



The EU Framework Programme  
for Research and Innovation

# HORIZON 2020



## H2020 Programme

### Mono-Partner Model Specific Agreement

for Framework Partnerships

(H2020 SGA — Mono)

Version 5.0  
18 October 2017

#### Disclaimer

This document is aimed at assisting applicants for Horizon 2020 funding. It shows the full range of provisions that may be applied to this type of grant agreement, and is provided for information purposes only. The legally binding grant agreement will be that which is signed by the parties for each action.

<b>HISTORY OF CHANGES</b>		
<b>Version</b>	<b>Publication date</b>	<b>Changes</b>
1.0	11.12.2013	<ul style="list-style-type: none"> <li>▪ Not applicable</li> </ul>
<a href="#">2.0</a> & <a href="#">2.1</a>	01.10.2014 01.10.2015	<ul style="list-style-type: none"> <li>▪ Initial version, also including the following provision to the model specific agreement for framework partnerships:                             <ul style="list-style-type: none"> <li>– Article 16.6 “Currency for financial statements and conversion into euro” in order to allow partners with accounts in other currencies than euro to convert into euro all costs incurred independently of the currency in which they were incurred (similar to FP7 projects);</li> <li>– Article 17.2 “Pre-financing payment – Amount – Amount retained for the Guarantee Fund” in order to give the possibility to the consortium to receive the pre-financing payment at an earlier date, namely 10 days prior to the starting date of the action.</li> </ul> </li> <li>▪ Other minor drafting changes and corrections of clerical mistakes can be viewed in a <a href="#">version with tracked changes</a>.</li> </ul>
<a href="#">3.0</a>	20.07.2016	<ul style="list-style-type: none"> <li>▪ The main changes compared to version 2.1 of the model grant agreement are as follows:                             <ul style="list-style-type: none"> <li>– Article 5.2.A ‘<i>Direct personnel costs</i>’ to take into account to a larger extent the usual cost accounting practices of the beneficiaries by allowing them to calculate the hourly rate not only per full financial year but also per month.</li> <li>– Article 16.3 ‘<i>Period reports – Requests for interim payment</i>’ : the technical report submitted by the coordinator must also indicate the communication activities.</li> </ul> </li> <li>Other minor drafting changes and corrections of clerical mistakes can be viewed in a <a href="#">version with tracked changes</a>.</li> </ul>
<a href="#">4.0</a>	27.02.2017	<ul style="list-style-type: none"> <li>▪ The main changes compared to version 3.0 of the model grant agreement are under:                             <ul style="list-style-type: none"> <li>– Article 5.2.A “Direct personnel costs”</li> <li>– Article 5.2.A.2 ‘Personnel costs for natural persons working under a direct contract with the beneficiary’</li> <li>– Article 5.2.D.5 ‘Direct costs internally invoiced’</li> <li>– Article 5.2.E ‘Indirect costs’</li> <li>– New Article 12a ‘Implementation of action tasks by international partners’</li> </ul> </li> <li>▪ Other minor drafting changes and corrections of clerical mistakes can be viewed in a <a href="#">version with tracked changes</a>.</li> </ul>
5.0	18.10.2017	<ul style="list-style-type: none"> <li>▪ The main changes compared to version 4.0 of the model grant agreement are under:                             <ul style="list-style-type: none"> <li>– Article 18.2.2 ‘Open access to research data’ to provide for third party access to research data in health actions in cases of public health emergencies;</li> </ul> </li> <li>▪ Other minor drafting changes and corrections of clerical mistakes</li> </ul>

Specific Agreement number: [insert number] [insert acronym] [insert call identifier]

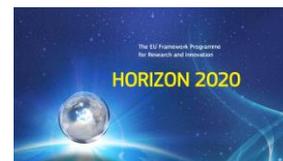
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		can be viewed in a <a href="#">version with tracked changes</a> .
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EUROPEAN COMMISSION  
DG/EXECUTIVE AGENCY

[Directorate]  
[Unit][Director]



## MODEL SPECIFIC AGREEMENT THE HORIZON 2020 PROGRAMME<sup>1</sup> (H2020 SGA — MONO)

**⚠** This model is made for RIA, IA and CSA actions only (i.e. the actions that normally use the General MGA). It would have to be further adapted for ERANET, PCP-PPI, EJP, ERC, MSC and SME Instrument actions.

- Footnotes blue will not appear in the text generated by the IT system for signature ((since they are internal instructions only).
- Text in grey indicates that text which appears in the H2020 SGA — Multi does not apply in this agreement.
- For options [*in italics, in square brackets*]: the applicable option must be chosen in the IT system. Options not chosen will automatically either not appear or appear as ‘not applicable’. Options chosen will appear *in italics* without brackets and without the Option title (to allow beneficiaries to easily spot that a specific rule applies).
- For fields in [grey in square brackets] (even if they are part of an option as specified in the previous item): enter the appropriate data in the IT system.
- The IT system will generate a data sheet confirming the options chosen and the data entered.
- Annexes:  
Some Annexes come from the General MGA (see Annexes 3a – Declaration on joint and several liability of linked third parties, 5 – Model for the certificate on the financial statements and 6 – Model for the certificate on the methodology, but have been adapted to the specific needs of the FPA and SGA.  
Any references in those Annexes ‘beneficiary’ must be read as ‘partner’.

### SPECIFIC AGREEMENT

NUMBER [insert number] — [insert acronym]

This ‘Specific Agreement’ is between the following parties:

**on the one part,**

*[OPTION 1: the European Union (‘the EU’), represented by the European Commission (‘the Commission’)]<sup>2</sup>,*

<sup>1</sup> Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) (‘**H2020 Framework Programme Regulation No 1291/2013**’) (OJ L 347, 20.12.2013 p.104).

<sup>2</sup> Text in *italics* shows the options of the Model Grant Agreement that are applicable to this Agreement.

Specific Agreement number: [insert number] [insert acronym] [insert call identifier]

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**[OPTION 2: the European Atomic Energy Community ('Euratom'), represented by the European Commission ('the Commission')<sup>3</sup>,]**

**[OPTION 3: the [Research Executive Agency (REA)] [European Research Council Executive Agency (ERCEA)] [Innovation and Networks Executive Agency (INEA)] [Executive Agency for Small and Medium-sized Enterprises (EASME)] ('the Agency'), under the powers delegated by the European Commission ('the Commission')<sup>4</sup>,]**

represented for the purposes of signature of this Specific Agreement by [[function, [Directorate-General, Directorate, Unit] [Department]], [forename and surname],<sup>5</sup>

**and**

**on the other part,**

'the partner':

**[full official name (short name)],** established in [official address in full], **[OPTION for partners with VAT: VAT number [insert number],] [OPTION for partners not receiving EU funding: as 'partner not receiving EU funding' (see Article 7),]** represented for the purposes of signing the Specific Agreement by [function, forename and surname]

By entering into the Specific Agreement, the partner accepts the grant and agrees to implement the specific action under its own responsibility and in accordance with the Framework Partnership Agreement and this Specific Agreement, with all the obligations and conditions they set out.

The Specific Agreement is composed of:

Terms and Conditions

- |         |   |
|---------|---|
| Annex 1 | Description of the action                             |
| Annex 2 | Estimated budget for the action                       |
|         | 2a Additional information on the estimated budget     |
| Annex 3 | Model for the financial statements                    |
| Annex 4 | Model for the certificate on the financial statements |

<sup>3</sup> Text in *italics* shows the options of the Model Grant Agreement that are applicable to this Agreement.

<sup>4</sup> Text in *italics* shows the options of the Model Grant Agreement that are applicable to this Agreement.

<sup>5</sup> The person representing the Commission/Agency must be an authorising officer (by delegation or sub-delegation) designated in accordance with document 60008 of 22.2.2001 'Mise en place de la Charte des ordonnateurs'.

**TERMS AND CONDITIONS**

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## **CHAPTER 1 GENERAL**

### **ARTICLE 1 — SUBJECT OF THE AGREEMENT**

This Agreement sets out the specific terms and conditions and rights and obligations applicable to the specific grant awarded to the partner for implementing a specific action under the Framework Partnership Agreement No [insert number] [insert acronym] (**‘Framework Partnership Agreement (FPA)’**)

## **CHAPTER 2 ACTION**

### **ARTICLE 2 — ACTION TO BE IMPLEMENTED**

The specific action to be implemented is entitled **[insert title of the action in bold]** — **[insert acronym]** (**‘action’**) and is described in Annex 1.

*[OPTION for complementary grants if foreseen in the work programme: The grant is a ‘complementary grant’ to [the grant agreement(s) under the call(s) for proposals [call identifier(s): H2020 — theme —]] [the following complementary grant agreement(s) No(s):*

- [insert number] [insert acronym]
- [insert number] [insert acronym]].]

*[OPTION for joint actions (joint call with third country or an International Organization): The action is a ‘jointly funded action’ which must be coordinated with the ‘joint action’ called [insert the name of the third country or International organization action], as described in Annex 1.]*

### **ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION**

The duration of the specific action will be **[insert number] months** as of *[OPTION 1 by default: the first day of the month following the date the Specific Agreement enters into force (see Article 21)] [OPTION 2 if needed for the action: [insert date]]*<sup>6</sup> (**‘starting date of the action’**).

## **CHAPTER 3 SPECIFIC GRANT**

### **ARTICLE 4 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATES AND FORMS OF COSTS**

#### **4.1 Maximum grant amount**

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<sup>6</sup> This date must be the first day of a month and it must be later than the date of entry into force of the Agreement, unless authorised otherwise by the authorising officer, if the applicant can demonstrate the need to start the action before the entry into force of the Specific Agreement or the need to start the action on another day than the first day of the month. In any case, the starting date should not be earlier than the date of the submission of the application for the specific grant (Article 130 FR).

The ‘**maximum grant amount**’ for the specific grant is EUR [insert amount (insert amount in words)].

#### 4.2 Form of grant, reimbursement rates and forms of costs

The grant reimburses [OPTION 1 for research and innovation actions (RIA): 100 % of the action’s eligible costs] [OPTION 2 for innovation actions (IA)<sup>7</sup>, [100% of the eligible costs for the partner [or its linked third parties<sup>8</sup>][is a non-profit legal entity<sup>9</sup>] [are non-profit legal entities]] [and] [70% of the eligible costs if the partner [or its linked third parties][is a profit legal entity][are profit legal entities]]] [OPTION 3 for exceptional cases, if foreseen in the work programme: [OPTION A for RIA: [...%] of the action’s eligible costs] ][OPTION B for IA: [...%] of the eligible costs if the partner [or its linked third parties][is a non-profit legal entity<sup>10</sup>][are non-profit legal entities]] [and] [...%] of the eligible costs if the partner [or its linked third parties][is a profit legal entity] [are profit legal entities]]] (see Article 5) (‘**reimbursement of eligible costs grant**’) (see Annex 2).

The estimated eligible costs of the action are EUR [insert amount (insert amount in words)].

Eligible costs (see Article 5) must be declared under the following forms (‘**forms of costs**’):

- (a) for **direct personnel costs** [(excluding direct personnel costs covered by the unit cost/lump sum] under Point (f))<sup>11</sup>:
- as actually incurred costs (‘**actual costs**’) or
  - on the basis of an amount per unit calculated by the partner in accordance with its usual cost accounting practices (‘**unit costs**’).

Personnel costs for **SME owners** or if the **partner is a natural person** not receiving a salary (see Points A4 and A5 of Article 5.2) must be declared on the basis of the amount per unit set out in Annex 2a (**unit costs**);

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<sup>7</sup> For the definition, see Article 2.1(6) of 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)” (‘**Rules for Participation Regulation No 1290/2013**’) (OJ L 347, 20.12.2013 p.81): ‘**innovation action**’ means an action primarily consisting of activities directly aiming at producing plans and arrangements or designs for new, altered or improved products, processes or services. For this purpose they may include prototyping, testing, demonstrating, piloting, large-scale product validation and market replication.

