

Fuel cells and hydrogen

Joint undertaking

Communication Campaign

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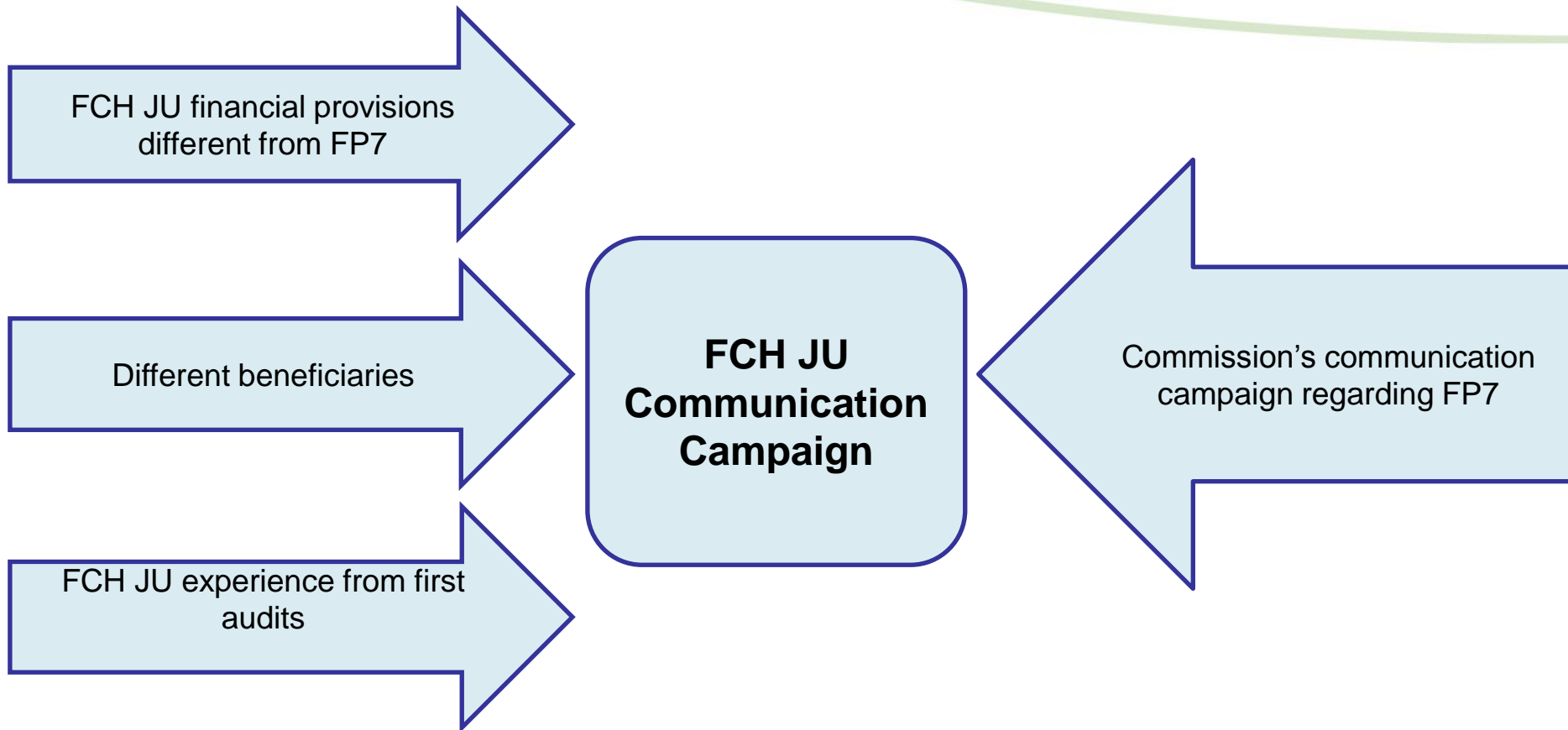
Agenda

Time frame	Content	Speaker
10.00 – 10.15	Opening and presentation of FCH JU staff	
10.15 – 10.30	Introduction	Elisabeth Robino
10.30 – 10.45	Legal basis	Nicolas Brahy
10.45 – 11.30	FCH JU control system	Elena Climent Vañó
11.30 – 11.45	Coffee break	
11.45 – 12.45	Most common issues identified: formalities and general aspects	Nora Ovcharova
12.45 – 14.00	Lunch break	
14.00 – 15.00	Most common issues identified: analysis per cost category	Antonio Requena Fernandez
15.00 – 15.15	Coffee break	
15.15– 16.00	Questions and Answers	

