

Fuel cells and hydrogen

Joint undertakings

Communication campaign

**Most common issues identified :
Formalities and General aspects**



Nora Ovcharova
FCH JU Financial Officer

Form C

FP7 - Grant Agreement - Annex V - Article 171 of the Treaty

Form C - Financial Statement (to be filled in by each beneficiary)

Project nr.		Funding scheme	Article 171 of the Treaty
Project Acronym			
Period from	01/01/2010	Is this an adjustment to a previous statement?	No
To	30/06/2011		
Legal Name		Participant Identity Code	
Organisation short Name		Beneficiary nr.	8
Funding % for RTD activities (A)	N/A	If flat rate for indirect costs, specify %	20.00

1. Declaration of eligible costs/lump sum/flat rate/scale of unit (in €)

	Type of Activity				Total (A+B+C+D)
	RTD (A)	Demonstration (B)	Management (C)	Other (D)	
Personnel costs	0.00	0.00	0.00	0.00	0.00
Subcontracting	0.00	0.00	0.00	0.00	0.00
Other direct costs	0.00	0.00	0.00	0.00	0.00
Indirect costs	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00
Maximum JU contribution	0.00	0.00	0.00	0.00	0.00
Requested JU contribution					0.00

2. Declaration of receipts

Did you receive any financial transfers or contributions in kind, free of charge from third parties or did the project generate any income which could be considered a receipt according to Art.II.17 of the grant agreement?
If yes, please mention the amount (in €)

No

3. Declaration of interest yielded by the pre-financing (to be completed only by the coordinator)

Did the pre-financing you received generate any interest according to Art.II.19?
If yes, please mention the amount (in €)

No

4. Certificate on the methodology

Do you declare average personnel costs according to Art.II.14.1?

No

Is there a certificate on the methodology provided by an independent auditor and accepted by the Commission according to Art.II.4.4?

No

Name of the auditor		Cost of the certificate (in €), if charged under this project	
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5. Certificate on the financial statements

Is there a certificate on the financial statements provided by an independent auditor attached to this financial statement according to Art.II.4.4?

No

Name of the auditor		Cost of the certificate (in €)	
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6. Beneficiary's declaration on their honour

We declare on our honour that:

- the costs declared above are directly related to the resources used to attain the objectives of the project and fall within the definition of eligible costs specified in Articles II.14 and II.15 of the grant agreement, and, if relevant, Annex III and article 7 (special clauses) of the grant agreement;
- the receipts declared above are the only financial transfers or contributions in kind, free of charge, from third parties and the only income generated by the project which could be considered as receipts according to Art.II.17 of the grant agreement;
- the interest declared above is the only interest yielded by the pre-financing which falls within the definition of Art.II.19 of the grant agreement;
- there is full supporting documentation to justify the information hereby declared. It will be made available at the request of the Joint Undertaking and in the event of an audit by the Joint Undertaking and/or by the Court of Auditors and/or their authorised representatives.

Beneficiary's Stamp	Name of the Person(s) Authorised to sign this Financial Statement [Authorised person]
	Date & signature

- The tool used to report/declare costs incurred and to claim the requested FCH JU contribution
- 1 per participant & per reporting period
- Filled in by each participant & submitted electronically via the Participant Portal/Force and as signed paper to the coordinator
- Pre-populated with reimbursement rate, PIC, ICM per entity & linked to the Use of Resources section
- Submitted both electronically and physically (signed originals) to the FCH JU by the coordinator

Information on how to access to the Participant Portal and use the financial reporting tool:

http://ec.europa.eu/research/participants/portal/ShowDoc/Participant+Portal/portal_content/help/use_of_resources.pdf



Form C cont'd

FP7 - Grant Agreement - Annex V - Article 171 of the Treaty

Form C - Financial Statement (to be filled in by each beneficiary)

Project nr.	[REDACTED]	Funding scheme	Article 171 of the Treaty
Project Acronym	[REDACTED]		
Period from	01/01/2010	Is this an adjustment to a previous statement?	No
To	30/06/2011		
Legal Name	[REDACTED]	Participant Identity Code	[REDACTED]
Organisation short Name	[REDACTED]	Beneficiary nr.	8
Funding % for RTD activities (A)	N/A	If flat rate for indirect costs, specify %	20.00

Pre-populated fields

- Data concerning the project, the participant No, PIC, ICM & the reporting period comes automatically.