<sup>8</sup> For the definition, see Article 2.1(14) of the Rules for Participation Regulation (EU) No 1290/2013: ‘**non-profit legal entity**’ means a legal entity which by its legal form is non-profit-making or which has a legal or statutory obligation not to distribute profits to its shareholders or individual members.

<sup>9</sup> For the definition, see Article 2.1(14) of the Rules for Participation Regulation (EU) No 1290/2013: ‘**non-profit legal entity**’ means a legal entity which by its legal form is non-profit-making or which has a legal or statutory obligation not to distribute profits to its shareholders or individual members.

<sup>10</sup> For the definition, see Article 2.1(14) of the Rules for Participation Regulation (EU) No 1290/2013: ‘**non-profit legal entity**’ means a legal entity which by its legal form is non-profit-making or which has a legal or statutory obligation not to distribute profits to its shareholders or individual members.

<sup>11</sup> To be used only if option in Point (f) is used.

- (b) for **direct costs of subcontracting** [(excluding subcontracting costs covered by the unit cost[/lump sum] under Point (f))<sup>12</sup>]: as actually incurred costs (**actual costs**);
- (c) for **direct costs of providing financial support to third parties** [(excluding costs of financial support covered by the unit cost[/lump sum] under Point (f))]<sup>13</sup>: [**OPTION 1 to be used if Article 13 applies**: as actually incurred costs (**actual costs**);][**OPTION 2**: not applicable;]
- (d) for **other direct costs** [(excluding other costs covered by the unit cost[/lump sum] under Point (f))]<sup>14</sup>:
- for costs of internally invoiced goods and services: on the basis of an amount per unit calculated by the partner in accordance with its usual cost accounting practices (**unit costs**);
  - for all other costs: as actually incurred costs (**actual costs**);
- (e) for **indirect costs** [(excluding indirect costs covered by the unit cost[/lump sum] under Point (f))]<sup>15</sup>: on the basis of a flat-rate applied as set out in Article 6.2, Point E (**flat-rate costs**);
- (f) [**OPTION 1a for specific unit costs (if unit cost foreseen by Commission decision and applicable to the grant)**: for [insert name of specific cost category(ies)]<sup>16</sup>]: on the basis of the amount(s) per unit set out in Annex 2a<sup>17</sup> (**unit costs**).]

*[OPTION 1b for specific lump sum costs (if lump sum foreseen by Commission decision and applicable to the grant): for [insert name of specific cost category(ies)]: as the lump sum set out in Annex 2 ('lump sum costs').]*

*[OPTION 2: specific cost category(ies): not applicable.]*

## ARTICLE 5 — ELIGIBLE AND INELIGIBLE COSTS

### 5.1 General conditions for costs to be eligible

‘**Eligible costs**’ are costs that meet the following criteria:

- (a) for **actual costs**:
- (i) they must be actually incurred by the partner;

<sup>12</sup> To be used only if option in Point (f) is used.

<sup>13</sup> To be used only if option in Point (f) is used.

<sup>14</sup> To be used only if option in Point (f) is used.

<sup>15</sup> To be used only if option in Point (f) is used

<sup>16</sup> Insert precise name of the costs (as in the Commission decision authorising the use of the unit cost/lump-sum). For example: ‘access costs for providing trans-national access to research infrastructures’, ‘costs for clinical studies’, ‘costs for energy efficiency measures in buildings’.

<sup>17</sup> Annex 2a must clearly show, for the partner (and each linked third party) concerned, all the parameters for the unit cost (i.e. the unit(s), the amount(s) per unit, the research installation/infrastructure for which it is used, the clinical study for which it is used, etc).

- (ii) they must be incurred in the period set out in Article 3, with the exception of costs relating to the submission of the periodic report for the last reporting period and the final report (see Article 16);
- (iii) they must be indicated in the estimated budget set out in Annex 2;
- (iv) they must be incurred in connection with the specific action as described in Annex 1 and necessary for its implementation;
- (v) they must be identifiable and verifiable, in particular recorded in the partner's accounts in accordance with the accounting standards applicable in the country where the partner is established and with the partner's usual cost accounting practices;
- (vi) they must comply with the applicable national law on taxes, labour and social security, and
- (vii) they must be reasonable, justified and must comply with the principle of sound financial management, in particular regarding economy and efficiency.

(b) for **unit costs**:

- (i) they must be calculated as follows:

{ amounts per unit set out in Annex 2a or calculated by the partner in accordance with its usual cost accounting practices (see Article 5.2, Point A and Article 5.2.D.5) }

multiplied by

{ the number of actual units };

- (ii) the number of actual units must comply with the following conditions:
  - the units must be actually used or produced in the period set out in Article 3;
  - the units must be necessary for implementing the specific action or produced by it, and
  - the number of units must be identifiable and verifiable, in particular supported by records and documentation (see Article 24 FPA);

(c) for **flat-rate costs**:

- (i) they must be calculated by applying the flat-rate set out in Annex 2, and
- (ii) the costs (actual costs or unit costs [*or lump-sum costs*]) to which the flat-rate is applied must comply with the conditions for eligibility set out in this Article[;][.]

(d) *[OPTION if lump sum foreseen in Article 4.2: for lump sum costs:*

- (i) *the eligible amount is equal to the amount set out in Annex 2, and*
- (ii) *the corresponding tasks or parts of the specific action must have been properly implemented in accordance with Annex 1.]*

## 5.2 Specific conditions for costs to be eligible

Costs are eligible if they comply with the general conditions (see above) and the specific conditions set out below for each of the following budget categories:

- A. direct personnel costs;
- B. direct costs of subcontracting;
- C. *[OPTION 1 to be used if Article 13 applies: direct costs of providing financial support to third parties;] [OPTION 2: not applicable;]*
- D. other direct costs;
- E. indirect costs;
- F. *[OPTION 1 for specific unit/[lump sum] costs: [insert name(s) of specific cost category(ies)]<sup>18</sup>][OPTION 2: not applicable].*

‘Direct costs’ are costs that are directly linked to the action implementation and can therefore be attributed to it directly. They must not include any indirect costs (see Point E below).

‘Indirect costs’ are costs that are not directly linked to the specific action implementation and therefore cannot be attributed directly to it.

### A. Direct personnel costs *[(not covered by Point F)]*

#### Types of eligible personnel costs

A.1 Personnel costs are eligible, if they are related to personnel working for the partner under an employment contract (or equivalent appointing act) and assigned to the action (**‘costs for employees (or equivalent)’**). They must be limited to salaries (including during parental leave), social security contributions, taxes and other costs included in the **remuneration**, if they arise from national law or the employment contract (or equivalent appointing act).

If the partner is a non-profit legal entity<sup>19</sup>, it may also declare as personnel costs **additional remuneration** for personnel assigned to the specific action (including payments on the basis of supplementary contracts regardless of their nature), if:

<sup>18</sup> Insert precise name of the cost category (as in the Commission decision authorising the use of the unit cost/lump sum). For example: ‘access costs for providing trans-national access to research infrastructure’, ‘costs for clinical studies’, ‘costs for energy efficiency measures in buildings’.

<sup>19</sup> For the definition, see Article 2.1(14) of the Rules for Participation Regulation No 1290/2013): ‘**non-profit legal entity**’ means a legal entity which by its legal form is non-profit-making or which has a legal or statutory obligation not to distribute profits to its shareholders or individual members.

- (a) it is part of the partner's usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required;
- (b) the criteria used to calculate the supplementary payments are objective and generally applied by the partner, regardless of the source of funding used.

'Additional remuneration' means any part of the remuneration which exceeds what the person would be paid for time worked in projects funded by national schemes.

Additional remuneration for personnel assigned to the action is eligible up to the following amount:

- (a) if the person works full time and exclusively on the action during the full year: up to EUR 8 000;
- (b) if the person works exclusively on the action but not full-time or not for the full year: up to the corresponding pro-rata amount of EUR 8 000, or
- (c) if the person does not work exclusively on the action: up to a pro-rata amount calculated as follows:

{EUR 8 000

divided by

the number of annual productive hours (see below)},

multiplied by

the number of hours that the person has worked on the action during the year}.

A.2 The **costs for natural persons working under a direct contract** with the partner other than an employment contract are eligible personnel costs, if:

- (a) the person works under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed);
- (b) the result of the work carried out belongs to the partner (unless exceptionally agreed otherwise), and
- (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the partner.

A.3 The **costs of personnel seconded by a third party against payment** are eligible personnel costs if the conditions in Article 9.1 are met.

A.4 If the partner is a small and medium-sized enterprise ('SME') the **costs of its owner** who is working on the action and who does not receive a salary are eligible personnel costs, if they

correspond to the amount per unit set out in Annex 2a multiplied by the number of actual hours worked on the specific action.

A.5 If the partner is a **natural person not receiving a salary**, its **costs** are eligible personnel costs, if they correspond to the amount per unit set out in Annex 2a multiplied by the number of actual hours worked on the action.

*[A.6 [OPTION to be used for trans-national access to research infrastructure: Personnel costs for providing trans-national access to research infrastructure are eligible only if also the conditions set out in Article 14.1.1 are met.][OPTION to be used for virtual access to research infrastructure: Personnel costs for providing virtual access to research infrastructure are eligible only if also the conditions set out in Article 14.2 are met.]]*

### **Calculation**

Personnel costs must be calculated by the partner as follows:

{ hourly rate

multiplied by

the number of actual hours worked on the specific action},

plus

for non-profit legal entities: additional remuneration to personnel assigned to the action under the conditions set out above (Point A.1)}.

The number of actual hours declared for a person must be identifiable and verifiable (see Article 24 FPA).

The total number of hours declared in EU or Euratom grants, for a person for a year, cannot be higher than the annual productive hours used for the calculations of the hourly rate. Therefore, the maximum number of hours that can be declared for the grant are:

{ the number of annual productive hours for the year (see below)

minus

total number of hours declared by the partner for that person for that year, for other EU or Euratom grants}.

The '**hourly rate**' is one of the following:

(a) for personnel costs declared as **actual costs** (i.e. budget categories A.1, A.2, A.3 *[and A.6]*): the hourly rate is calculated *per full financial year* as follows:

{ actual annual personnel costs (excluding additional remuneration) for the person

divided by

the number of annual productive hours}.

using the personnel costs and the number of productive hours for each full financial year covered by the reporting period concerned. If a financial year is not closed at the end of the reporting period, the partner must use the hourly rate of the last closed financial year available.

For the ‘number of annual productive hours’, the partner may choose one of the following:

- (i) ‘fixed number of hours’: 1 720 hours for persons working full time (or corresponding pro-rata for persons not working full time);
- (ii) ‘individual annual productive hours’: the total number of hours worked by the person in the year for the partner, calculated as follows:

{annual workable hours of the person (according to the employment contract, applicable collective labour agreement or national law)

plus

overtime worked

minus

absences (such as sick leave and special leave)}.

‘Annual workable hours’ means the period during which the personnel must be working, at the employer’s disposal and carrying out his/her activity or duties under the employment contract, applicable collective labour agreement or national working time legislation.

If the contract (or applicable collective labour agreement or national working time legislation) does not allow to determine the annual workable hours, this option cannot be used.

- (iii) ‘standard annual productive hours’: the standard number of annual hours generally applied by the partner for its personnel in accordance with its usual cost accounting practices. This number must be at least 90% of the ‘standard annual workable hours’.

If there is no applicable reference for the standard annual workable hours, this option cannot be used.

