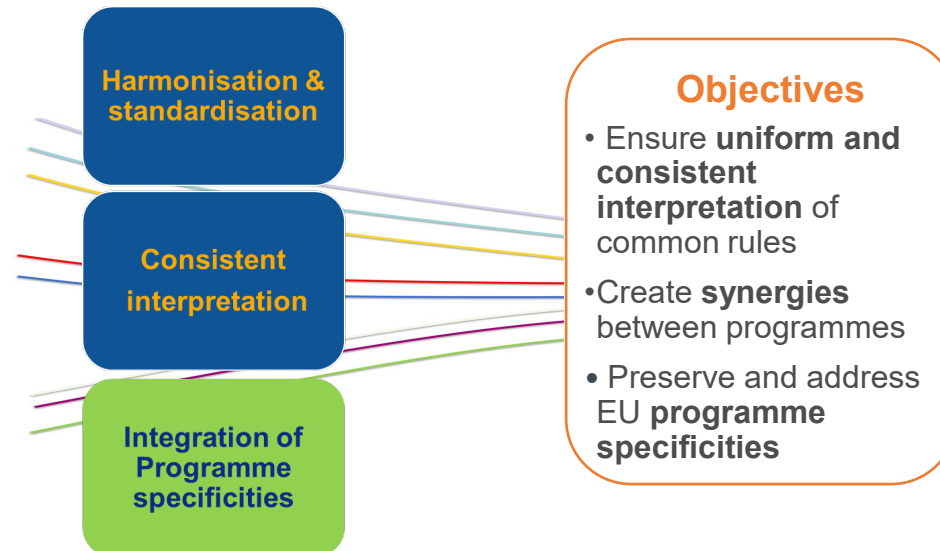
e-GRANT

- **Fully electronic** - This is from the signature of the grant until its end
- All actions and communications will flow via the **Funding & Tenders Portal** ('the Portal')



CORPORATE STRUCTURE

- Based on a **Commission-wide model** (so-called '**Corporate Model Grant Agreement**')



SPECIFIC ANNEX 5

Some important HE specific rights and obligations are part of this Annex, like:

- **Security**
- **Ethics**
- **Values** (i.e. gender mainstreaming)
- **IPR**
- **Communication, Dissemination, Open Science and Visibility**
- **Specific rules for carrying out the action**

Avoiding errors → check the guidance!

Funding & tender opportunities

Single Electronic Data Interchange Area (SEDIA)



How to Participate

Procurement

Reference Documents related to tendering opportunities are published on

Filter

- Legislation
- Work programme & call documents
- Grant agreements and contracts
 - HE MGA v1.1**
 - HE Unit MGA v1.1
 - Lump Sum MGA v1.0
 - Operating Grants MGA v1.0
 - Framework Partnership Agreement FPA v1.0

Guidance

- HE Programme Guide
- HE List of eligible countries
- HE Complementary funding mechanisms in third countries
- Online Manual
- Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment
- Amendment Guide
- AGA- Annotated Grant Agreement**
- Indicative Audit Programme (IAP)
- Rules for Grant Reductions
- Rules for Arbitration

Structure of the HE MGA



Core
Part

Datasheet

a summary of the specific data of the grant agreement

NEW!

Articles

grouped in six chapters

1. General Data
2. Participants
3. Grant
4. Reporting, payment and recoveries
5. Consequences of non-compliance, applicable law and dispute settlement forum
6. Specific rules Annex 5 & Standard time-limits after project end

Chapter 1 – General (Articles 1-2)

Chapter 2 – Action (Articles 3-4)

Chapter 3 – Grant (Articles 5-6)

Chapter 4 – Grant Implementation (Articles 7-26)

Chapter 5 – Consequences of non-compliance (Articles 27-35)

Chapter 6 – Final provisions (Articles 36-44)

Structure of the HE MGA



Annexes

Annex 1 Description of the action

Annex 2 Estimated budget

Annex 3 Accession forms for beneficiaries

Annex 4 Model for the financial statement

Annex 5 - Specific rules (for Horizon Europe)

Security (Article 13)

Ethics (i.e. research integrity) (Article 14)

Values (i.e. gender mainstreaming) (Article 14)

IPR (Article 16)

Communication, Dissemination, Open Science and Visibility (Article 17)

