

Framework Programme 7 Reporting and Reviews

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17 February 2009**



Overview

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 - Cost reporting
 - @participant level
 - @consortium level
 - Reporting using NEF (“Negotiation Facility”)
 - Certificates of Financial Statement (CFS)
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Reporting requirements

- During the project – including the last reporting period
 - Periodic report (within 60 days of the end of each reporting period defined in Article 4) including certificates – if needed
 - Deliverables identified in Annex I
- End of the project (within 60 days after the end of the project)
 - Publishable summary report, conclusions and socio-economic impact, covering wider societal implications and a plan on use and dissemination of foreground
- After receiving the final EC payment (within 30 days)
 - Report on the distribution of the EC financial contribution between beneficiaries



Reporting requirements

- Periodic report comprises*:
 - Self declaration by the coordinator (NEW!)
 - Publishable summary
 - Project objectives
 - Progress of work and achievements
 - Deliverables and milestones tables
 - Project management
 - Explanation of the use of the resources
 - Financial statements (Form C) and Summary financial report
 - Certificates, if needed

* See FP7 Guidance notes on project reporting



Cost reporting @participant level

Form C- Costs

- Costs – for all beneficiaries including third parties
 - Direct costs
 - Personnel
 - Subcontracting
 - Other direct costs (travel, durable equipment, consumables, ...)
 - Indirect costs – depending on Indirect Cost Model (ICM)
- Maximum Community contribution
- Requested Community contribution
- Receipts
- Interest – only by coordinator
- Certification, if needed



Cost reporting @participant level

Form C – Personnel

- Persons for whom costs are claimed
 - Must be directly hired
 - Work on the sole technical supervision and responsibility of the beneficiary
 - Be remunerated in accordance with the normal practices of the beneficiary
- Only the cost of the actual hours worked by the persons directly carrying out work under the project. Hence need for a reliable time recording for reconciliation of
 - Total hours where personnel works on several projects during the same period AND
 - Activity because of different reimbursement rates
- Beneficiaries may opt to declare average personnel costs if based on a certified methodology approved by the Commission and provided average personnel costs do not significantly differ from actual personnel costs



Cost reporting @participant level

Form C – Subcontracting

- Subcontracts may only cover the execution of a limited part of the work
- Recourse must be duly justified in Annex I
- Recourse to subcontracts may not affect rights and obligations of the beneficiaries regarding background and foreground
- Annex I must indicate the tasks to be subcontracted and an estimation of the costs



Cost reporting @consortium level

Submission of periodic report

- Reports and other deliverables to be submitted to the Commission by electronic means
- However, originals of signed financial statement (Form C), certificates and self declaration of the coordinator shall be sent to the Commission by post



Cost reporting @consortium level

Self declaration states:

- The periodic report is an accurate description of the work carried out for this reporting period
- The project (tick as appropriate)
 - Has achieved its objectives and technical goals for the period;
 - Has achieved most of its objectives and the technical goals for the project with relatively minor deviations
 - Has failed to achieve critical objectives and/or is not at all on schedule
- The public web site is up to date
- To the best of my knowledge, the financial statements are consistent with the report on the resources used for the project

Signature of Coordinator:

Periodic reporting using NEF

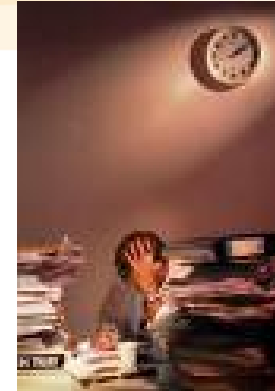


Periodic reporting using NEF

Periodic report template	DG INFSO upload NEF
Self declaration	Self declaration
1. Publishable summary	Publishable summary
2. Project objectives for the period 3. Work progress and achievements during the period 4. Deliverables and milestones tables	'Progress'
5. Project management 6. Explanation of the use of the resources	'Management'
7. Financial statements – Forms C and summary financial report 8. Certificates – if needed	

Certificates of Financial Statement

- Certificate on the **financial statement**
- Certificate on the Methodology for **personnel and indirect costs**
- Certificate on the Methodology for **average personnel costs**



- Independent qualified auditor performs "*agreed upon procedures*" (IFAC) and provides **report on factual findings**

Certificates of Financial Statement

Types of Certification in FP7

- Certification on the Financial Statements (CFS)
 - Verification of costs and receipts (see Form D of the grant agreement)
- Certification on the Methodology
 - Verification of systems (see Form E of the grant agreement)
 - for Personnel & Overheads (CoM)
 - for Average Personnel Costs (if average system applied by the beneficiary) (CoMAv)