For all options, the actual time spent on **parental leave** by a person assigned to the action may be deducted from the number of annual productive hours.

As an alternative, the partner may calculate the hourly rate *per month*, as follows:

{actual monthly personnel cost (excluding additional remuneration) for the person

divided by

{ number of annual productive hours / 12 }

using the personnel costs for each month and (one twelfth of) the annual productive hours calculated according to either option (i) or (iii) above, i.e.:

- fixed number of hours or
- standard annual productive hours.

Time spent on **parental leave** may not be deducted when calculating the hourly rate per month. However, the partner may declare personnel costs incurred in periods of parental leave in proportion to the time the person worked on the action in that financial year.

If parts of a basic remuneration are generated over a period longer than a month, the partner may include only the share which is generated in the month (irrespective of the amount actually paid for that month).

The partner must use only one option (per full financial year or per month) during each full financial year;

(b) for personnel costs declared on the basis of **unit costs** (i.e. budget categories A.1, A.2, A.4, A.5 [and A.6]): the hourly rate is one of the following:

- (i) for an SME owner or partner that is a natural person: the hourly rate set out in Annex 2a (see Points A.4 and A.5 above), or
- (ii) for personnel costs declared on the basis of the partner's usual cost accounting practices: the hourly rate calculated by the partner in accordance with its usual cost accounting practices, if:
  - the cost accounting practices used are applied in a consistent manner, based on objective criteria, regardless of the source of funding;
  - the hourly rate is calculated using the actual personnel costs recorded in the partner's accounts, excluding any ineligible cost or costs included in other budget categories.

The actual personnel costs may be adjusted by the partner on the basis of budgeted or estimated elements. Those elements must be relevant for calculating the personnel costs, reasonable and correspond to objective and verifiable information;

and

- the hourly rate is calculated using the number of annual productive hours (see above).

**B. Direct costs of subcontracting [(not covered by Point F)]** (including related duties, taxes and charges such as non-deductible value added tax (VAT) paid by the partner) are eligible if the conditions in Article 11.1.1 are met.

*[OPTION to be used for trans-national access to research infrastructure: Subcontracting costs for providing trans-national access to research infrastructure are eligible only if also the conditions set out in Article 14.1.1 are met.]*

*[OPTION to be used for virtual access to research infrastructure: Subcontracting costs for providing virtual access to research infrastructure are eligible only if also the conditions set out in Article 14.2 are met.]*

**C. Direct costs of providing financial support to third parties [(not covered by Point F)]**

*[OPTION 1a to be used if Article 13.1 applies: C.1 Direct costs of providing financial support are eligible if the conditions set out in Article 13.1.1 are met.]*

*[OPTION 1b to be used if Article 13.2 applies: C.2 Direct costs of providing financial support in the form of prizes are eligible if the conditions set out in Article 13.2.1 are met.]*

*[OPTION 2: Not applicable.]*

**D. Other direct costs [(not covered by Point F)]**

**D.1 Travel costs and related subsistence allowances** (including related duties, taxes and charges such as non-deductible value added tax (VAT) paid by the partner) are eligible if they are in line with the partner's usual practices on travel.

*[OPTION to be used for trans-national access to research infrastructure: Travel costs for providing trans-national access to research infrastructure are eligible only if also the conditions set out in Article 14.1.1 are met.]*

**D.2 [OPTION 1 by default: The depreciation costs for equipment, infrastructure or other assets (new or second-hand) as recorded in the partner's accounts are eligible, if they were purchased in accordance with Article 8.1.1 and written off in accordance with international accounting standards and the partner's usual accounting practices.**

*The costs of renting or leasing equipment, infrastructure or other assets (including related duties, taxes and charges such as non-deductible value added tax (VAT) paid by the partner) are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.*

*The costs of equipment, infrastructure or other assets contributed in-kind against payment are eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets, do not include any financing fees and if the conditions in Article 9.1 are met.*

*The only portion of the costs that will be taken into account is that which corresponds to the duration of the action and rate of actual use for the purposes of the action.]*

***[OPTION 2 (alternative to option above) to be used if foreseen in the work programme<sup>20</sup>: The cost of purchasing equipment, infrastructure or other assets (new or second-hand) (as recorded in the partner's accounts) are eligible if the equipment, infrastructure or other assets was purchased in accordance with Article 8.1.1.***

*The costs of renting or leasing equipment, infrastructure or other assets (including related duties, taxes and charges such as non-deductible value added tax (VAT) paid by the partner) are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.*

*The costs of equipment, infrastructure or other assets contributed in-kind against payment are eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets, do not include any financing fees and if the conditions in Article 9.1 are met.]*

***[OPTION (in addition to one of the two first options above) for trans-national access to research infrastructure: As an exception, the partner must not declare such costs (i.e. costs of renting, leasing, purchasing depreciable equipment, infrastructure and other assets) for providing trans-national access to research infrastructure (see Article 14.1).]***

***[OPTION (in addition to one of the two first options above) for virtual access to research infrastructure, unless the work programme explicitly allows capital investments for virtual access to research infrastructure: As an exception, the partner must not declare such costs (i.e. costs of renting, leasing, purchasing depreciable equipment, infrastructure and other assets) for providing virtual access to research infrastructure (see Article 14.2).]***

**D.3 Costs for other goods and services** (including related duties, taxes and charges such as non-deductible value added tax (VAT) paid by the partner) are eligible, if they are:

- (a) purchased specifically for the specific action and in accordance with Article 8.1.1 or
- (b) contributed in kind against payment and in accordance with Article 9.1.

Such goods and services include, for instance, consumables and supplies, dissemination (including open access), protection of results, certificates on the financial statements (if they are required by the Agreement), certificates on the methodology, translations and publications.

***[OPTION to be used for trans-national access to research infrastructure: Costs of other goods and services for providing trans-national access to research infrastructure are eligible only if also the conditions set out in Article 14.1.1 are met.]***

***[OPTION to be used for virtual access to research infrastructure: Costs of other goods and services for providing virtual access to research infrastructure are eligible only if also the conditions set out in Article 14.2 are met.]***

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<sup>20</sup> To be used as an exception, only if justified by the nature of the action and the context of the use of the equipment or assets, if provided for in the work programme.

**D.4 Capitalised and operating costs of ‘large research infrastructure’<sup>21</sup> [OPTION 1 by default: directly used for the action are eligible, if:**

- (a) *the value of the large research infrastructure represents at least 75% of the total fixed assets (at historical value in its last closed balance sheet before the date of the signature of the Agreement or as determined on the basis of the rental and leasing costs of the research infrastructure<sup>22</sup>);*
- (b) *the partner’s methodology for declaring the costs for large research infrastructure has been positively assessed by the Commission ( ‘ex-ante assessment’ );*
- (c) *the partner declares as direct eligible costs only the portion which corresponds to the duration of the action and the rate of actual use for the purposes of the action, and*
- (d) *they comply with the conditions as further detailed in the annotations to the H2020 grant agreements.]*

**[OPTION 2 for all topics within calls under Part ‘Research Infrastructure’ (except for e-Infrastructure topics): Not applicable]**

**[OPTION 3 to be used if foreseen in the work programme: Not applicable]**

**D.5 Costs of internally invoiced goods and services directly used for the action are eligible, if:**

- (a) they are declared on the basis of a unit cost calculated in accordance with the partner’s usual cost accounting practices;
- (b) the cost accounting practices used are applied in a consistent manner, based on objective criteria, regardless of the source of funding;
- (c) the unit cost is calculated using the actual costs for the good or service recorded in the partner’s accounts, excluding any ineligible cost or costs included in other budget categories.

The actual costs may be adjusted by the partner on the basis of budgeted or estimated elements. Those elements must be relevant for calculating the costs, reasonable and correspond to objective and verifiable information;

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<sup>21</sup> ‘**Large research infrastructure**’ means research infrastructure of a total value of at least EUR 20 million, for a partner, calculated as the sum of historical asset values of each individual research infrastructure of that partner, as they appear in its last closed balance sheet before the date of the signature of the Agreement or as determined on the basis of the rental and leasing costs of the research infrastructure.

<sup>22</sup> For the definition see Article 2(6) of the H2020 Framework Programme Regulation No 1291/2013: ‘**Research infrastructure**’ are facilities, resources and services that are used by the research communities to conduct research and foster innovation in their fields. Where relevant, they may be used beyond research, e.g. for education or public services. They include: major scientific equipment (or sets of instruments); knowledge-based resources such as collections, archives or scientific data; e-infrastructures such as data and computing systems and communication networks; and any other infrastructure of a unique nature essential to achieve excellence in research and innovation. Such infrastructures may be ‘single-sited’, ‘virtual’ or ‘distributed’.

- (d) the unit cost excludes any costs of items which are not directly linked to the production of the invoiced goods or service.

‘Internally invoiced goods and services’ means goods or services which are provided by the partner directly for the action and which the beneficiary values on the basis of its usual cost accounting practices.

#### **E. Indirect costs [(not covered by Point F)]**

**Indirect costs** are eligible if they are declared on the basis of the flat-rate of 25% of the eligible direct costs (see Article 4.2 and Points A to D above), from which are excluded:

- (a) costs of subcontracting [and][;]
- (b) costs of in-kind contributions provided by third parties which are not used on the partner’s premises [and][;]
- (c) **[OPTION 1 to be used if Article 15 applies: costs of providing financial support to third parties [and][;]][OPTION 2: not applicable;]**
- (d) **[OPTION if Point F applies and the specific unit[/lump sum] cost includes indirect costs: [unit costs under Article 5.2(f) and Point F below][lump sum costs under Article 4.2(f) and Point F below]][OPTION: not applicable].**

If the partner receives an operating grant<sup>23</sup> financed by the EU or Euratom budget it cannot declare indirect costs for the period covered by the operating grant, unless it can demonstrate that the operating grant does not cover any costs of the action.

#### **F. [OPTION 1: [Insert name of specific cost category(ies)]<sup>24</sup>][OPTION 2 if no specific cost categories applicable to the grant: Specific cost category(ies)]**

**[OPTION 1a for specific unit costs (if unit cost foreseen by Commission decision and applicable to the grant): [Insert name of specific cost category] are eligible, if they correspond to the amount per unit set out in Annex 2a multiplied by the actual number of units [and if [insert eligibility conditions, if any]].]**

**[OPTION 1b for specific lump sum costs (if lump sum foreseen by Commission decision and applicable to the grant): [Insert name of specific cost category] are eligible, if they**

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<sup>23</sup> For the definition, see Article 121(1)(b) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (‘**Financial Regulation No 966/2012**’) (OJ L 218, 26.10.2012, p.1): ‘**operating grant**’ means direct financial contribution, by way of donation, from the budget in order to finance the functioning of a body which pursues an aim of general EU interest or has an objective forming part of and supporting an EU policy.

<sup>24</sup> Insert precise name of the cost category (as in the Commission decision authorising the use of the unit cost/lump sum). For example: ‘access costs for providing trans-national access to research infrastructure’, ‘costs for clinical studies’, ‘costs for energy efficiency measures in buildings’.

*correspond to the lump sum set out in Annex 2 and the corresponding tasks or parts of the action have been properly implemented in accordance with Annex 1.]*

*[same for each specific cost category]*

*[OPTION 2: Not applicable]*

### **5.3 Conditions for costs of linked third parties to be eligible**

*[OPTION 1 to be used if Article 19 FPA applies: Costs incurred by linked third parties are eligible, if they fulfil — mutatis mutandis — the general and specific conditions for eligibility set out in this Article (Article 5.1 and 5.2) and Article 12.1.1.]*

*[OPTION 2: Not applicable]*

### **5.4 Conditions for in-kind contributions provided by third parties free of charge to be eligible**

**In-kind contributions provided free of charge** are eligible direct costs (for the partner *[or linked third party]*), if the costs incurred by the third party fulfil — *mutatis mutandis* — the general and specific conditions for eligibility set out in this Article (Article 5.1 and 5.2) and Article 10.1.