Specific rules for carrying out the action (Article 18)

recruitment and working conditions,

specific rules for access to research infrastructure actions,

specific rules for PCP and PPI procurements,

specific rules for co-funded partnerships,

specific rules for ERC actions,

specific rules for EIT-KIC actions,

specific rules for MSCA actions

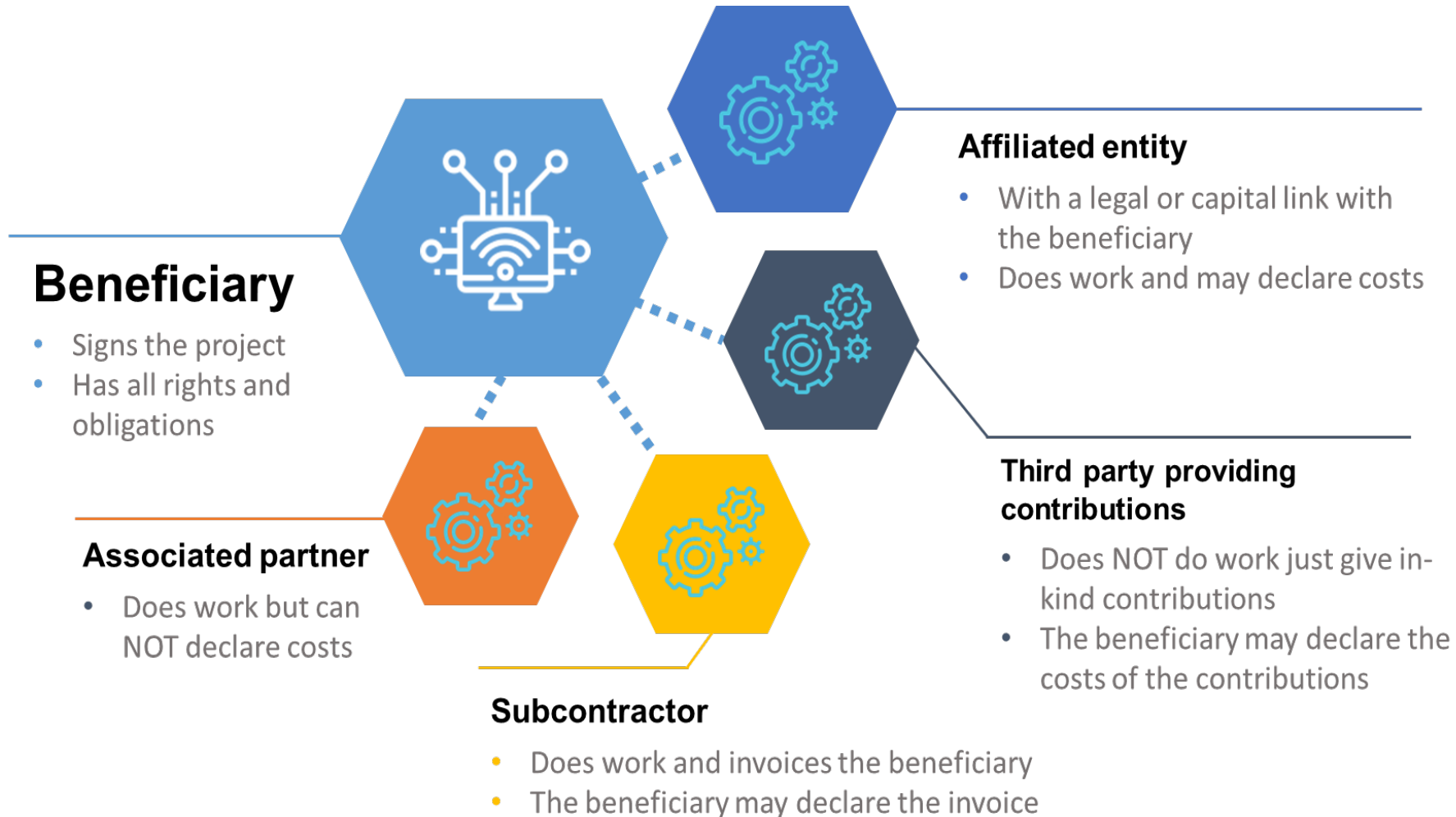
specific rules for EIC actions

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Participants in the action



Overview of types of participants



➤ **Choose the appropriate role!**

➤ **Combination of roles (AGA p.12)**

Beneficiaries



BENEFICIARIES



COORDINATOR

- Article 7 HE MGA
 - **Signatories** --> **Accession form**
 - **Fully responsible** towards the granting authority for implementing the action and complying with all its obligation
 - Jointly responsible for the **technical implementation**
 - Must have the **appropriate resources**
 - Must remain **eligible** under HE for the entire duration
 - **Obligations:**
 - ❖ submit to the coordinator in good time: financial statements, technical reports, deliverables
 - ❖ inform the granting authority (and beneficiaries) of any events likely to affect or delay the action
 - ❖ submit via the Portal data and information related to the participation of their affiliated entities
- **Directly sign** the Grant Agreement
 - Central **contact point** for the granting authority
 - **Represents** the consortium (towards the granting authority)
 - ✓ *For mono-beneficiary grants --> also coordinator role*
 - **Obligations**
 - ❖ **monitor** that the action is implemented properly
 - ❖ act as **intermediary** for all communications:
 - E.g. request and review any documents before passing them to the granting authority
 - ❖ **distribute** the payments received from the GA to the other beneficiaries without unjustified delay

Affiliated entities



- permanent legal structures
- contractual cooperation not limited to the action
- capital link:
 - i. direct or indirect control of the beneficiary
 - ii. under the same control as the beneficiary
 - iii. controlling the beneficiary

- Article 8 HE MGA
- Correspond to **‘Linked third parties’** in Horizon 2020 MGA
- Features:
 - ❖ Must have a **legal or capital link** with the beneficiary, which is **neither limited to the action nor established for the sole purpose of its implementation**
 - ❖ Does work
 - ❖ Can declare costs for implementing the action tasks
- Must be identified in Article 8, their tasks must be mentioned in Annex 1 and their budget in Annex 2
 - *But do not sign the Grant Agreement!*