1. Declaration of eligible costs/lump sum/flat rate/scale of unit (in €)

	Type of Activity				Total (A+B+C+D)
	RTD (A)	Demonstration (B)	Management (C)	Other (D)	
Personnel costs	0.00	0.00	0.00	0.00	0.00
Subcontracting	0.00	0.00	0.00	0.00	0.00
Other direct costs	0.00	0.00	0.00	0.00	0.00
Indirect costs	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00
Maximum JU contribution	0.00	0.00	0.00	0.00	0.00
Requested JU contribution					0.00

Fields to be completed

- Upon clicking on a {Direct Cost cell}, the USE OF RESOURCES dialog box appears asking for details about the costs incurred (asking for WP, cost type and units, amount & explanation on the cost.)

2. Declaration of receipts

Did you receive any financial transfers or contributions in kind, free of charge from third parties or did the project



The REQUESTED FCH Contribution

comes automatically as the MAX allowable contribution MODIFY as needed!!

Form C /Use of Resources

The screenshot shows a web browser window with the URL <https://webgate.ec.testa.eu/FormC/fp7/force/costStatement/viewCostStatement.acti...> and a browser tab titled "Form C Editor". The interface displays a "General" section with project details and a table for "Coordination / Support/Subcontracting".

General Information:

- Project Acronym: H2FC-LCA
- Contract No.: 256850
- Contract version: Grant (Proposal Version 1)
- Framework: FP7
- Funding Scheme: Article 171 of the Treaty
- Sub-Funding Scheme: Joint Technology Initiatives - Coordination and Support Action (FCH)
- Call Identifier: FCH-JU-2009-1
- Start Date (dd/mm/yyyy): 01/10/2010
- End Date (dd/mm/yyyy): 30/09/2011
- Reporting Period: no. 1 (from 01/10/2010 - to 30/09/2011)

Coordination / Support/Subcontracting Table:

	Cost	Explanation	Work Package
✘	0.00		
✘	0.00		
✘	0.00		
✘	0.00		
	0.00	TOTAL	

Summary Table:

Maximum JU Contribution	0.00	0.00	68174.40	3594.00	0.00	71768.40
Requested JU contribution						71768.40

2. Declaration of Receipts (in €)

Did you receive any financial transfers or contributions in kind, free of charge from third parties?
Or did the project generate any income which could be considered a receipt according to Art.II.17 of the grant agreement?

If yes, please mention the amount (in €)

3. Declaration of interest generated by the pre-financing (in €) (To be completed only by the coordinator)

Did the pre-financing you received generate any interest according to Art. II.19?

Pop-up Screen – pls enter costs & details as per WP, unit of measure, equipment and depreciation method, consumables, travels.....

Pls provide detailed cost breakdown to help FCH decide on acceptability of costs, save clarification delays, & facilitate payment.

Transitional period during which both SESAM narratives and FORCE pop-up screen can be used for USE of Resources reporting, - "Convert" Button available

Form C Formalities

Requested JU contribution 0.00

2. Declaration of receipts

Did you receive any financial transfers or contributions in kind, free of charge from third parties or did the project generate any income which could be considered a receipt according to Art.II. 17 of the grant agreement?
If yes, please mention the amount (in €)

No

3. Declaration of interest yielded by the pre-financing (to be completed only by the coordinator)

Did the pre-financing you received generate any interest according to Art.II. 19?
If yes, please mention the amount (in €)

No

4. Certificate on the methodology

Do you declare average personnel costs according to Art.II.14.1?
Is there a certificate on the methodology provided by an independent auditor and accepted by the Commission according to Art.II.4.4?