### **5.5 Ineligible costs**

‘**Ineligible costs**’ are:

- (a) costs that do not comply with the conditions set out above (Article 5.1 to 5.4), in particular:
  - (i) costs related to return on capital;
  - (ii) debt and debt service charges;
  - (iii) provisions for future losses or debts;
  - (iv) interest owed;
  - (v) doubtful debts;
  - (vi) currency exchange losses;
  - (vii) bank costs charged by the partner’s bank for transfers from the *[Commission][Agency]*;
  - (viii) excessive or reckless expenditure;
  - (ix) deductible VAT;

- (x) costs incurred during suspension of the implementation of the action (see Article 55 FPA);
- (b) costs declared under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the [Commission][Agency] for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the partner is already receiving an operating grant financed by the EU or Euratom budget in the same period, unless it can demonstrate that the operating grant does not cover any costs of the action [;][.]
- [(c) **OPTION for cost categories explicitly excluded in the work programme:** [insert name of excluded cost category]].

## 5.6 Consequences of declaration of ineligible costs

Declared costs that are ineligible will be rejected (see Article 48 FPA).

This may also lead to any of the other measures described in Section 5 of Chapter 3 of the Framework Partnership Agreement.

## **CHAPTER 4 RIGHTS AND OBLIGATIONS OF THE PARTIES**

### **SECTION 1 RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE SPECIFIC ACTION**

#### **ARTICLE 6 — RESOURCES TO IMPLEMENT THE ACTION — THIRD PARTIES INVOLVED IN THE ACTION**

The partner must have the appropriate resources to implement the specific action.

If it is necessary to implement the specific action, the partner may:

- purchase goods, works and services (see Article 8);
- use in-kind contributions provided by third parties against payment (see Article 9);
- use in-kind contributions provided by third parties free of charge (see Article 10);
- call upon subcontractors to implement action tasks described in Annex 1 (see Article 11);
- call upon linked third parties to implement action tasks described in Annex 1 (see Article 12);
- 
- call upon international partners to implement action tasks described in Annex 1 (see Article 12a).

In these cases, the partner retains sole responsibility towards the [Commission][Agency] for implementing the specific action.

## **ARTICLE 7 — IMPLEMENTATION OF ACTION TASKS BY A PARTNER NOT RECEIVING EU FUNDING**

*[OPTION 1 by default: Not applicable]*

*[OPTION 2 to be used if the partner is not receiving EU funding but has a linked third party that receives EU funding: 7.1 Rules for the implementation of action tasks by a partner not receiving EU funding*

*If the partner [is not eligible for EU funding][requests zero funding] (**partner not receiving EU funding**), it must implement the specific action tasks attributed to it in Annex 1 in accordance with Article 12 FPA.*

*Its costs are estimated in Annex 2 but:*

- *will not be reimbursed and*
- *will not be taken into account for the calculation of the specific grant (see Articles 4 and 17 SGA and Article 10 FPA).*

*Articles 4, 5, 8 to 13, 16.6 SGA and Articles 29a and 46 of the FPA do not apply to the partner.*

*Articles 32.4, 33.2, 34.1 [OPTION: (with the exception of additional exploitation obligations)], 34.2, 36.3, 37.5 FPA do not apply to results generated without EU funds.*

*The partner will not be subject to financial checks, reviews and audits under Article 28 FPA for its own costs.*

*[additional OPTION for partners requesting zero funding: If the partner receives funding later on (through an amendment; see Article 61 FPA), all obligations will apply retroactively.]*

### **7.2 Consequences of non-compliance**

*If the partner not receiving EU funding breaches any of its obligations under this Article, its participation in the Agreement may be terminated (see Article 56 FPA).*

*Such breaches may also lead to any of the other measures described in Section 5 of Chapter 3 of the Framework Partnership Agreement that are applicable to it.]*

## **ARTICLE 8 — PURCHASE OF GOODS, WORKS OR SERVICES**

### **8.1 Rules for purchasing goods, works or services**

8.1.1 If necessary to implement the specific action, the partner may purchase goods, works or services.

The partner must make such purchases ensuring the best value for money or, if appropriate, the lowest price. In doing so, it must avoid any conflict of interests (see Article 41 FPA).

*[OPTION: In addition, the partner must — if the value of the purchase exceeds EUR [...] — comply with the following rules: [...].<sup>25</sup>]*

The partner must ensure that [*the Agency,*] the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 28 and 29 FPA also towards its contractors.

8.1.2 If the partner is a ‘contracting authority’ within the meaning of Directive 2004/18/EC<sup>26</sup> (or 2014/24/EU)<sup>27</sup> or ‘contracting entity’ within the meaning of Directive 2004/17/EC<sup>28</sup> (or 2014/25/EU)<sup>29</sup> it must comply with the applicable national law on public procurement.

## 8.2 Consequences of non-compliance

If the partner breaches any of its obligations under Article 8.1.1, the costs related to the contract concerned will be ineligible (see Article 5) and will be rejected (see Article 48 FPA).

If the partner breaches any of its obligations under Article 8.1.2, the specific grant may be reduced (see Article 49 FPA).

Such breaches may also lead to any of the other measures described in Section 5 of Chapter 3 of the Framework Partnership Agreement.

## ARTICLE 9 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES AGAINST PAYMENT

### 9.1 Rules for the use of in-kind contributions against payment

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<sup>25</sup> If the authorising officer decides to set specific rules, they should have due regard for the principle of proportionality taking into account the value of the contracts and the relative size of the EU contribution in relation to the total cost of the action and the risk. Specific rules must be based on the rules contained in the Financial Regulation. Simply citing the FR without specifying the applicable provisions should be avoided. Specific rules may only be set for the award of contracts of a value higher than EUR 60 000. The authorising officer may set a threshold higher than EUR 60 000 on the basis of a risk assessment.

<sup>26</sup> Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts (OJ L 134, 30.04.2004, p. 114).

<sup>27</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.03.2014, p. 65).

<sup>28</sup> Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (OJ L 134, 30.04.2004, p. 1).

<sup>29</sup> Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.03.2014, p. 243).

If necessary to implement the specific action, the partner may use in-kind contributions provided by third parties against payment.

The partner may declare costs related to the payment of in-kind contributions as eligible (see Article 5), up to the third parties' costs for the seconded persons, contributed equipment, infrastructure or other assets or other contributed goods and services.

The third parties and their contributions must be set out in Annex 1. The [Commission][Agency] may however approve in-kind contributions not set out in Annex 1 without amendment (see Article 61 FPA), if:

- they are specifically justified in the periodic technical report, and
- their use does not entail changes to the Specific Agreement which would call into question the decision awarding the specific grant or breach the principle of equal treatment of applicants.

The partner must ensure that [the Agency,] the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 28 and 29 FPA also towards the third parties.

## **9.2 Consequences of non-compliance**

If the partner breaches any of its obligations under this Article, the costs related to the payment of the in-kind contribution will be ineligible (see Article 5) and will be rejected (see Article 48 FPA).

Such breaches may also lead to any of the other measures described in Section 5 of Chapter 3 of the Framework Partnership Agreement.

## **ARTICLE 10 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES FREE OF CHARGE**

### **10.1 Rules for the use of in-kind contributions free of charge**

If necessary to implement the specific action, the partner may use in-kind contributions provided by third parties free of charge.

The partner may declare costs incurred by the third parties for the seconded persons, contributed equipment, infrastructure or other assets or other contributed goods and services as eligible in accordance with Article 5.

The third parties and their contributions must be set out in Annex 1. The [Commission][Agency] may however approve in-kind contributions not set out in Annex 1 without amendment (see Article 61 FPA), if:

- they are specifically justified in the periodic technical report, and

- their use does not entail changes to the Specific Agreement which would call into question the decision awarding the specific grant or breach the principle of equal treatment of applicants.

The partner must ensure that [*the Agency,*] the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 28 and 29 FPA also towards the third parties.

## 10.2 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the costs incurred by the third parties related to the in-kind contribution will be ineligible (see Article 5) and will be rejected (see Article 48 FPA).

Such breaches may also lead to any of the other measures described in Section 5 of Chapter 3 of the Framework Partnership Agreement.

## ARTICLE 11 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS

### 11.1 Rules for subcontracting action tasks

11.1.1 If necessary to implement the specific action, the partner may award subcontracts covering the implementation of certain action tasks described in Annex 1.

Subcontracting may cover only a limited part of the specific action.

The partner must award the subcontracts ensuring the best value for money or, if appropriate, the lowest price. In doing so, it must avoid any conflict of interests (see Article 41 FPA).

*[OPTION: In addition, the partner must — if the value of the subcontract to be awarded exceeds EUR [...] — comply with the following rules: [...].<sup>30</sup>]*

*[OPTION for actions involving PCP or PPI: In addition, for the pre-commercial procurement (PCP) or procurement of innovative solutions (PPI), the partner must follow a transparent and non-discriminatory procedure, including at least the following:*

- (a) an ‘open market consultation’ published in the Official Journal of the European Union via a ‘prior information notice (PIN)’ and promoted and advertised widely;*
- (b) a ‘contract notice’ allowing for a time-limit for receipt of tenders of at least 2 months, published in the Official Journal of the European Union and promoted and advertised widely;*

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<sup>30</sup> If the authorising officer decides to set specific rules, they should have due regard for the principle of proportionality taking into account the value of the contracts and the relative size of the EU contribution in relation to the total cost of the action and the risk. Specific rules must be based on the rules contained in the Financial Regulation. Simply citing the FR without specifying the applicable provisions should be avoided. Specific rules may only be set for the award of contracts of a value higher than EUR 60 000. The authorising officer may set a threshold higher than EUR 60 000 on the basis of a risk assessment.

- (c) a **‘request for tenders’** based on functional or performance-based specifications (that take into account the outcome of the open market consultation) and describing the practical set-up for the implementation of the subcontract(s);
- (d) an objective and non-discriminatory **evaluation** of the tenders and **award** of subcontract(s) to the tender(s) offering **best value for money**;
- (e) a **‘contract award notice’** published in the Official Journal of the European Union.

The partner must also ensure that every prior information notice, contract notice or contract award notice published in relation to the subcontracting includes the following disclaimer:

*“This procurement receives funding under the European Union’s Horizon 2020 research and innovation programme under the grant agreement No [number]. The EU is however not participating as a contracting authority in this procurement.”*]

**[OPTION 1 only for actions involving PPI: Participation in PPI tendering procedures must be open on equal terms to tenderers from EU Member States, associated countries<sup>31</sup> and other countries with which the EU has an agreement in the field of public procurement. If the WTO Government Procurement Agreement applies, PPI subcontracts must also be open to tenderers from States that have ratified this agreement.**

*If the procurement of the innovative solution (PPI) consists (and is limited to) buying a set of prototypes and/or test products that were developed during a preceding PCP action, the partner does not need to make an open market consultation, contract notice and contract award notice under Points (a), (b) and (e) above. In this case, it must make a **request for tenders** from at least **three providers** (including the providers that participated in the preceding PCP), in accordance with the negotiated procedure without publication under Directives 2004/18/EC (or 2014/24/EU) and 2004/17/EC (or 2014/25/EU)<sup>32</sup>.]*

**[OPTION 2 only for actions involving PCP: The subcontracts for pre-commercial procurement must provide for the following:**

- the ownership, by the subcontractors, of the intellectual property rights on the results that they generate;
- the right of the buyers to access results — on a royalty-free basis — for their own use;
- the right of the buyers to grant (or to require the subcontractors to grant) non-exclusive licences to third parties to exploit the results — under fair and reasonable conditions — (without the right to sub-licence);

<sup>31</sup> For the definition, see Article 2.1(3) Rules for Participation Regulation No 1290/2013: ‘**associated country**’ means a third country which is party to an international agreement with the Union, as identified in Article 7 of the Horizon 2020 Framework Programme Regulation No 1291/2013.