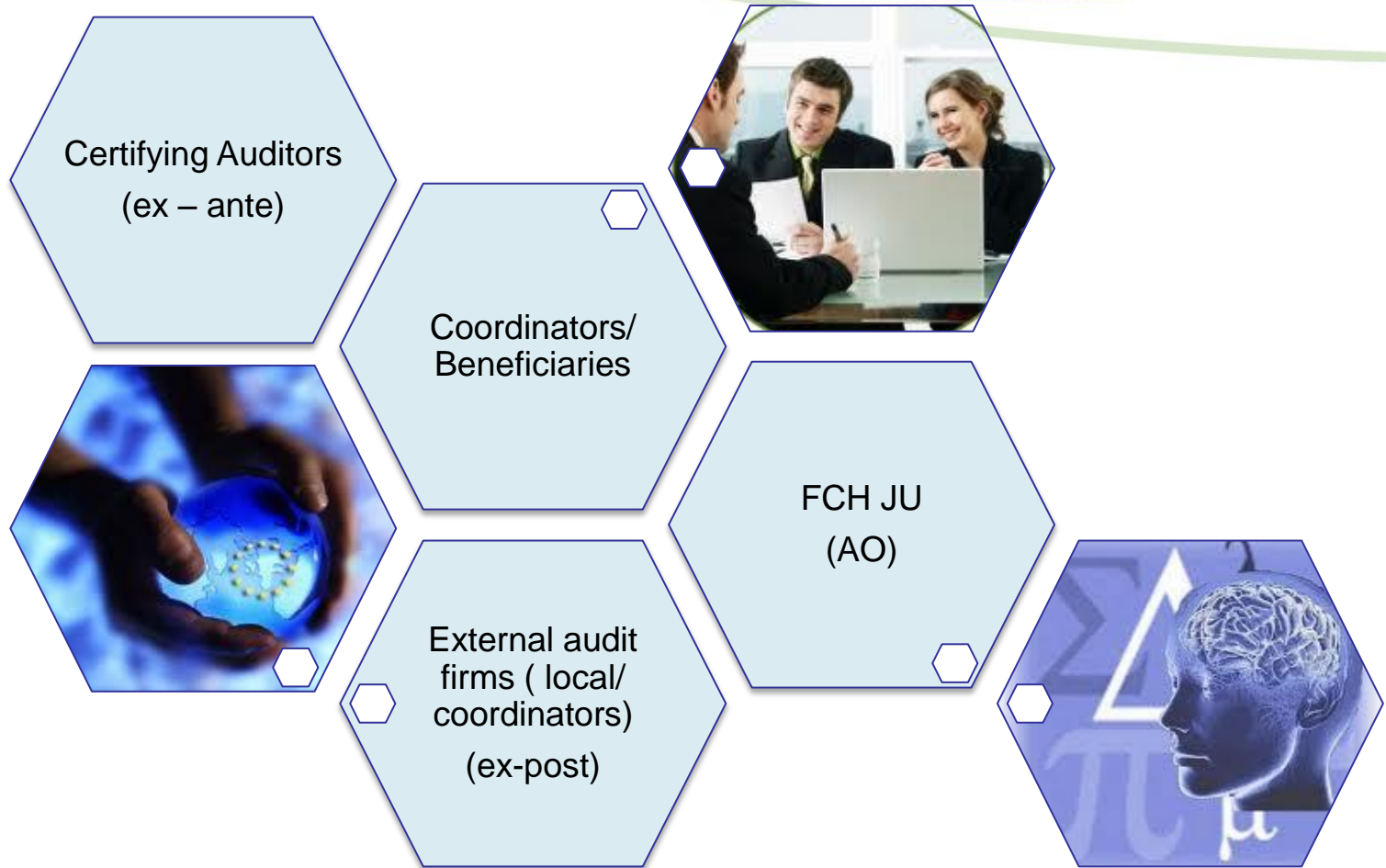
List of content

1. Introduction
2. Cost reporting chain
3. Consequences of errors
4. Aim of the communication campaign
5. The most frequent issues identified by the FCH JU
6. Legal basis – FCH JU Grant Agreement
7. Eligible costs
8. Differences in financial provisions - FP7 an FCH JU
9. Additional information

Introduction



Cost reporting chain



Consequences of errors

Consequences of errors

Beneficiaries:

- *Non-optimal use of funding available*
- *Delayed payments*
- *Recoveries*
- *Liquidated damages*
- *Extrapolation*

FCH JU

- *Scrutiny of the Budgetary Authority and ECA*
- *Increased error rate*
- *Increased ex post audit efforts*
- *Corrective measures*



Communication campaign

AIM

Improve the quality of cost reporting

Improve reliability of ex ante certificates

Contribute to error free cost claims

The most common issues identified by the FCH JU

1. Most common issues identified:
formalities and general aspects
2. Most common issues identified:
analysis per cost category