No
No

Name of the auditor	Cost of the certificate (in €), if charged under this project

5. Certificate on the financial statements

Is there a certificate on the financial statements provided by an independent auditor attached to this financial statement according to Art.II.4.4?

No

Name of the auditor	Cost of the certificate (in €)

6. Beneficiary's declaration on their honour

We declare on our honour that:

- the costs declared above are directly related to the resources used to attain the objectives of the project and fall within the definition of eligible costs specified in Articles II.14 and II.15 of the grant agreement, and, if relevant, Annex III and article 7 (special clauses) of the grant agreement;
- the receipts declared above are the only financial transfers or contributions in kind, free of charge, from third parties and the only income generated by the project which could be considered as receipts according to Art.II.17 of the grant agreement;
- the interest declared above is the only interest yielded by the pre-financing which falls within the definition of Art.II.19 of the grant agreement;
- there is full supporting documentation to justify the information hereby declared. It will be made available at the request of the Joint Undertaking and in the event of an audit by the Joint Undertaking and/or by the Court of Auditors and/or their authorised representatives.

Beneficiary's Stamp	Name of the Person(s) Authorised to sign this Financial Statement [Authorised person]
	Date & signature

Do not forget to declare the respective **receipts & interest!**

Do not forget to specify if **Average personnel costs** used – to be based on 1) CoM (Certificate on methodology (Form E), 2) CoMAV (Certificate on Methodology for Average personnel costs), or 3) NEW: by meeting the respective criteria as specified in Art.II.14.1.

Ensure that the Form C is signed by the **Authorised representative (AR)** or enclose a Delegation letter if signed by another person.

Date and stamp the Form C. Justify missing **stamp** - If no stamp used in normal business operations



Costs not Foreseen in GA

A3.1: Budget

Project number ¹ [redacted] Project acronym ² [redacted] Participant number in this project ¹⁰ 4 Participant short name ¹¹ [redacted]

One Form per Participant

Funding % for RTD/Innovation activities (A) ⁴⁰ 50.0 %

Direct costs ⁴¹

FCH JU Actual Indirect Cost ⁴²

FCH JU Flat Rate ⁴⁴

Legal entity is established in an ICPC ⁴⁵ and I shall use the lump sum funding method No

	Type of Activity				Total A+B+C+D
	RTD / Innovation (A)	Demonstration (B)	Management (C)	Other (D)	
Personnel costs	22,680.00	0.00	8,820.00	25,200.00	56,700.00
Subcontracting	0.00	0.00	0.00	948.00	948.00
Other direct costs	1,000.00	0.00	4,000.00	1,000.00	6,000.00
Direct costs	4,736.00	0.00	2,564.00	5,240.00	12,540.00
Indirect costs	28,416.00	0.00	15,384.00	32,388.00	76,188.00
Requested FCH JU contribution	14,208.00	0.00	10,307.00	21,065.00	45,580.00
Receipts					0.00

FP7 - Grant Agreement - Annex V - Article 171 of the Treaty

Form C - Financial Statement (to be filled in by each beneficiary)

Project nr.	[redacted]	Funding scheme	Article 171 of the Treaty
Project Acronym	[redacted]		
Period from	01/01/2011	Is this an adjustment to a previous statement?	No
To	30/06/2011		
Legal Name	[redacted]	Participant Identity Code	[redacted]
Organisation short Name	[redacted]	Beneficiary nr.	4
Funding % for RTD activities (A)	N/A	If flat rate for indirect costs, specify %	20.00