Article 7 of the Horizon 2020 Framework Programme Regulation No 1291/2013 sets out the conditions for association of non-EU countries to Horizon 2020.

<sup>32</sup> See Articles 28 and 31(2)(a) of Directive 2004/18 replaced by Articles 26 and 32(3)(a) of Directive 2014/24/EU and Article 40(3)(b) of Directive 2004/17/EC replaced by Article 50(b) of Directive 2014/25/EU.

- *the obligation of the subcontractors to transfer, to the buyers, the ownership of intellectual property generated by subcontractors during the PCP, if subcontractors fail to commercially exploit the results within the period set out in the subcontract;*
- *the right of the buyers to publish — at the time of the contract award notice — the identity of the winning tenderers and a project summary provided by the winning tenderers, and to publish — after R&D has finished and after consulting the subcontractors — summaries of the results as well as the identities of the subcontractors that successfully completed the last phase of the PCP.*

*The partner must ensure that the majority of the research and development work done by the subcontractor(s) (including the work of the main researchers) is located in the EU Member States or associated countries ('place of performance obligation').]*

The tasks to be implemented and the estimated cost for each subcontract must be set out in Annex 1 and the total estimated costs of subcontracting must be set out in Annex 2. The [Commission][Agency] may however approve subcontracts not set out in those Annexes without amendment (see Article 61 FPA), if:

- they are specifically justified in the periodic technical report, and
- they do not entail changes to the Specific Agreement which would call into question the decision awarding the specific grant or breach the principle of equal treatment of applicants.

**[OPTION for classified information:** *Action tasks involving classified information may be subcontracted only after explicit approval (in writing) from the [Commission][Agency] (see Article 43 FPA).]*

The partner must ensure that [the Agency,] the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 28 and 29 FPA also towards its subcontractors.

11.1.2 The partner must ensure that its obligations under Articles 41, 42, 44 and 52 FPA also apply to the subcontractors.

If the partner is a 'contracting authority' within the meaning of Directive 2004/18/EC (or 2014/24/EU) or as 'contracting entity' within the meaning of Directive 2004/17/EC (or 2014/25/EU), it must comply with the applicable national law on public procurement.

## **11.2 Consequences of non-compliance**

If the partner breaches any of its obligations under Article 11.1.1, the costs related to the subcontract concerned will be ineligible (see Article 5) and will be rejected (see Article 48 FPA).

If the partner breaches any of its obligations under Article 11.1.2, the specific grant may be reduced (see Article 49 FPA).

Such breaches may also lead to any of the other measures described in Section 5 of the Framework Partnership Agreement.

## **ARTICLE 12 — IMPLEMENTATION OF ACTION TASKS BY LINKED THIRD PARTIES**

***[OPTION 1 to be used if Article 19 FPA applies: 12.1 Rules for calling upon linked third parties to implement part of the action***

*12.1.1 The linked third parties listed in Article 19 FPA may implement action tasks attributed to them in Annex 1.*

*They may declare as eligible the costs they incur for implementing the action tasks in accordance with Article 5.*

*The partner must ensure that [the Agency,] the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 28 and 29 FPA also towards its linked third parties.*

*12.1.2 The partner must ensure that its obligations under Articles 24, 26, 41, 42 and 44 FPA also apply to its linked third parties.*

### ***12.2 Consequences of non-compliance***

*If any obligation under Article 12.1.1 is breached, the costs of the linked third party will be ineligible (see Article 5) and will be rejected (see Article 48 FPA).*

*If any obligation under Article 12.1.2 is breached, the specific grant may be reduced (see Article 49 FPA).*

*Such breaches may also lead to any of the other measures described in Section 5 of Chapter 3 of the Framework Partnership Agreement.]*

***[OPTION 2: Not applicable]***

## **ARTICLE 12a — IMPLEMENTATION OF ACTION TASKS BY PINTERNATIONAL PARTNERS**

***[OPTION 1 to be used if Article 19a FPA applies: 12a.1 Rules for calling upon international partners to implement part of the action***

*The international partners listed in Article 19a FPA may implement action tasks attributed to them in Annex 1.*

*The costs of the international partners are estimated in Annex 2 but:*

- will not be reimbursed and*

- *will not be taken into account for the calculation of the grant.*

*The partner must ensure that [the Agency,] the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 28 and 29 FPA also towards its international partners.*

*The partner must ensure that their obligations under Articles 24.1.1 FPA, 16.3(a) SGA, 16.4(a) SGA, 41 FPA, 42 FPA, 44 FPA also apply to its international partners.*

### **12a.2 Consequences of non-compliance**

*If the partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49 FPA).*

*Such breaches may also lead to any of the other measures described in Section 5 of Chapter 3 of the Framework Partnership Agreement.]*

**[OPTION 2: Not applicable]**

## **ARTICLE 13 — FINANCIAL SUPPORT TO THIRD PARTIES**

### **13.1 Rules for providing financial support to third parties**

**[OPTION 1 to be used if foreseen in the work programme: 13.1.1** *The partner must provide financial support in accordance with the conditions set out in Annex 1.*

*At a minimum, these conditions must include:*

- (a) *the maximum amount of financial support for each third party.*

*The maximum amount may not exceed EUR 60 000 for each third party, unless it is necessary to achieve the objectives of the specific action as described in Annex 1;*

- (b) *the criteria for calculating the exact amount of the financial support;*
- (c) *the different types of activity that qualify for financial support, on the basis of a closed list;*
- (d) *the persons or categories of persons that may receive financial support, and*
- (e) *the criteria for giving financial support.*

*The partner must ensure that [the Agency,] the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 28 and 29 FPA also towards the third parties receiving financial support.*

*13.1.2 The partner must ensure that its obligations under Articles 41, 42, 44 and 52 FPA also apply to the third parties receiving financial support.]*

*[OPTION 2: Not applicable]*

### **13.2 Financial support in the form of prizes**

*[OPTION 1 to be used if foreseen in the work programme: 13.2.1 The partner must provide prizes in accordance with the conditions described in Annex 1.*

*At a minimum, these conditions must include:*

- (a) the conditions for participation;*
- (b) the award criteria;*
- (c) the amount of the prize, and*
- (d) the payment arrangements.*

*The partner must ensure that [the Agency,] the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 28 and 29 FPA also towards the third parties receiving a prize.*

*13.2.2 The partner must ensure that its obligations under Articles 41, 42, 44 and 52 FPA also apply to the third parties receiving a prize.]*

*[OPTION 2: Not applicable]*

### **13.3 Consequences of non-compliance**

*[OPTION 1 to be used if 13.1 and/or 13.2 are applicable: If the partner breaches any of its obligations under Articles 13.1.1 or 13.2.1, the costs related to the financial support or prize will be ineligible (see Article 5) and will be rejected (see Article 48 FPA).*

*If the partner breaches any of its obligations under Articles 13.1.2 or 13.2.2, the specific grant may be reduced (see Article 49 FPA).*

*Such breaches may also lead to any of the other measures described in Section 5 of Chapter 3 of the Framework Partnership Agreement.]*

*[OPTION 2: Not applicable]*

## **ARTICLE 13a — SUPPORT TO OR IMPLEMENTATION OF TRANS-NATIONAL PROJECTS**

Not applicable

## **ARTICLE 14 — PROVISION OF TRANS-NATIONAL OR VIRTUAL ACCESS TO RESEARCH INFRASTRUCTURE**

### **14.1 Rules for providing trans-national access to research infrastructure**

**[OPTION 1 for trans-national access to research infrastructure: 14.1.1 ‘Access providers’<sup>33</sup> must provide access to research infrastructure or installations<sup>34</sup> in accordance with the following conditions:**

(a) *access which must be provided:*

*The access must be free-of-charge trans-national access to research infrastructure or installations for selected user-groups.*

*This access must include the logistical, technological and scientific support and the specific training that is usually provided to external researchers using the infrastructure.*

(b) *categories of users that may have access:*

*Trans-national access must be provided to selected ‘user-groups’, i.e. teams of one or more researchers (users) led by a ‘user group leader’.*

*The user group leader and the majority of the users must work in a country other than the country(ies) where the installation is located.*

*This rule does not apply:*

- *if access is provided by an International organisation, the Joint Research Centre (JRC), an ERIC or similar legal entities;*
- *in case of remote access to a set of installations located in different countries offering the same type of service.*

*Only user groups that are allowed to disseminate the results they have generated under the action may benefit from the access, unless the users are working for SMEs.*

*Access for user groups with a majority of users not working in a EU or associated country<sup>35</sup> is limited to 20% of the total amount of units of access provided under the grant, unless a higher percentage is foreseen in Annex 1;*

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<sup>33</sup> ‘**Access provider**’ means a partner or linked third party that is in charge of providing access to one or more research infrastructure or installations, or part of them, as described in Annex 1.

<sup>34</sup> ‘**Installation**’ means a part or a service of a research infrastructure that could be used independently from the rest. A research infrastructure consists of one or more installations.

<sup>35</sup> For the definition, see 2.1(3) Rules for Participation Regulation No 1290/2013: ‘**associated country**’ means a third country which is party to an international agreement with the Union, as identified in **[OPTION for EU grants: Article 7 of the H2020 Framework Programme Regulation No 1291/2013. Article 7 sets out the conditions for association of non-EU countries to Horizon 2020.]****[OPTION for Euratom grants: Article 5 of Council Regulation (Euratom) No 1314/2013 of 16 December 2013 on the Research and Training Programme of the European Atomic Energy Community (2014-2018) complementing the Horizon 2020 – The Framework Programme for Research and Innovation (‘H2020 Euratom Research and Training Programme Regulation No 1314/2013’)** (OJ L 347, 20.12.2013, p. 948) . Article 5 sets out the conditions for association of non-EU countries to Horizon 2020.]

(c) *procedure and criteria for selecting user groups:*

*The user groups must request access by submitting (in writing) a description of the work that they wish to carry out and the names, nationalities and home institutions of the users.*

*The user groups must be selected by a **selection panel** set up by the access providers.*

*The selection panel must be composed of international experts in the field, at least half of them independent from the partners, unless otherwise specified in Annex 1.*

*The selection panel must assess all proposals received and recommend a short-list of the user groups that should benefit from access.*

*The selection panel must base its selection on scientific merit, taking into account that priority should be given to user groups composed of users who:*

- *have not previously used the installation and*
- *are working in countries where no equivalent research infrastructure exist.*

*It will apply the principles of transparency, fairness and impartiality.*

**[OPTION:** *In addition, the partner must comply with the following additional rules for the selection of user groups: [...]<sup>36</sup>];*

(d) *other conditions:*

*The access provider must request written approval from the [Commission][Agency] (see Article 58 FPA) for the selection of user groups requiring visits to the installation(s) exceeding 3 months, unless such visits are foreseen in Annex 1.*

14.1.2 *In addition, the access provider must:*

- *advertise widely, including on a dedicated website, the access offered under the Specific Agreement;*
- *promote equal opportunities in advertising the access and take into account the gender dimension when defining the support provided to users;*
- *ensure that users comply with the terms and conditions of the Framework and Specific Agreements;*
- *ensure that its obligations under Articles 41, 42, 44 and 52 FPA also apply to the users.]*

**[OPTION 2:** *Not applicable]*

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<sup>36</sup> If the authorising officer considers necessary to give priority to certain categories of users.