Legal Basis: FCH JU Grant agreement

- **Structure of the GA:**

- Core part: GA parameters
- Annex I: Description of work
- **Annex II: General Conditions**
- Annex III (form A): accession
- Annex IV (form B): new beneficiary accession
- **Annex V (form C): financial statements**
- **Annex VI (form D and E):**
 - Form D: terms of reference for the certificate of financial statements
 - Form E: terms of reference for the certificate on methodology

Legal basis – FCH JU Grant Agreement

- **Eligibility principles**
art.II.14 of FCH JU GA
- **Identification & reimbursements of direct and indirect costs**
art.II.15& 16 of FCH JU GA
- **Certificate on the financial statements**
art.II.4.of FCH JU GA (+ form D- updated June 2012*)
- **Optional certificates: Certificate on methodology and Certificate on average personnel costs**
art.II.4 and art.II.14 of FCH JU GA (+form E- updated June 2012*)

*(to reflect simplification measures => personnel costs, SME owners, signing of TOR by beneficiary & auditor)

- **Audits**
 - financial audits - art.II.22 of FCH JU GA
 - technical audits - art.II.23 of FCH JU GA

Eligible costs

a. Actual

– Exceptions:

1. average personal costs if in line with Art. II.14 and
2. flat rate for SME owners and other natural persons who do not receive salary

b. Incurred by the beneficiary

c. incurred during the duration of the project

– Exceptions:

- (1) CFS and reporting costs related to the last period
- (2) FCH JU requirements

d. determined in accordance with the usual accounting and management principles and practices of the beneficiary

e. used for the sole purpose of achieving the objectives of the project and its expected results

f. recorded in the accounts of the beneficiary

- Accounts of the third party in case of any contribution from its side

g. indicated in the estimated overall budget in Annex I

Differences in financial provisions- FP7 an FCH JU (1)

1. Thresholds for submission of certificates on the financial statements

<u>FCH JU:</u>	<u>FP7:</u>
<ul style="list-style-type: none">- Interim FCH JU contribution ≥ EUR 325,000- Final FCH JU contribution > EUR 50,000	<ul style="list-style-type: none">- Commission contribution ≥ EUR 375,000- No distinction between interim or final payment

2. Interest generated by pre-financing

<u>FCH JU:</u>	<u>FP7:</u>
shall be declared with each costs claim	
<ul style="list-style-type: none">- shall be considered as receipt and taken into consideration with the final payment- only if FCH JU contribution + receipts > total eligible costs	<ul style="list-style-type: none">- will be recovered for each reporting period following the implementation of the agreement when such pre-financing exceeds EUR 50,000

Differences in financial provisions- FP7 an FCH JU (2)

3. Identification and reimbursement of indirect costs

Step 1: *Identification* (art. II.15)

FCH JU	FP 7
Direct costs	Direct costs
Indirect costs <ol style="list-style-type: none">1. Actual2. Actual/ simplified method3. Flat rate of 20 % of DC Choice: <ul style="list-style-type: none">- industry with an analytical accounting system must report their real indirect costs (options1 or 2)- Others can choose	Indirect costs <ol style="list-style-type: none">1. Actual2. Actual/ simplified method3. Flat rate of 20 % of DC4. Specific (transitional) flat rate of 60 % of DC

Differences in financial provisions- FP7 an FCH JU (3)

3.identification and reimbursement of indirect costs

Step 2: *Reimbursement* (art. II.16)

FCH JU	FP7
<i>DIRECT COSTS</i> Direct costs x funding rates (art.5)	(direct costs + indirect costs) x upper funding rate
<i>INDIRECT COSTS</i> 1. If identification method is actual IC (including SM) <ul style="list-style-type: none">• Collaborative Projects: actual IC with a max of 20% of DC• CSAs (call 2009 onwards): actual IC with a max of 7% of DC	
2. If identification method is flat rate of 20 % of DC <ul style="list-style-type: none">• Collaborative Projects: 20 % of DC• CSAs (call 2009 onwards): 7% of DC	

- **Guides & Documents**

1. Guide to Financial Issues for FCH JU beneficiaries (foreseen: June 2012)
2. FP7 Guidance notes for beneficiaries and auditors on certificates issued by external auditors (version 07.01.2010) (not updated with simplification measures)
3. FAQ on certificates issued by external auditors (foreseen June 2012)
4. Grant Agreement with updated Forms D and E

Additional information

Generic FCH JU e-mail address:

fch-projects@fch.europa.eu

For questions re CoM and CoMAv:

FP7 helpdesk web service at

<http://ec.europa.eu/research/index.cfm?pg=enquiries>