Certificates of Financial Statement

Periodicity of the submission of certificates

- Certificate on the Financial Statements (CFS)
 - Requested EC contribution (cumulative) < 375.000€:
 - > No CFS to be submitted (not even at the end of the project)
 - Requested EC contribution (cumulative) ≥ 375.000€:
 - > Certificate on the Financial Statements has to be submitted:
 - CFS every time ≥ 375.000 € (except for a project with a duration of 2 years or less – in this case only one CFS needs to be submitted at final payment stage)
 - If Certificate on the Methodology (CoM) accepted by the Commission: no interim CFS but only at the end of the project
 - For beneficiaries with costs incurred but without EC contribution no CFS is required



Certificates of Financial Statement

Example : Beneficiary WITHOUT CoM for Personnel and Indirect Costs

- Year 1 EC contribution= 185.000€: No CFS because $<375.000€$
- Year 2 EC contribution= 200.000€: CFS to be submitted
(since $185.000€+200.000€ \geq 375.000€$)
- Year 3 EC contribution= 350.000: No CFS because $<375.000€$

	Year 1	Year 2	Final Period
EC Contribution	185.000 €	200.000 €	350.000 €
Contribution accumulated not covered by CFS	185.000 €	385.000 €	350.000 €
CFS Mandatory	NO	YES	NO
	(<375.000 €)	(≥375.000 €)	(<375.000 €)

Certificates of Financial Statement Procedures for the CFS - excerpt

- Personnel cost
 - Recalculate the hourly rate for personnel based on
 - Actual payroll information and productive hours
 - Describe time recording
 - Description of the time-recording system and individual timesheets
 - Employment status and employment conditions
 - Specific employment contracts for researchers in question as well as standard employment contracts
 - Use of averages
 - Most up to date classification grid



Certificates of Financial Statement Procedures for the CFS - excerpt

- Subcontracting
 - Matching with Annex I
 - Contracts signed with 3rd party
 - Award procedure
 - Report which describes how the offers were obtained and assessed
- Other Direct costs
 - Travel cost and consumables correctly identified and allocated to the project
 - Extracts from the accounting records together with original invoices including company policy on travel costs
- Indirect costs
 - Review detailed breakdown of indirect costs
 - Details on the calculation together with a sufficient narrative description of the methodology
 - Assess use of simplified method



Controls and audits

Introduction

- Financial audits and controls (see Art. II.22)
 - At any time during the implementation of the project and up to five years after the end of the project by external auditors or by the Commission services including OLAF
 - The European Court of Auditors has the same rights as the Commission
- Technical audits and reviews (see Art. II.23)
 - At any time during the implementation of the project and up to five years after the end of the project. The Commission may be assisted by external scientific or technological experts



Controls and audits

Approval of reports and deliverables

- At end of each reporting period the Commission has 105 days of their receipt to evaluate reports and deliverables and make the corresponding payment
 - No tacit approval of reports
 - EC will pay interest on late payment
- Payment is made after approval of reports and deliverables
- After reception of the reports the Commission may:
 - Approve the reports and deliverables
 - Reject the reports and deliverables
 - Suspend the time limit for approval
 - Suspend the payment in whole or in part



Controls and audits

Project technical reviews

- General principles
 - Aim is to assess the work carried out under the project over a certain period
 - The Commission may be assisted by external experts (reviewers) who give recommendations to the Commission
 - The final decision is taken only by the Commission. The consolidated experts' review report is communicated to the project



Controls and audits

Review objectives

- Degree of fulfilment of the project work plan
- Continued relevance of the objectives
- Resources planned and utilised in relation to the achieved progress
- Management procedures
- Beneficiaries' contributions and integration within the project
- Expected potential impact and plans for the use and dissemination of results



Controls and audits

Review material

- Annex I (contractual Description of Work)
- Progress report for the period under review
- Deliverables necessary for the assessment of the work, due in this period, according to the deliverable table in Annex I
- For a final technical review, the following additional documents should also be part of the material to review:
 - The final publishable summary report
 - Report on wider societal implications (incl. ethics, gender, awareness spreading) as well as the plan for the use and dissemination of foreground



Concluding comments

- When reporting, think of finishing touches which signal quality work
 - Clear language
 - Well organised content
 - Useful and understandable diagrams
 - No typos, no inconsistencies, no obvious paste-ins, no numbers that do not add up, no visible annotations or screwed-up diagrams, no missing pages, ...



Concluding comments

- When reporting, make it easy for you, your partners, the Commission and the reviewers to positively review your work
 - Make sure you submit the latest, complete version of your reports
 - Do not write too little; cover what is requested
 - Do not write too much; be precise
 - Leave nothing to the imagination; report on what went well and what when wrong, if the latter gives reasons and provide remedies
 - Properly reference any material you use