- Same conditions for participation and funding as beneficiaries
- They are therefore de facto treated like beneficiaries (*have their own financial statement, must provide their own CFS, must contribute to the technical report, must submit deliverables, etc*).

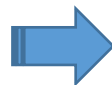


Other participants → Associated partners

- Article 9.1 HE MGA
- Inherited from the '**International partner**' status in Horizon 2020 MGA
- Must be identified in Article 9.1, their tasks must be mentioned in Annex 1 BUT --> do not sign the grant agreement

- Features:

- ❖ Does work but **cannot** declare costs
- ❖ Participate at its own costs
- ❖ It can be linked:
 - either to one beneficiary
 - or with the whole consortium



Beneficiaries are responsible for the proper implementation of the tasks implemented by associated partners

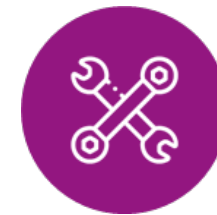
- Do NOT have to comply with eligibility conditions for funding



Beneficiary Requesting Zero Funding status → discontinued in HE

- The **beneficiaries** must ensure that some of **MGA obligations also apply**





Other participants → Subcontractors

- **Do work** > Participate in the action, if necessary for the implementation → Articles 6.2.C and 9.3 HE MGA
- Subcontracts concern the implementation of **action tasks** - parts of the project/project tasks that have been outsourced
 - ❖ Estimated costs and tasks must be identified in the budget and in **Annex 1** - *E.g.: Testing described in Annex 1 as an action task*
- **Simplified approval procedure allowed if:** (i.e. beneficiary flags the subcontracting at reporting stage)
 - if the use of subcontracting does not entail changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants
 - Beneficiary bears the risk of rejection of costs



COSTS

- The eligible cost is the price charged to the beneficiary - invoice from the subcontractor that may be charged by the beneficiaries, under the conditions set out in Article 6 HE MGA
- The costs will be included in Annex 2 as part of the beneficiaries' costs
- Ensure best value for money (or lowest price) and avoid conflict of interests
- Usually containing a profit margin for the supplier or subcontractors, but not for the beneficiary



Subcontracting between beneficiaries **is not allowed**. Subcontracting to affiliates is generally not allowed either




Other participants → Third parties giving in-kind contributions



- ✓ In-kind contributions against payment and in-kind contributions free of charge are **both still eligible** under Horizon Europe
- ✓ However, under HE, **in-kind contributions refers only to in-kind contributions free of charge**