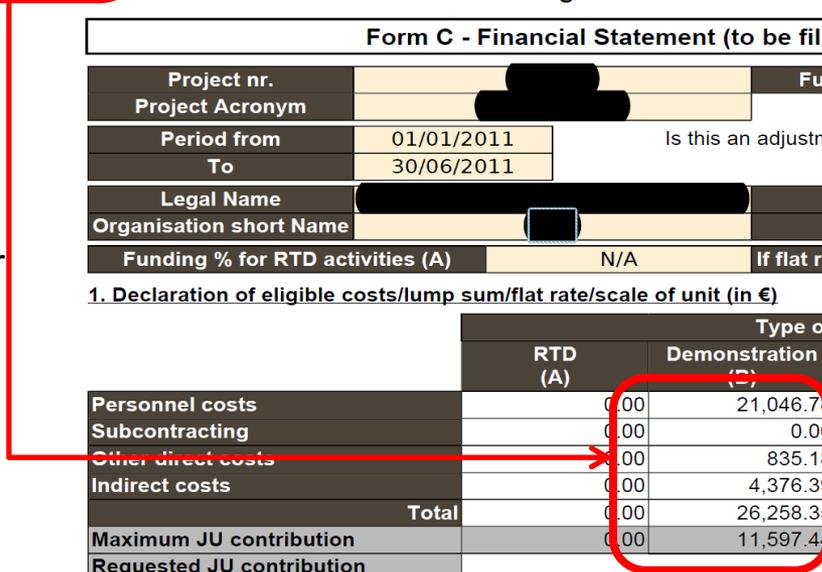
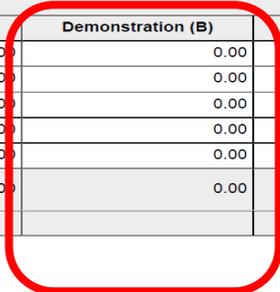
1. Declaration of eligible costs/lump sum/flat rate/scale of unit (in €)

	Type of Activity				Total (A+B+C+D)
	RTD (A)	Demonstration (B)	Management (C)	Other (D)	
Personnel costs	0.00	21,046.70	2,088.08	0.00	23,134.78
Subcontracting	0.00	0.00	0.00	0.00	0.00
Other direct costs	0.00	835.10	0.00	0.00	835.10
Indirect costs	0.00	4,376.30	417.62	0.00	4,793.92
Total	0.00	26,258.10	2,505.70	0.00	28,763.80
Maximum JU contribution	0.00	11,597.40	1,816.63	0.00	13,414.03
Requested JU contribution					13,414.03



Costs declared were not foreseen in the original GA

- either not planned at all, or
- not mentioned under the specific type of Activity,
- or the type of Cost !



Costs not Foreseen in GA

A3.1: Budget

Project number ¹	Project acronym ²	Participant number in this project ¹⁰	4	Participant short name ¹¹
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One Form per Participant

Funding % for RTD/Innovation activities (A) ⁴⁰	50.0 %
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Indirect costs ⁴¹

FCH JU Actual Indirect Cost ⁴²

FCH JU Flat Rate ⁴⁴

My legal entity is established in an ICPC ⁴⁶ and I shall use the lump sum funding method No

	Type of Activity				Total A+B+C+D
	RTD / Innovation (A)	Demonstration (B)	Management (C)	Other (D)	
Personnel costs	22,680.00	0.00	8,820.00	25,200.00	56,700.00
Subcontracting	0.00	0.00	0.00	948.00	948.00
Other direct costs	1,000.00	0.00	4,000.00	1,000.00	6,000.00
Indirect costs	4,736.00	0.00	2,564.00	5,240.00	12,540.00
Total costs	28,416.00	0.00	15,384.00	32,388.00	76,188.00
Requested FCH JU contribution	14,208.00	0.00	10,307.00	21,065.00	45,580.00
Receipts					0.00



Costs declared NOT foreseen in the GA – NOT planned at all :

