

Fuel cells and hydrogen

Joint undertaking

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H 2020 Participants Validation

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The validation process

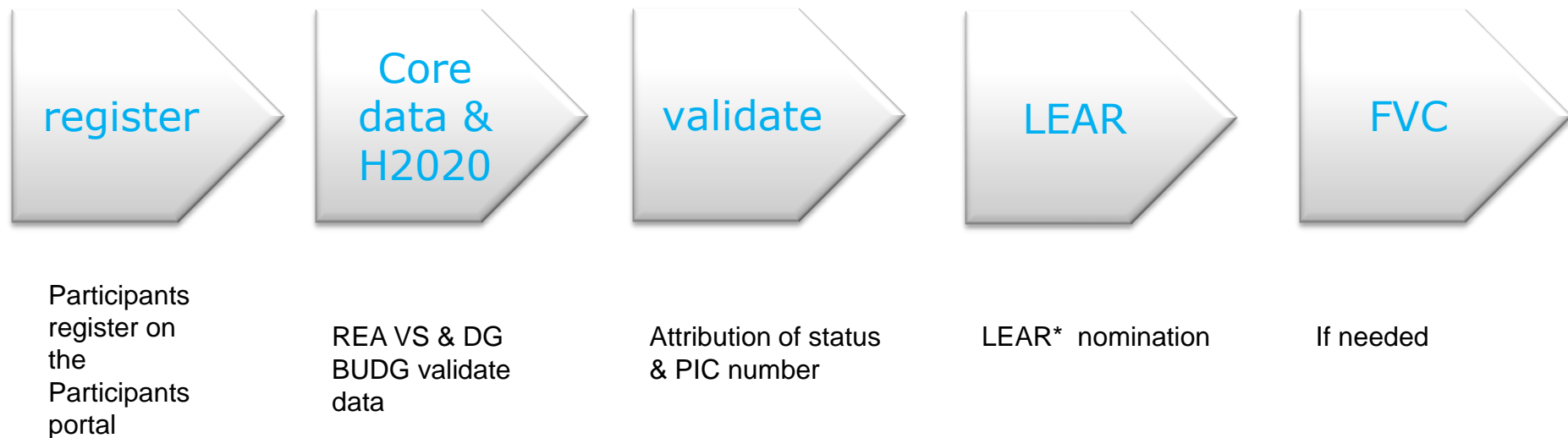
- Before a proposal can be submitted, all participants should register their organisational details in the URF (Unique Registration Facility) in the [Research Participant Portal](#) (PP), where they will be assigned a temporary Participant Identification Code (PIC) (entities validated under FP7 can keep their valid status and PIC).
- This temporary PIC will then follow the validation workflow in PDM (Participant Data Management tool), the back office tool of the URF. The validation of a participant is unique and valid throughout the entire H2020 programme. During the validation of a legal entity, the validation services verify the (i) legal existence, (ii) the status of an applicant against H2020 Rules for Participation and (iii) Financial Viability Check (if required).
- The communication with participants takes place via the URF functional mailbox (REA-URF-VALIDATION@ec.europa.eu) or via the Participant Portal, where participants can upload their documents directly in URF. Relevant information and supporting documents are then stored in the PDM database and in ARES.

The validation process (cont'd)

The validation services (VS) work in close collaboration with:

- the beneficiaries, who send documents (e-mail/URF)
- the LEAR (Legal Appointed Representative), who requests corrections/modifications (via URF)
- the operational unit/entity who informs VS of priorities
- DG BUDG, who creates the LEF (Legal Entity File) and the BAF (Bank Account File) (VS are single contact point)

Process overview



LEAR nomination is mandatory and supporting document must be submitted in paper; LEAR must notify the EU of changes in legal data/status; submit FVC documents if required; nominate persons who act as legal representatives; nominate persons who sign FS

H 2020 category validation



validate

Public law body

Private law body

International Organisation

International Organisation of European Interest

Second and Higher Education Establishment

Non-profit Organisation

Research Organisation (self-declaration)