IN-KIND CONTRIBUTIONS AGAINST PAYMENT

- **No** more **specific** Article 
- Instead, they can **still be declared** as:
 - **Personnel costs** for seconded persons (Art. 6.2.A.3)
 - Costs of **renting** equipment (Art. 6.2.C.2)
 - **Purchase costs** for other goods, works or services (Art. 6.2.C.3)
- Indirect costs calculated on top via the 25% flat-rate

IN-KIND CONTRIBUTIONS FREE OF CHARGE

- **Specific provisions (Article 6.1 and 9.2 HE MGA)** (stemming from Horizon Europe specific legal base)
- They must be declared by the beneficiary which use them under the relevant cost category (i.e. as if they were costs incurred by the beneficiary).
- Only **direct costs** must be reported
- Indirect costs calculated on top via the 25% flat-rate (with exceptions, like for internal invoicing)

Overview of participants roles - AGA



Written
internal
consortium
agreement !!

TYPE	Works on 'action tasks'?	What is eligible for the beneficiary/ affiliated entity?	Must be indicated in Annex 1 GA?	Conditions for participation	GA article
Beneficiaries	YES	Costs	YES	Must be eligible	art 7
Affiliated entities	YES	Costs	YES	Must have a capital or legal link with a beneficiary and fulfil the same eligibility conditions	art 8
Associated partners	YES	n/a	YES	No specific conditions (APs do not receive funding).	art 9.1
Third parties contributing to the project	Participate in the action as contributors	n/a (<i>except HE: Costs</i>)	YES		art 9.2
Subcontractors	YES	Invoiced price	NO (only subcontracted tasks must be indicated)	Must be best value for money or lowest price and no conflict of interest	art 9.3
Third parties receiving financial support ²	Participate in the action as recipients.	Amount of support given	YES	According to the conditions in Annex 1 GA	art 9.4

Disclaimer: Information not legally binding

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Types of costs



Actual costs – General eligibility conditions



Check Article 6.1 HE MGA !

- they must be **actually** incurred by the beneficiary
- they must be incurred during the **action duration**
- they must be declared under one of the **budget categories**
- they must be incurred **in connection with the action** (Annex 1) and **necessary** for its implementation
- they must be **identifiable and verifiable** --> in particular **recorded** in the beneficiary's accounts in accordance with the accounting standards applicable in the country where the beneficiary is established and with the beneficiary's **usual cost accounting practices**
- they must comply with the **applicable national law** on taxes, labour and social security and
- they must be **reasonable, justified** and must comply with the principle of **sound financial management**, in particular regarding economy and efficiency

ANNEX 2

ESTIMATED BUDGET

ANNEX 2 HORIZON EUROPE MGA – MULTI + MONO

ESTIMATED BUDGET FOR THE ACTION

Estimated eligible ¹ costs (per budget category)																	Estimated EU contribution ²				
Direct costs															Indirect costs		Total costs	EU contribution to eligible costs			Maximum grant amount ⁶
A. Personnel costs			B. Subcontracting costs	C. Purchase costs			D. Other cost categories						E. Indirect costs ³	Feeding rate % ⁴	Maximum EU contribution ⁵	Requested EU contribution					
A.1 Employee (or equivalent)		A.4 SME owner and doctoral person beneficiary	B. Subcontracting	C.1 Travel and subsistence	C.2 Equipment	C.3 Other goods, works and services	D.1 Financial support to third parties	D.2 Internally provided goods and services	D.3 Transactional costs to research infrastructure unit	D.4 Virtual access to research infrastructure unit	OPTION for NE POP/FPF D.5 POP/FPF procurement cost	OPTION for Horizon Programme Co-funded Action D.6 Horizon Co-funded (staff mobility cost)	OPTION for NE ERC Co-funded D.3 ERC additional funding (sub-contracting, FSTP and internally provided goods and services)	E. Indirect cost	Flat-rate cost ⁸	0,25*(a1+a2+c3+4b+c1+c2+c7)+4b+4d [=4b*(25%+0,25)+c7] [4b]	U	a-10%	k	m	
A.2 Material purchase under direct contract	A.3 Second person	Actual cost	Unit cost (usual accounting practice)	Unit cost ⁷	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost							Actual cost
Form of funding		Actual cost	Unit cost (usual accounting practice)	Unit cost ⁷	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	
		e1	e2	e3	k	e1	e2	e3	[4e]	4f	[4g]	[4h]	[4i]	[4j]	[4k]	[4l]	[4m]	[4n]	[4o]	[4p]	
1 – [short name beneficiary]																					
1.1 – [short name affiliated entity]																					
2 – [short name beneficiary]																					
2.1 – [short name affiliated entity]																					
3 – [short name associated partner]																					
Total consortium																					

What are the type of costs?