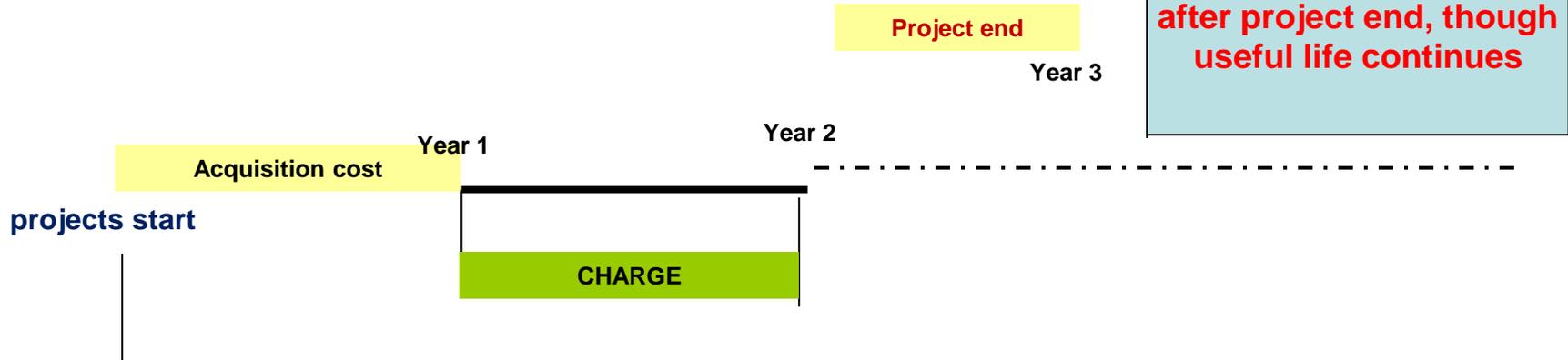
- **MNGT costs of beneficiary 2,**

- **or subcontractors** should have been identified in the Description of Work as defined in Annex I of the FCH JU FP7 GA.

IF Not foreseen, a proper Justification should be provided to allow FCH Judge is costs needed & acceptable.

Depreciation

- Do not charge the full cost at 100% of equipment at acquisition
- Depreciate durable equipment over its useful life
- Spread the cost over the duration of the project
- Do not charge any residual values after project end.



Depreciation Cont'd.

- Can depreciation costs for equipment used for the project but bought before the start of the project be eligible?

- If the equipment has not yet been fully depreciated according to the usual management and accounting practices of the beneficiary, the remaining depreciation (considering the amount of use for the project in percentage of use and time of use) can be eligible under the project.
- *E.g. equipment bought in 01/2005, depreciation period of 48 months as per beneficiary accounting practices. If a GA is signed in Jan. 2007, & equipment is used for this FCH GA, the beneficiary can declare the depreciation incurred under the GA for the remaining 24 months in proportion of the allocation of the equipment to the project.*
- **Basic Formula Depreciation = A (Months/ years project use) * Cost * % project use**

 B (years of useful life of that type of equipment)

VAT & Discounts

- VAT may be present in direct costs, sub-contracting, ODC, IC ... 
- VAT is usually considered as a cost by the beneficiary's accounting
- **VAT**, whether recoverable or not, is ineligible for FCH claims.
- Please ensure that VAT is always excluded from all FCH /FP7 cost claims
- VAT is often forgotten in small purchases – tickets, logistics, consumables
- **Discounts** to be treated similarly – whenever available they shall be deducted.