## 14.2 Rules for providing virtual access to research infrastructure

**[OPTION 1 for virtual access to research infrastructure:** ‘Access providers’<sup>37</sup> must provide access to research infrastructure or installations<sup>38</sup> in accordance with the following conditions:

(a) access which must be provided:

*The access must be free-of-charge virtual access to research infrastructure or installations.*

*‘Virtual access’ means open and free access through communication networks to resources needed for research, without selecting or identifying the researchers to whom access is provided;*

(b) other conditions:

*The access provider must have the virtual access services assessed periodically by a board composed of international experts in the field, at least half of whom must be independent from the partner, unless otherwise specified in Annex 1.]*

**[OPTION 2: Not applicable]**

## 14.3 Consequences of non-compliance

**[OPTION 1 to be used if 14.1 and/or 14.2 are applicable:** If the partner breaches any of its obligations under Articles 14.1.1 and 14.2, the costs of access will be ineligible (see Article 5) and will be rejected (see Article 48 FPA).

*If the partner breaches any of its obligations under Articles 14.1.2, the specific grant may be reduced (see Article 49 FPA).*

*Such breaches may also lead to any of the other measures described in Section 5 of the Framework Partnership Agreement.]*

**[OPTION 2: Not applicable]**

## **SECTION 2 RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION**

### **ARTICLE 15 — SUBMISSION OF DELIVERABLES**

#### **15.1 Obligation to submit deliverables**

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<sup>37</sup> ‘Access provider’ means a partner or linked third party that is in charge of providing access to one or more research infrastructures or installations, or part of them, as described in Annex 1.

<sup>38</sup> ‘Installation’ means a part or a service of a research infrastructure that could be used independently from the rest. A research infrastructure consists of one or more installations.

The partner must submit the ‘**deliverables**’ identified in Annex 1, in accordance with the timing and conditions set out in it.

## 15.2 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the [Commission][Agency] may apply any of the measures described in Section 5 of Chapter 3 of the Framework Partnership Agreement.

## ARTICLE 16 — REPORTING — PAYMENT REQUESTS

### 16.1 Obligation to submit reports

The partner must submit to the [Commission][Agency] (see Article 58 FPA) the technical and financial reports set out in this Article. These reports include the requests for payment and must be drawn up using the forms and templates provided in the electronic exchange system (see Article 58 FPA).

### 16.2 Reporting periods

The specific action is divided into the following ‘reporting periods’:

- *RP1: from month 1 to month [X]*
- [ - *RP2: from month [X+1] to month [Y]*
- *RP3: from month [Y+1] to month [Z]*
- [ *same for other RPs* ]
- *RPN: from month [N+1] to [the last month of the project.]*

### 16.3 Periodic reports — Requests for interim payments

The partner must submit a periodic report within 60 days following the end of each reporting period.

The **periodic report** must include the following:

- (a) a ‘**periodic technical report**’ containing:
  - (i) an **explanation of the work carried out** by the partner;
  - (ii) an **overview of the progress** towards the objectives of the specific action, including milestones and deliverables identified in Annex 1.

This report must include explanations justifying the differences between work expected to be carried out in accordance with Annex 1 and that actually carried out.

The report must detail the exploitation and dissemination of the results and — if required in Annex 1 — an updated ‘**plan for the exploitation and dissemination of the results**’.

The report must indicate the communication activities[.][;]

*[OPTION for trans-national access to research infrastructure: The report must detail the access activity, indicating the members of the selection panel, the selection procedure, the exact amount of access provided to the user groups, the description of their work, and information on the users (including names, nationality and home institutions);] [OPTION for virtual access to research infrastructure: The reports must detail the access activity, with statistics on the virtual access provided in the period, including quantity, geographical distribution of users and, whenever possible, information/statistics on scientific outcomes (publications, patents, etc.) acknowledging the use of the infrastructure;]*

- (iii) a **summary** for publication by the [Commission][Agency];
- (iv) the answers to the ‘**questionnaire**’, covering issues related to the action implementation and the economic and societal impact, notably in the context of the Horizon 2020 key performance indicators and the Horizon 2020 monitoring requirements;

(b) a ‘periodic financial report’ containing:

- (i) an ‘**individual financial statement**’ (see Annex 3) [from the partner and from each linked third party] , for the reporting period concerned.

The individual financial statement must detail the eligible costs (actual costs, unit costs, flat-rate costs [and lump sum costs]; see Article 5) for each budget category (see Annex 2).

The partner [and linked third parties] must declare all eligible costs, even if — for actual costs, unit costs and flat-rate costs — they exceed the amounts indicated in the estimated budget (see Annex 2). Amounts which are not declared in the individual financial statement will not be taken into account by the [Commission][Agency].

If an individual financial statement is not submitted for a reporting period, it may be included in the periodic financial report for the next reporting period.

The individual financial statements of the last reporting period must also detail the **receipts of the specific action** (see Article 10 FPA).

The partner [and each linked third party] must **certify** that:

- the information provided is full, reliable and true;

- the costs declared are eligible (see Article 5);
  - the costs can be substantiated by adequate records and supporting documentation (see Article 24 FPA) that will be produced upon request (see Article 23 FPA) or in the context of checks, reviews, audits and investigations (see Article 28 FPA), and
  - for the last reporting period: that all the receipts have been declared (see Article 10 FPA);
- (ii) an **explanation of the use of resources** and the information on subcontracting (see Article 11) and in-kind contributions provided by third parties (see Articles 9 and 10 [*from the partner and from each linked third party*], for the reporting period concerned;
- (iii) not applicable;
- (iv) a ‘**periodic summary financial statement**’, created automatically by the electronic exchange system, [*OPTION if Article 12 applies: consolidating the individual financial statements for the reporting period concerned and*] including — except for the last reporting period — the **request for interim payment**.

#### 16.4 Final report — Request for payment of the balance

In addition to the periodic report for the last reporting period, the partner must submit the final report within 60 days following the end of the last reporting period.

The **final report** must include the following:

- (a) a ‘**final technical report**’ with a summary for publication containing:
- (i) an overview of the results and their exploitation and dissemination;
  - (ii) the conclusions on the specific action, and
  - (iii) the socio-economic impact of the specific action;
- (b) a ‘**final financial report**’ containing:
- (i) a ‘**final summary financial statement**’, created automatically by the electronic exchange system, consolidating the individual financial statements for all reporting periods and including the **request for payment of the balance** and
  - (ii) a ‘**certificate on the financial statements**’ (drawn up in accordance with Annex 4) [*for the partner and for each linked third party*], if it requests a total contribution of EUR 325 000 or more, as reimbursement of actual costs and

unit costs calculated on the basis of its usual cost accounting practices (see Articles 4.2 and 5.2.).

## 16.5 Information on cumulative expenditure incurred

*[OPTION 1 for grants above EUR 5 million with reporting periods beyond 18 months<sup>39</sup>: In addition to the reporting requirements set out above (Article 16.1 to 16.3), the partner must inform the [Commission][Agency] by [31 December][30 November] each year of the cumulative expenditure incurred by it from the starting date of the specific action.*

*This information is required for the Commission's accounting purposes and will not be used to calculate the final grant amount.]*

*[OPTION 2: Not applicable]*

## 16.6 Currency for financial statements and conversion into euro

Financial statements must be drafted in euro.

If the partner *[or linked third party]* has an accounting established in a currency other than the euro, it must convert the costs recorded in its accounts into euro at the average of the daily exchange rates published in the C series of the Official Journal of the European Union calculated over the corresponding reporting period.

If no daily euro exchange rate is published in the Official Journal of the European Union for the currency in question, they must be converted at the average of the monthly accounting rates published on the Commission's website calculated over the corresponding reporting period.

If the partner *[or linked third party]* has an accounting established in euro, it must convert the costs incurred in another currency into euro according to its usual accounting practices.

## 16.7 Language of reports

All reports (technical and financial reports, including financial statements) must be submitted in the language of the Specific Agreement.

## 16.8 Consequences of non-compliance

If the reports submitted do not comply with this Article, the *[Commission][Agency]* may suspend the payment deadline (see Article 53 FPA) and apply any of the other measures described in Section 5 of Chapter 3 of the Framework Partnership Agreement.

If the partner breaches its obligation to submit the reports and if it fails to comply with this obligation within 30 days following a written reminder, the *[Commission][Agency]* may

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<sup>39</sup> To be added in the case of grants of more than EUR 5 million for which a pre-financing is paid and the reporting periods for interim payments or payments of the balance exceed eighteen months.

terminate the Specific Agreement (see Article 56 FPA) or apply any of the other measures described in Section 5 of Chapter 3 of the Framework Partnership Agreement.

## **ARTICLE 17 — PAYMENTS AND PAYMENT ARRANGEMENTS**

### **17.1 Payments to be made**

The following payments will be made to the partner:

- one **pre-financing payment**;
- one or more **interim payments**, on the basis of the request(s) for interim payment (see Article 16), and
- one **payment of the balance**, on the basis of the request for payment of the balance (see Article 16).

### **17.2 Pre-financing payment — Amount — Amount retained for the Guarantee Fund**

*[OPTION 1 by default: The aim of the pre-financing is to provide the partner with a float.*

*It remains the property of the EU until the payment of the balance.*

*The amount of the pre-financing payment will be EUR [insert amount (insert amount in words)].*

*The [Commission][Agency] will — except if Article 54 FPA applies — make the pre-financing payment to the partner within 30 days, either from the entry into force of the Specific Agreement (see Article 21) or from 10 days before the starting date of the specific action (see Article 3), whichever is the latest.*

*An amount of EUR [insert amount (insert amount in words)], corresponding to 5% of the maximum grant amount (see Article 4.1), is retained by the [Commission][Agency] from the pre-financing payment and transferred into the 'Guarantee Fund'.*

*[OPTION 2 if the JRC is the partner: The [DG][Agency] will make a pre-financing payment of EUR [insert amount including the 5% to be paid to the Guarantee Fund (insert amount in words)], within 30 days from the submission of a debit note from the JRC after the signature of the 'Arrangement'.*

*The JRC agrees that the amount of EUR [insert amount: 5% of the grant amount intended for the JRC (insert amount in words)], corresponding to its contribution to the Guarantee Fund (see Article 21.2), is transferred in its name by the [DG][Agency] to the Guarantee Fund.]*

### **17.3 Interim payments — Amount — Calculation**

Interim payments reimburse the eligible costs incurred for the implementation of the specific action during the corresponding reporting periods.

The [Commission][Agency] will pay to the partner the amount due as interim payment within 90 days from receiving the periodic report (see Article 16), except if Articles 53 or 54 FPA apply.

Payment is subject to the approval of the periodic report. Its approval does not imply recognition of the compliance, authenticity, completeness or correctness of its content.

The **amount due as interim payment** is calculated by the [Commission][Agency] in the following steps:

Step 1 — Application of the reimbursement rates

Step 2 — Limit to 90% of the maximum grant amount

### **17.3.1 Step 1 — Application of the reimbursement rates**

The reimbursement rate(s) (see Article 4.2) are applied to the eligible costs (actual costs, unit costs, flat-rate costs [*and lump sum costs*]; see Article 5) declared by the partner [*and the linked third parties*] (see Article 16) and approved by the [Commission][Agency] (see above) for the concerned reporting period.

### **17.3.2 Step 2 — Limit to 90% of the maximum grant amount**

The total amount of pre-financing and interim payments must not exceed 90% of the maximum grant amount set out in Article 4.1. The maximum amount for the interim payment will be calculated as follows:

{90% of the maximum grant amount (see Article 4.1)

minus

{pre-financing and previous interim payments} }.