[D.3 Transnational access to research infrastructure unit costs]

[D.4 Virtual access to research infrastructure unit costs]

[D.5 PCP/PPI procurement cost]

...



PERSONNEL COSTS



SUBCONTRACTING COSTS



PURCHASE COSTS



OTHER COST CATEGORIES

e.g.



INDIRECT COSTS

❖ Cost of the time worked for the project by:

- **A.1** Employees
- **A.2** Natural person under direct contract
- **A.3** Seconded person
- **A.4** SME owners and natural person beneficiaries

❖ You contract another entity to do part of the work allocated to you in the description of the action

❖ **Travel and subsistence costs** for trips necessary for the project

❖ **Equipment** used for the project. In most cases, check if depreciation /full costs are eligible

❖ **Other goods, works and services**

❖ **Financial support to third parties**

❖ **Internal invoices**
Cost charged internally from one department to another of the same beneficiary; but only if you have a defined cost accounting method

❖ **25% flat rate** applied on most of the other budget categories. When reporting, the IT system will calculate this automatically!

Examples of common errors

- **Subcontracts VS Purchases**

Subcontract
<ul style="list-style-type: none">• Implementation of action tasks described in Annex 1• Cost: price paid to subcontractor declared as “Subcontracting costs”• Normally wide in scope (implementation of a part of the project).

Purchases
<ul style="list-style-type: none">• Any other contracting cost necessary to implement the work (but do not constitute an action task)• Cost: ‘Purchase costs’ columns in the financial statement• Normally limited in scope: contract covers only individual equipment or consumables

- **Equipment costs : 4 options ! → Check the call conditions !**



[OPTION 1 by default: depreciation only]

[OPTION 2 if selected for the call: full cost only]

[OPTION 3 if selected for the call: depreciation and full cost for listed equipment]

[OPTION 4 if selected for the call: full cost and depreciation for listed equipment]

} **EXCEPTIONS**

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Personnel costs



What are the categories of personnel?

(Art 6.2.A Horizon Europe MGA)

A.1 EMPLOYEES (OR EQUIVALENT)

- ❖ For your personnel working under an **employment contract** (or **equivalent appointing act**, e.g. for civil servants) and assigned to the action.

Three cases:

- ✓ Employees with a fixed salary
- ✓ Employees whose remuneration increases when working in projects (**‘project-based remuneration’**)
- ✓ Employees of a beneficiary whose usual cost accounting practice is to calculate average personnel costs (**‘average personnel costs’**)

A.2 PERSONS UNDER DIRECT CONTRACT & A.3 SECONDED PERSONS AGAINST PAYMENT

- ❖ A.2 Costs for natural persons working under a **direct contract other than an employment contract** (e.g. in-house consultants)
- ❖ A.3 costs for seconded persons **by a third party against payment.**
 - work under conditions similar to those of an employee*
 - the result of the work belongs to the beneficiary*