Common Issues on Costs Eligibility

Basic Rule: All costs claimed should be based on the actual costs incurred:

- Costs **must be supported** by proper documentation available at the beneficiary – to be kept for 5 years after end of project
- Costs **must be linked** to the specific project –
- Costs reported **shall NOT be the budgeted, or estimated amounts** – they should be actual costs, or at minimum shall be based on the latest information available, and later adjusted based on real costs.
- **Shall be incurred during the specific reporting period** – if covering a longer period shall be pro-rated for the reporting one.
- In a nutshell  shall be **eligible** -



Costs NOT Related to the Specific Project

					A 3.1:	
					What # costs	
Project nu	123567	Project acronym	ABCDEF	Participant No	?	WWW
One Form per Participant						
Funding for RTD/In	50%					
Funding for Demor	33%					
Funding for Other	75%					
Indirect costs	Flat rate	20%	(Universities & Research)			YES
Type of Activity						
	RTD activities [A]	Demonstration [B]	Management [C]	Other [D]	Total A+B+C	
Personnel costs	145000	0	35000	1000	180000	
Subcontracting	8700	0	2000	750	10700	
Other direct costs	93500	0	4500	0	98000	
Indirect costs	47700	0	7900	2000	55600	
Total costs	294900	0	49400	3000	344300	
Requested FCH JU co	171300	0	39025	950	210325	

1.6	Personnel direct costs	107941.89	1 senior reseracher, 1 lab technician, and 2 assistants
1.2	Travel & subsistence	25000	Project meetings Procurement Course EU Coordinator's workshop
1.5	Consumable	15000	Consumables
	Subcontracting	3000	Annual Audit
	Equipment costs	28656.25	voltage monitoring system, computer, water and gas pumps

JOINT UNDERTAKING - Grant Agreement - Annex V - Collaborative Pro					
Form C - Financial Statement (to be filled in by each beneficiary)					
Funding % for RTD activities (A)	50%	Flat rate for indirect costs	20%	20% of direct	
Funding % for Demonstration activities (B)	33%	Actual indirect costs		maximum of 20% of direct	
Funding % for management activities (C)	75%				
Funding % for other activities (D)	75%				
1- Declaration of eligible costs/flate-rate/scale of unit (in €)					
	Type of Activity				
	RTD (A)	Demonstration (B)	Management (C)	Other (D)	TOTAL (A+B+D)
Personnel costs	97941.89		10000		107941.89
Subcontracting			3000		3000
Other direct costs	60656.25		8000		68656.25
Indirect costs	31719.628		4500		36219.628
Total	190317.768	0	25500	0	215817.768
Maximum FCH JU contribution	111018.7	0	19350	0	130368.698
Requested FCH JU contribution					111018.70

Budgeted & Reported seemingly Ok, but at reviewing the Use of Resources section we find costs not related to the project – Procurement course

RESEARCH & INNOVATION

Participant Portal - Grant Management - Financial Reporting

RTD/Other direct costs			
Cost	Category	Explanation	Work Package
15000.00	consumables	consumables	1,1
26000.00	traveling	conferences & seminars	3.4
10000.00	durable equipment		3.2
11500.00	other		
4532.00	computing		
67032.00	TOTAL		

Invalid work package!
None or multiple work packages are allowed separated by comma
(eg. 1,2,3)

Clear All
Done

Eligible costs (in €)	RTD (A)	Demonstration (B)	Management (C)	Other (D)	+(C)+(D)
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Personnel costs					0.00
Subcontracting					0.00
Other direct costs					0.00

CHIC
Amendment No. 2 (Pr
Article 171 of the Trea
FCH-JU-2009-1
/yyyy) : 01/04/2010
no. 1 (from 01/04/2010 - to 31
Name
EURO KEYS
EuroKeys
eligible costs/lump sum/flat

collaborative Project (FCH)
986198031
6
Standard Flat Rate
20

HYDROSOL-3D

Information Letter No. 1 (Proposal Version 2)

Article 171 of the Treaty

FCH-JU-2008-1

Contract No :

245224

Framework :

FP7

Sub-Funding Scheme :