## **17.4 Payment of the balance — Amount — Calculation — Release of the amount retained for the Guarantee Fund**

The payment of the balance reimburses the remaining part of the eligible costs incurred by the partner for the implementation of the specific action.

If the total amount of earlier payments is greater than the final grant amount (see Article 10 FPA), the payment of the balance takes the form of a recovery (see Article 50 FPA).

If the total amount of earlier payments is lower than the final grant amount, the [Commission][Agency] will pay the balance within 90 days from receiving the final report (see Article 16), except if Articles 53 or 54 FPA apply.

Payment is subject to the approval of the final report. Its approval does not imply recognition of the compliance, authenticity, completeness or correctness of its content.

The **amount due as the balance** is calculated by the *[Commission][Agency]* by deducting the total amount of pre-financing and interim payments (if any) already made, from the final grant amount determined in accordance with Article 10 FPA:

{ final grant amount (see Article 10 FPA)  
minus  
{ pre-financing and interim payments (if any) made } }.

At the payment of the balance, the amount retained for the Guarantee Fund (see above) will be released and:

- if the balance is positive: the amount released will be paid in full to the partner together with the amount due as the balance;
- if the balance is negative (payment of the balance taking the form of recovery): it will be deducted from the amount released (see Article 50 FPA). If the resulting amount:
  - is positive, it will be paid to the partner
  - is negative, it will be recovered.

The amount to be paid may however be offset — without the partner's consent — against any other amount owed by the partner to the *[Agency, the]* Commission or an *[other]* executive agency (under the EU or Euratom budget), up to the maximum EU contribution indicated, for the partner, in the estimated budget (see Annex 2).

### **17.5 Notification of amounts due**

When making payments, the *[Commission][Agency]* will formally notify to the partner the amount due, specifying whether it concerns an interim payment or the payment of the balance.

For the payment of the balance, the notification will also specify the final grant amount.

In the case of reduction of the specific grant or recovery of undue amounts, the notification will be preceded by the contradictory procedure set out in Articles 49 and 50 FPA.

### **17.6 Currency for payments**

The *[Commission][Agency]* will make all payments in euro.

### **17.7 Payments to the partner**

Payments will be made to the partner.

Payments will discharge the *[Commission][Agency]* from its payment obligation.

## 17.8 Bank account for payments

*[OPTION 1 by default: All payments will be made to the following bank account:*

Name of bank: [...]

Full name of the account holder: [...]

Full account number (including bank codes): [...]

[IBAN code: [...]]<sup>40</sup>

*[OPTION 2 if the JRC is the partner: All payments will be made in accordance with the Commission's accounting rules on internal invoicing, from the operational budget line of the [DG][Agency] to the Legal Entity File (LEF) number of the JRC and mentioning the recovery order (RO) number. The JRC will submit a debit note for each payment (including the pre-financing).]*

## 17.9 Costs of payment transfers

The cost of the payment transfers is borne as follows:

- the [Commission][Agency] bears the cost of transfers charged by its bank;
- the partner bears the cost of transfers charged by its bank;
- the party causing a repetition of a transfer bears all costs of the repeated transfer.

## 17.10 Date of payment

Payments by the [Commission][Agency] are considered to have been carried out on the date when they are debited to its account.

## 17.11 Consequences of non-compliance

17.11.1 *[OPTION 1 by default: If the [Commission][Agency] does not pay within the payment deadlines (see above), the partner is entitled to **late-payment interest** at the rate applied by the European Central Bank (ECB) for its main refinancing operations in euros ('reference rate'), plus three and a half points. The reference rate is the rate in force on the first day of the month in which the payment deadline expires, as published in the C series of the Official Journal of the European Union.*

*If the late-payment interest is lower than or equal to EUR 200, it will be paid to the partner only upon request submitted within two months of receiving the late payment.*

*Late-payment interest is not due if the partner is an EU Member States (including regional and local government authorities or other public bodies acting on behalf of a Member State for the purpose of the Framework Partnership Agreement and the Specific Agreement).*

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<sup>40</sup> BIC or SWIFT code applies to for countries if the IBAN code does not apply.

*Suspension of the payment deadline or payments (see Articles 53 and 54 FPA) will not be considered as late payment.*

*Late-payment interest covers the period running from the day following the due date for payment (see above), up to and including the date of payment.*

*Late-payment interest is not considered for the purposes of calculating the final grant amount.]*

***[Option if the JRC is the partner 2: Not applicable]***

17.11.2 Not applicable

### **SECTION 3 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND AND RESULTS**

#### **ARTICLE 18 — ADDITIONAL RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND AND RESULTS**

##### **18.1 Background**

###### **18.1.1 Access rights for other partners, for other specific actions**

Not applicable

###### **18.1.2 Access rights for third parties**

***[OPTION 1 for trans-national access to research infrastructure: The access provider must — unless it is subject to legal restrictions or limits, including those imposed by the rights of third parties (including personnel) — give users royalty-free access to background needed to implement the action.***

*The access provider must inform the users as soon as possible of any restriction which might substantially affect the granting of access rights.]*

***[OPTION 2: Not applicable]***

##### **18.2 Results**

###### **18.2.1 Additional exploitation obligations**

***[OPTION 1a for additional exploitation obligations if foreseen in the work programme: In addition to the exploitation obligations set out in Article 34 FPA, the partner must — up to four years after the period set out in Article 3 — comply with the additional exploitation obligations set out in Annex I.]***

***[OPTION 1b for results that could contribute to standards if foreseen in the work programme: If the results of a specific action could reasonably be expected to contribute to***

*European or international standards, the partner must — up to four years after the period set out in Article 3 — inform the [Commission][Agency]. ]*

*[OPTION 2: Not applicable]*

## **18.2.2 Additional dissemination obligations**

*[OPTION 1a for additional dissemination obligations if foreseen in the work programme: In addition to the dissemination obligations set out in Article 35 FPA, the partner must comply with the additional dissemination obligations set out in Annex 1.]*

*[OPTION 1b for additional dissemination obligations for interoperability if foreseen in the work programme: Moreover in addition to the dissemination obligations set out in Article 35 FPA, the partner must — up to four years after the period set out in Article 3 — disseminate any technical specifications of the results that are needed for interoperability.]*

*[OPTION 1c for additional dissemination obligations for cross-border interoperability if foreseen in the work programme: Moreover, in addition to the dissemination obligations set out in Article 35 FPA, the partner must — up to four years after the period set out in Article 3 — disseminate the deliverables relating to cross-border interoperability (see Annex 1) and any results needed for cross-border interoperability (in particular common technical specifications and software components).]*

*[OPTION 1d for specific actions participating in the open access to Research Data Pilot: Regarding the digital research data generated in the specific action ('data'), the partner must:*

- (a) deposit in a research data repository and take measures to make it possible for third parties to access, mine, exploit, reproduce and disseminate — free of charge for any user — the following:*
  - (i) the data, including associated metadata, needed to validate the results presented in scientific publications as soon as possible;*
  - (ii) [OPTION A for health actions that participate in the Open Research Data Pilot, if foreseen in the work programme: data which is relevant for addressing a public health emergency, if specifically requested by the [Commission][Agency] and within the deadline specified in the request][OPTION B: not applicable];*
  - (iii) other data, including associated metadata, as specified and within the deadlines laid down in the 'data management plan' (see Annex 1);*
- (b) provide information — via the repository — about tools and instruments at the disposal of the partner and necessary for validating the results (and — where possible — provide the tools and instruments themselves).*

*This does not change the obligation to protect results in Article 33 FPA, the confidentiality obligations in Article 42 FPA the security obligations in Article 43 FPA, or the obligations to protect personal data in Article 45 FPA, all of which still apply.*

*As an exception, the partner does not have to ensure open access to specific parts of their research data, under Point (a)(i) and (iii), if the achievement of the action's main objective (as described in Annex 1) would be jeopardised by making those specific parts of the research data openly accessible. In such case, the data management plan must contain the reason for not giving access]*

***[additional OPTION for health actions that participate in the Open Research Data Pilot, if foreseen in the work programme: As an exception, the beneficiaries do not have to ensure open access also to the research data under Point (a)(ii), if the [Commission][Agency] agrees to replace the open access obligation by special access rights for third parties that need the data to address the public health emergency. These access rights must include the right to access, mine, exploit and reproduce the data free of charge.]]***

***[OPTION 1e for health actions that do NOT participate in the Open Research Data Pilot, if foreseen in the work programme: The [Commission][Agency] may require beneficiaries to:***

*(a) deposit digital research data, which is generated in the action and relevant for addressing a public health emergency, in a research data repository and take measures to make it possible for third parties to access, mine, exploit, reproduce and disseminate the data free of charge for any user*

*or*

*(b) give specific access rights to third parties that need the digital research data to address the public health emergency (including the right to access, mine, exploit and reproduce the data free of charge)*

*within the deadline specified in the [Commission][Agency] 's request.*

*This does not change the obligation to protect results in Article 27, the confidentiality obligations in Article 36, the security obligations in Article 37 or the obligations to protect personal data in Article 39, all of which still apply.]*

***[OPTION 1f for health actions targeting public health emergencies, if foreseen in the work programme: The beneficiaries must deposit the digital research data generated in the action in a research data repository and take measures to make it possible for third parties to access, mine, exploit, reproduce and disseminate the data free of charge for any user, at the latest within 30 days after it has been generated.***

*This does not change the obligation to protect results in Article 27, the confidentiality obligations in Article 36, the security obligations in Article 37 or the obligations to protect personal data in Article 39, all of which still apply.*

*As an exception, the beneficiaries do not have to ensure open access, if the [Commission][Agency] agrees to replace the open access obligation by special access rights*

*for third parties that need the research data to address the public health emergency. These access rights must include the right to access, mine, exploit and reproduce the data free of charge.]*

*[OPTION 2: Not applicable]*

### **18.2.3 Right of the [Commission][Agency] to object to a transfer of ownership or the licencing of results**

*[OPTION 1 for EU grants: The [Commission][Agency] may — up to four years after the period set out in Article 3 — object to a transfer of ownership or the exclusive licensing of results, if:*

- (a) it is to a third party established in a non-EU country not associated with Horizon 2020 and*
- (b) the [Commission][Agency] considers that the transfer or licence is not in line with EU interests regarding competitiveness or is inconsistent with ethical principles or security considerations.*

*The partner that intends to transfer ownership or grant an exclusive licence must formally notify the [Commission][Agency] before the intended transfer or licensing takes place and:*

- identify the specific results concerned;*
- describe in detail the new owner or licensee and the planned or potential exploitation of the results, and*
- include a reasoned assessment of the likely impact of the transfer or licence on EU competitiveness and its consistency with ethical principles and security considerations.*

*The [Commission][Agency] may request additional information.*

*If the [Commission][Agency] decides to object to a transfer or exclusive licence, it must formally notify the partner within 60 days of receiving notification (or any additional information it has requested).*

*No transfer or licensing may take place in the following cases:*

- pending the [Commission][Agency] decision, within the period set out above;*
- if the [Commission][Agency] objects;*
- until the conditions are complied with, if the [Commission][Agency] objection comes with conditions.]*

**[OPTION 2 for Euratom grants:** *The Commission may [OPTION:— up to four years after the period set out in Article 3 —] object to a transfer of ownership or the exclusive or non-exclusive licensing of results, if:*

- (a) it is to a third party established in a non-EU country not associated to the Euratom research and training programme 2014-2018, and*
- (b) the Commission considers that the transfer or licence is not in line with the EU interests regarding competitiveness or is inconsistent with ethical principles or security considerations.*

*Security considerations include the defence interests of the Member States under Article 24 of the Euratom Treaty.*

*The partner that intends to transfer ownership or grant a licence must formally notify the Commission before the intended transfer or licensing takes place and:*