A.4 SME OWNERS AND NATURAL PERSON BENEFICIARIES

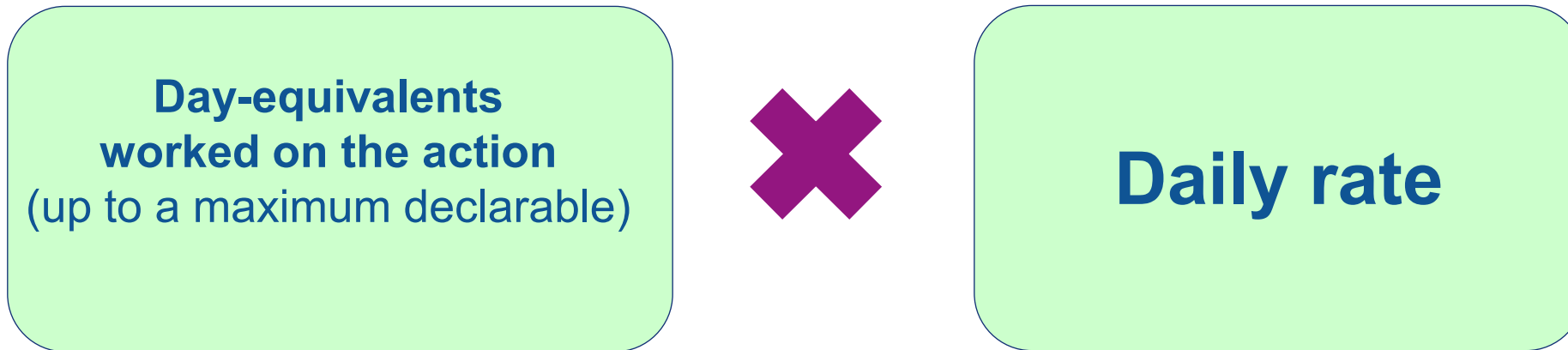
- ❖ Costs for SME owners (i.e. **owners** of beneficiaries that are small and medium-sized enterprises **not receiving a salary**) or
- ❖ Costs for **natural person beneficiaries** (i.e. beneficiaries that are natural persons not receiving a salary)

How to calculate your personnel costs?

Category A.1 – case 1 Employees with a fixed salary

Corporate formula

NEW!



Basic principles


- *Simplification* → *Commission-wide formula (valid across EU programmes)*
- *Single calculation for the reporting period*
- *Per person who worked in the action*
- *Single formula to cover most situations encountered by beneficiaries*
- *Maximum declarable days: pro-rata of 215 days*

Disclaimer: Information not legally binding

Days-equivalents worked in the action

- Sum of the day-equivalents actually worked in the action

- Recorded  reliable time-recording system

-  monthly declaration on days spent for the action -

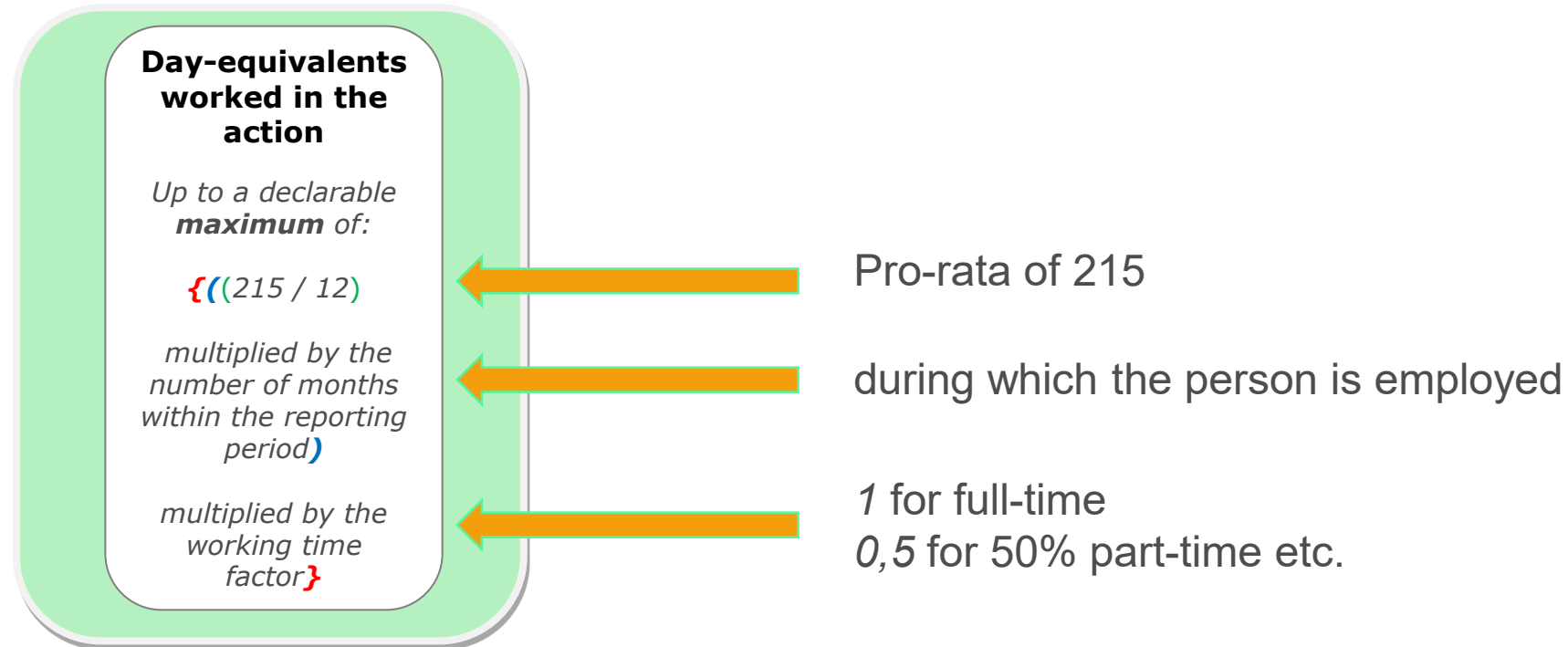
Commission template:



Consistency

EU GRANTS DECLARATION OF DAYS WORKED ON A PROJECT		YEAR:		
<i>To be filled in and uploaded as deliverable in the Funding & Tenders Portal Grant Management System, at the due date foreseen in the system.</i>				
Project acronym:		Project number:		
Participant name:				
Name of the person:		Type of personnel: <small>(employee/ natural person under direct contract/ seconded/ other)</small>		
Month	Days worked in the action ¹ <small>(e.g. 15, 7,5, 0,5)</small>	Work Packages worked on <small>(e.g. WP2; WP5)</small>	Date and signature of the person	Name, date and signature of the supervisor
January			Signature: Date:	Name: Signature: Date:
			Signature:	Name:

Maximum declarable day-equivalents



Double capping:

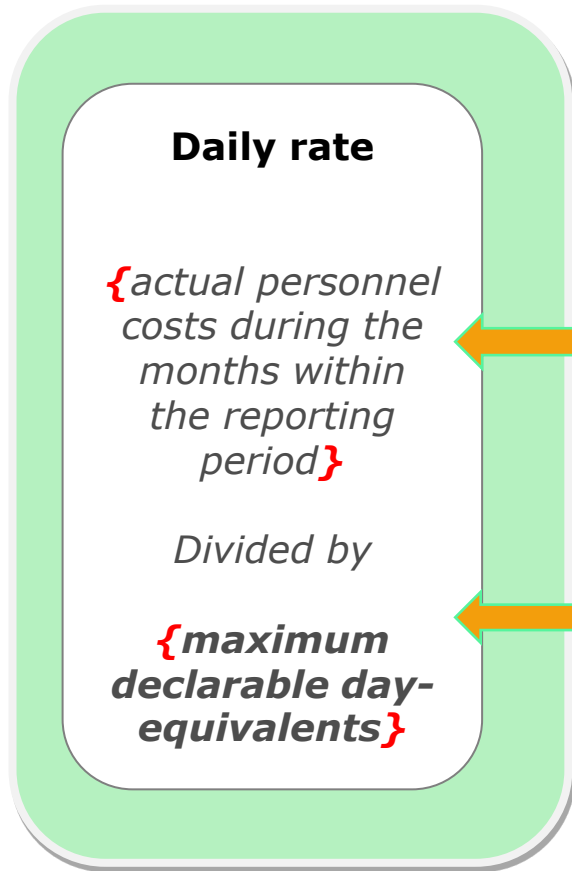
✓ **Horizontal ceiling:** the actual number of day-equivalents declared accross EU and Euratom grants cannot be higher than **215 per calendar year**

✓ **Reporting period ceiling:** the number of days-equivalents to be declared is **capped at the maximum declarable day-equivalents per reporting period**

NEW!