Joint Technology Initiatives - Collaborative Project (F

/yyyy) : 01/01/2010

no. 1 (from 01/01/2010 - to 30

Name

DEUTSCHES

DLR

999981731

2

Actual Indirect Co

Eligible costs/lump sum/flate

RTD/Other direct costs			
Cost	Category	Explanation	Work Package
✗ 14367.00	consumables	hardware, gases, fitting, seals, pumps, support structures, cables, etc to run the experiments in the lab, solar simulator and at the	2,3,4
✗ 6020.00	traveling	kick-off meeting (Bru), status update mtgs, Almeria, tech meeting Arnhem, Paris, conference and fair presentations - Essen,	2,3,4
✗ 18515.00	other	176 hours of experimental hours	
38902.00	TOTAL		

Eligible costs (in €)	Type of activities				Total (E)=(A)+(B)+(C)+(D)
	RTD (A)	Demonstration (B)	Management (C)	Other (D)	
Personnel costs	117125.15		4147.20		121272.35
Subcontracting					0.00
Other direct costs	14373.02		1142.60		15515.62

Costs not Sufficiently Substantiated

1.6	Personnel direct costs	107941.89	1 senior reseracher, 1 lab technician, and 2 assistants
1.2	Travel & subsistence	25000	Project meetings Procurement Course EU Coordinator's workshop
1.5	Consumable	15000	Consumables
	Subcontracting	3000	Annual Audit
	Equipment costs	28656.25	voltage monitoring system, computer, water and gas pumps

Missing details => preclude us to decide on the eligibility of costs so clarifications requested:

- Personnel – **Man/months** ?
- **Travel & Subsistence** - estimates ?
- **Procurement Course & Coordinator's workshop** - **project-related** ?
- Details on consumables + Estimate?
- Depreciation method on Equipment?
- **Wrong detail** – CFS or Annual audit

Other issues identified

- Different start date than the GA – costs shall be incurred during the respective reporting period as defined by the GA to be eligible.
- Different reporting period – 20 months instead of 18.
- Different treatment of the same costs – consultants to be treated as personnel, or sub-contracting (more in next slide....) – even become a full-rights beneficiary
- Wrong reporting under previous periods – to be clarified & an adjustments Form C to be prepared & submitted.
- Indirect costs reported at exactly 20% of direct costs in cases of Actual ICM – questioned and corrected as needed.

Consultants

- personnel or sub-contract

Personnel costs regardless if self-employed or employed by a third party, if the following **cumulative** criteria are fulfilled

- Beneficiary has a contract with s.o. to work on tasks under the FCH project;
- He/She must work under instructions & at the premises of the Beneficiary
- The result of the work belongs to the Beneficiary (Article II.26 of FCH GA)
- Costs of employing the consultant are not significantly different from a staffer.
- Remuneration is based on working hours rather than on the delivering of specific outputs/products and should be recorded in the accounts of Beneficiary.
- Travel and subsistence costs of consultant to be paid directly by beneficiary to be eligible

Subcontract if hiring consultants to perform part of the work & the conditions of Art. II.7 of FCH JU GA are fulfilled:

- Sub-contracting agreement based on business conditions w/ profit included
- Sub-contractors do not have any IPR or ownership rights on the deliverables
- Do not usually work on the premises of the beneficiary and is not under the direct instruction /hierarchical supervision by Beneficiary
- Remuneration based on the delivering of specific outputs/products rather than on working hours
- Sub-contracting between beneficiaries of the GA is not allowed.

Issues in CFS (Form D)

- Wrong Format – Form E (on methodology) instead of Form D ---- Pls NOTE the revised format since June 2012
- Prevailing error - Incomplete CFS (do not include the 3 required parts)- the counter-signed ToR, the Independent Report on factual Findings, the table of procedures –.
- Not counter - signed by Beneficiary and Auditor
- Difference in wording / format / language.
- Audit Procedures for Indirect costs NOT clearly specified
- Discrepancies between costs declared by beneficiary & certified by Auditor, receipts declared and certified, interest reported & declared –
- Exceptions reported not further investigated re: prior periods/ audits
- - VAT and taxes identifies but not quantified
- - costs not substantiated (personnel without timesheets – but not quantified)