SME (=> SME questionnaire accessible on the Participants'Portal)

Legal Entity Appointed Representative (LEAR)



LEAR

- **LEAR** nomination is mandatory and supporting document must be submitted in paper;
- **LEAR's mandate:**
 - notifies the EU of changes in legal data/status;
 - submits FVC documents if required;
 - nominates persons who act as legal representatives;
 - nominates persons who sign FS

Financial Viability Check (FVC)



FVC

- FVC takes place after legal validation is completed
- The financial capacity is checked if:
 - ✓ The beneficiary is a (non-public) coordinator
 - ✓ The requested maximum grant amount for the action is ≥ 500.000 €

How is financial viability assessed?

The assessment is done by checking that it:

- has sufficient liquidity - is able to cover its short-term commitments
- is financially autonomous
- is solvent - capable of covering its medium and long-term commitments;
- is profitable - generating profits, or at least with self-financing capacity. (This condition does not apply to private individuals).

Practical aspects

If the organisation's financial viability has to be assessed:

- It will be informed in due time of the exact process and the official contact persons.
- It will have to provide - if not already available - its financial information and relevant supporting documents covering the last closed financial year.
- The FCH will carry out a financial analysis on the last closed financial year.

In other cases (i.e. for entities that are not coordinators or for coordinators where the requested FCH funding is below the threshold), the financial viability will be checked only if there are justified grounds to doubt it.

Specific cases:

For entities that are financially guaranteed by another legal entity, it is the financial viability of the other legal entity that will be checked. This entity has to assume joint liability for all debts. Ad hoc guarantees (covering, for instance, only your participation to EU project(s)) cannot be accepted.

- Financial viability will normally be considered positive (i.e. ‘good’ or ‘acceptable’), if you obtain a minimum of 4 points.

	Insufficient	Weak	Acceptable	Good
Result of FVC	0	1-3	4-5	6-10

Exceptions:

Irrespective of the above results, your financial viability will always be considered 'weak' if:

- an audit report on your entity's accounts was issued with serious qualifications (see section 3.1)

- you are a newly established entity that has not yet closed any accounts
- there were substantial financial findings relating to your financial capacity in an audit of the Commission/FCH or the Court of Auditors or an OLAF investigation within the last two years
- you have been involved in serious administrative errors or fraud
- you are subject to pending legal procedures or judicial proceedings for serious administrative errors or fraud
- you are subject to an attachment order
- you are subject to a significant recovery order for an outstanding amount issued by the Commission/FCH, on which the payment is significantly overdue.

Actions in case of not positive result:

- **If the result of the financial viability check is "insufficient", the applicant cannot participate (unless duly justified grounds)**
- **For other cases (audit report with serious qualification; substantial financial findings relating to the financial capacity of a legal entity following a financial audit carried out in the last 2 years) and for “weak” FVC result, the following protection measures shall be considered:**

A legal entity with a "weak" financial capacity shall not be accepted as a coordinator. This legal entity will nonetheless be able to be a participant.

Any legal entity with a "weak" financial capacity may be subject to a reinforced monitoring during the implementation of the project and/or systematic initiation of audit or review

Participants' Guarantee Fund (PGF)

FCH 2 JU is covered by the Participants' Guarantee Fund (PGF)

Art. 32 § 1 of the H 2020 rules of participation

The Fund is established to cover risks associated with the non recovery of sums due to the Union under actions financed through grants.

Art. 32 § 5

Participants make a contribution of 5% withheld from the pre-financing which is returned to the participants at the end of the project with the final payment.

The Fund is considered as sufficient guarantee under the Financial Regulation

As a consequence:

-no additional financial guarantee or security will be accepted from participants or imposed on them, such as reduction of pre-financing for a particular participant, trust accounts, financial guarantees, etc

References

- REGULATION (EU) No 1290/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2013 laying down the rules for participation and dissemination in "Horizon 2020 the Framework Programme for Research and Innovation (2014-2020)"
 - section of legal entity validation of the H2020 Grants Manual
 - Annotated MGA