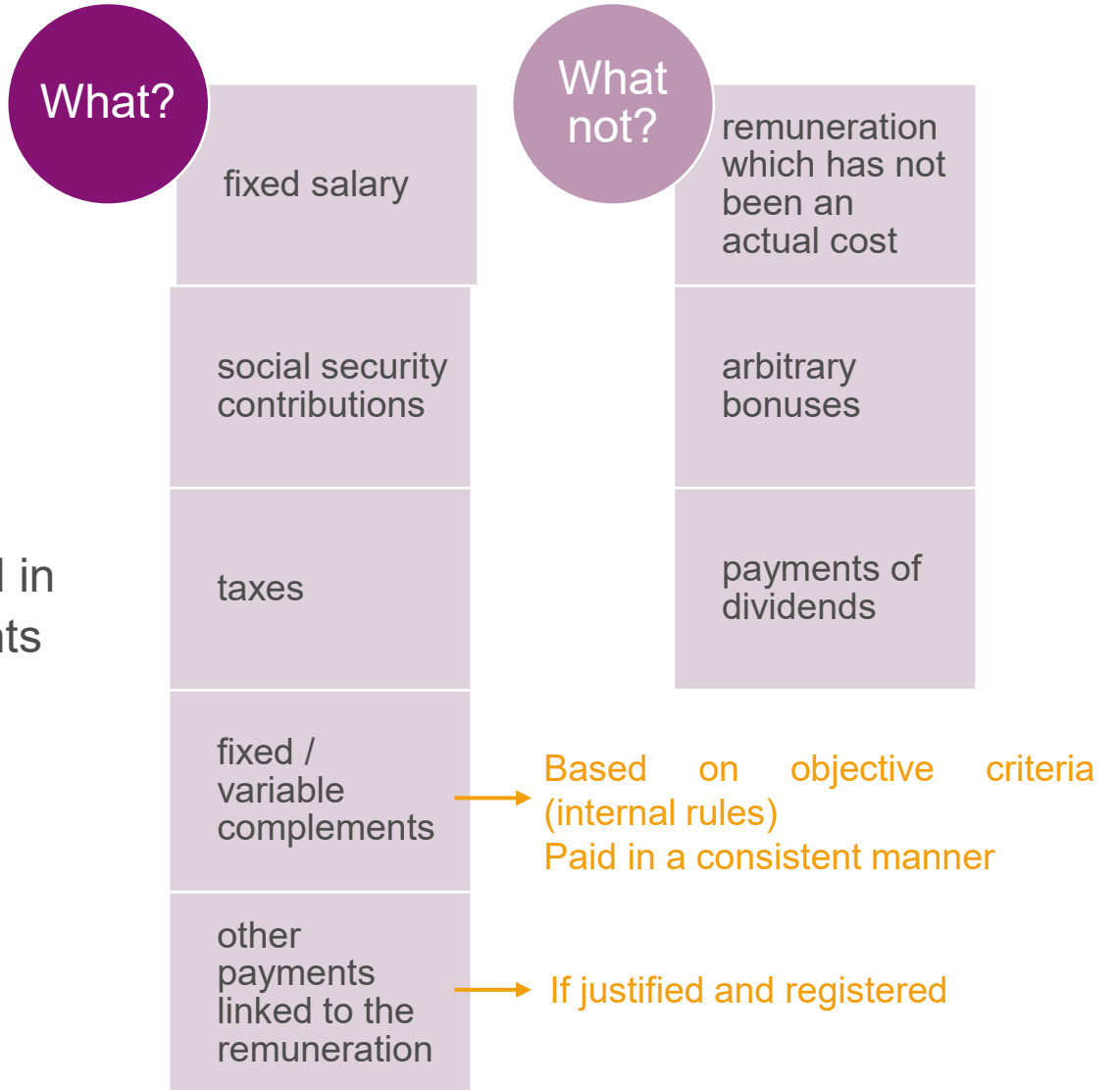
Disclaimer: Information not legally binding

Calculation of the daily rate



Eligible cost recorded in your statutory accounts

Pro-rata of 215



Looking for more information?



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

➤ [Horizon Europe reference documents page](#)

➤ [National Contact Points](#)

➤ [Research Enquiry Service](#)



Please select

- 01 Obtaining funding under Horizon Europe
- 02 Info on Horizon Europe (NCPs legal docs guides forms)
- 03 Proposal submission and evaluation
- 04 Grant Agreement preparation and signature
- 05 Info about on-going Horizon Europe projects
- 06 Horizon Europe Policy issues
- 07 European Research Policy and non Horizon Europe issues
- 08 Publications / reports of funded projects
- 09 Certification and audit matters
- 10 Legal and financial issues**
- 11 Gender equality
- 12 Expert evaluators
- 13 Ethics
- 14 Communication
- 15 Participant registration, legal and financial validation, LEAR
- 16 Previous framework programmes
- 17 H2020 & Horizon Europe: Report a divergence of implementation in different grants
- 99 Request for clarification

Please select





Thank you!



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