- identify the specific results concerned;*
- describe in detail the results, the new owner or licensee and the planned or potential exploitation of the results, and*
- include a reasoned assessment of the likely impact of the transfer or licence on EU competitiveness and its consistency with ethical principles and security considerations.*

*The Commission may request additional information.*

*If the Commission decides to object to a transfer or licence, it will formally notify the partner within 60 days of receiving notification (or any additional information requested).*

*No transfer or licencing may take place in the following cases:*

- pending the Commission decision, within the period set out above;*
- if the Commission objects;*
- until the conditions are complied with, if the Commission objection comes with conditions.]*

**[OPTION 3: Not applicable]**

#### **18.2.4 Access rights for other partners, for other specific actions**

Not applicable

#### **18.2.5 Access rights for EU institutions, bodies, offices or agencies and EU Member States**

**[OPTION 1 by default for EU grants:** *The partner must give access to its results — on a royalty-free basis — to EU institutions, bodies, offices or agencies, for developing, implementing or monitoring EU policies or programmes.*

*Such access rights are limited to non-commercial and non-competitive use.*

*This does not change the right to use any material, document or information received from the partner for communication and publicising activities (see Article 44 FPA).]*

**[OPTION 2 for calls under specific objective ‘Secure societies — Protecting freedom and security of Europe and its citizens’:** *The partner must give access to its results — on a royalty-free basis — to EU institutions, bodies, offices and agencies as well as EU Member States’ national authorities, necessary for developing, implementing or monitoring their policies or programmes in this area.*

*Such access rights are limited to non-commercial and non-competitive use.*

*Access is conditional on an agreement to define specific conditions ensuring that:*

- (a) the access will be used only for the intended purpose and*
- (b) appropriate confidentiality obligations are in place.*

*The requesting EU Member State or EU institution, body, office or agency must inform all other EU Member States of such a request.*

*This does not change the security obligations in Article 43 FPA, which still apply.]*

**[OPTION 3 for Euratom grants:** *The partner must give access to its results — on a royalty-free basis — to the European Atomic Energy Community (Euratom) and its joint undertakings, for developing, implementing and monitoring Euratom policies and programmes or for compliance with obligations assumed through international cooperation with third countries and international organisations.*

*As an exception to Article 37.1 FPA, such access rights include the right to authorise third parties to use the results in public procurement and the right to sublicense and are limited to non-commercial and non-competitive use.]*

### **18.2.6 Access rights for third parties**

**[OPTION 1a for additional access rights for complementary grant agreements if foreseen in the work programme:** *The partner must give — under the conditions set out in Article 37 FPA — access to its results to complementary beneficiaries, for the purposes of the complementary grant agreement(s) (see Article 2).]*

**[OPTION 1b for additional access rights for interoperability if foreseen in the work programme:** *The partner must give third parties — up to four years after the period set out in Article 3 and [OPTION A: under fair and reasonable conditions (see Article 31*

FPA)][**OPTION B:** *on a royalty-free basis*] — *access to its results needed for interoperability.*]

**[OPTION 1c for additional access rights for cross-border interoperability if foreseen in the work programme:** *The partner must give third parties — up to four years after the period set out in Article 3 and on a royalty-free basis — access to its results needed for interoperability, in particular for implementing the results in EU Member States or associated countries that are not participating in the specific action.*

*The partner must give access to software components under an EU public license (or compatible licenses) and must comply with any additional requirements set out in Annex 1.]*

**[OPTION 1d for access to research infrastructures:** *The access provider must give the users access rights to the results, if needed to implement the action.]*

**[OPTION 2:** *Not applicable*]

## **CHAPTER 5 PARTNER'S ROLES AND RESPONSIBILITIES — RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES — RELATIONSHIP WITH PARTICIPANTS OF A JOINT ACTION**

### **ARTICLE 19 —PARTNER'S ROLES AND RESPONSIBILITIES — RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES — RELATIONSHIP WITH PARTICIPANTS OF A JOINT ACTION**

#### **19.1 Relationship with complementary beneficiaries — Collaboration agreement**

**[OPTION 1 for complementary grants if foreseen in the work programme:** *The partner must conclude a written 'collaboration agreement' with the complementary beneficiaries, to coordinate the work under the Specific Agreement and the complementary grant agreement(s) (see Article 2), covering for instance:*

- *efficient decision making processes and*
- *settlement of disputes.*

*The collaboration must not contain any provision contrary to the Framework Partnership and the Specific Agreement.*

*The partner and complementary beneficiaries must create and participate in common boards and advisory structures to decide on collaboration and synchronisation of activities, including on management of outcomes, common approaches towards standardisation, SME involvement, links with regulatory and policy activities, and commonly shared dissemination and awareness raising activities.*

*The partner must give access to its results to the complementary beneficiaries, for the purposes of the complementary grant agreement(s) (see Article 37 FPA).*

*The partner must share the technical reports (see Article 16). The confidentiality obligations in Article 42 FPA apply.]*

*[OPTION 2: Not applicable]*

## **19.2 Relationship with partners of a joint action — Coordination agreement**

*[OPTION 1 for joint actions (joint call with a third country or an international organisation): The partner must conclude a ‘coordination agreement’ with the participants of the third country or international organisation action (see Article 2), covering for instance:*

- *the internal organisation of the participants in both actions, including the decision making procedures;*
- *rules on intellectual property rights (for example regarding protection, dissemination, use and access rights);*
- *the settlement of internal disputes;*
- *liability, indemnification and confidentiality arrangements between the participants in both actions.*

*The coordination agreement must not contain any provision contrary to the Framework Partnership and the Specific Agreement.*

*[OPTION 2: Not applicable]*

## **CHAPTER 6 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — SANCTIONS — DAMAGES — SUSPENSION — TERMINATION — FORCE MAJEURE**

### **ARTICLE 20 — ADDITIONAL GROUNDS FOR TERMINATION**

*[OPTION 1 for joint actions (joint call with a third country or an international organisation): In addition to the grounds for termination set out in Article 56 FPA, the [Commission][Agency] may terminate the Specific Agreement, if:*

- (a) *the third country or international organisation action (see Article 2) has not started by the date specified in Annex 1*
- (b) *the third country or international organisation action (see Article 2) is terminated or can no longer contribute to the action.*

*The termination will take effect:*

Specific Agreement number: [insert number] [insert acronym] [insert call identifier]

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- *for terminations under Point (b) above: on the day specified in the notification (see above);*
- *for terminations under Point (a) above: on the day after notification is received by the partner.]*

*[OPTION 2: Not applicable]*

## **CHAPTER 7 FINAL PROVISIONS**

### **ARTICLE 21 — ENTRY INTO FORCE OF THE SPECIFIC AGREEMENT**

The Specific Agreement will enter into force on the day of signature by the [Commission][Agency] or the partner, depending on which is later.

#### **SIGNATURES**

For the partner

[function/forename/surname]  
[electronic signature]

Done in [English] on [electronic time stamp]

For the [Commission][Agency]

[forename/surname]  
[electronic signature]

Done in [English] on [electronic time stamp]

① print format A4 landscape

MODEL ANNEX 2 FOR H2020 SGA — MONO

ESTIMATED BUDGET FOR THE ACTION

Estimated eligible <sup>1</sup> costs (per budget category)											EU contribution			Additional information					
A. Direct personnel costs				B. Direct costs of subcontracting	C. Direct costs of fin. support	D. Other direct costs		E. Indirect costs <sup>2</sup>	[F. Costs of ... ]		Total costs	Reimbursement rate %	Maximum EU contribution <sup>3</sup>	Maximum grant amount <sup>4</sup>	Information for indirect costs:	Information for auditors:	Other information:		
A.1 Employees (or equivalent)		A.4 SME owners without salary		C.1. Financial support C.2 Prizes	D.1 Travel	D.5 Costs of internally invoiced goods and services		E. Indirect costs <sup>2</sup>	[F.1 Costs of ... ] <sup>5</sup>	[F.2 Costs of ... ] <sup>5</sup>	Total costs	Reimbursement rate %	Maximum EU contribution <sup>3</sup>	Maximum grant amount <sup>4</sup>	Estimated costs of in-kind contributions not used on premises	Declaration of costs under Point D.4	Estimated costs of partners/ linked third parties not receiving funding/ international partners		
A.2 Natural persons under direct contract		A.5 Partners that are natural persons without salary			D.2 Equipment	D.3 Other goods and services			[F.1 Costs of ... ] <sup>5</sup>	[F.2 Costs of ... ] <sup>5</sup>									
A.3 Seconded persons		[A.6 Personnel for providing access to research infrastructure]			[D.4 Costs of large research infrastructure]		[F.1 Costs of ... ] <sup>5</sup>		[F.2 Costs of ... ] <sup>5</sup>										
Form of costs <sup>6</sup>		Actual	Unit <sup>7</sup>		Actual	Actual	Actual	Unit <sup>9</sup>	Flat-rate <sup>10</sup> 25%	Unit <sup>11</sup>		[Unit]/[Lump sum] <sup>12</sup>	j = a+b+c+d+[e]+f+g +h+[I1]+[I2]	k	l	m	n	Yes/No	
		a	Total b	No hours	Total c	d	[e]	f	Total g	h = 0,25 x (a+b+c+f+g+[I1] <sup>13</sup> + [I2] <sup>13-n</sup> )	No units	Total [I1]							Total [I2]
[short name partner]																			
[short name linked third party]																			
[short name linked third party not eligible for funding]																			
[short name linked third party requesting zero funding]																			
[short name international partner]																			
[short name partner not eligible for funding] <sup>14</sup>																			
[short name partner requesting zero funding] <sup>14</sup>																			
[short name linked third party] <sup>15</sup>																			
Total partner																			

<sup>1</sup> See Article 5 SGA for the eligibility conditions

<sup>2</sup> Indirect costs already covered by an operating grant (received under any EU or Euratom funding programme; see Article 5.5.(b) SGA) are ineligible under the GA. Therefore, a partner/linked third party that receives an operating grant during the action's duration cannot declare indirect costs for the year(s)/reporting period(s) covered by the operating grant, unless it can demonstrate that the operating grant does not cover any costs of the action (see Article 5.2.E SGA).

<sup>3</sup> This is the *theoretical* amount of EU contribution that the system calculates automatically (by multiplying all the budgeted costs by the reimbursement rate). This *theoretical* amount is capped by the 'maximum grant amount' (that the Commission/Agency decided to grant for the action) (see Article 4.1 SGA).

<sup>4</sup> The 'maximum grant amount' is the maximum grant amount decided by the Commission/Agency. It normally corresponds to the requested grant, but may be lower.

<sup>5</sup> Depending on its type, this specific cost category will or will not cover indirect costs. Specific unit costs that include indirect costs are: costs for energy efficiency measures in buildings, access costs for providing trans-national access to research infrastructure and costs for clinical studies.

<sup>6</sup> See Article 4 SGA for the forms of costs

<sup>7</sup> Unit : hours worked on the action; costs per unit (hourly rate) : calculated according to the partner's usual accounting practice

<sup>8</sup> See Annex 2a 'Additional information on the estimated budget' for the details (costs per hour (hourly rate)).

<sup>9</sup> Unit and costs per unit: calculated according to partner's usual accounting practice

<sup>10</sup> Flat rate : 25% of eligible direct costs, from which are excluded: direct costs of subcontracting, costs of in-kind contributions not used on premises, direct costs of financial support, and unit costs declared under budget category F if they include indirect costs (see Article 5.2.E.SGA)

<sup>11</sup> See Annex 2a 'Additional information on the estimated budget' for the details (units, costs per unit).

<sup>12</sup> See Annex 2a 'Additional information on the estimated budget' for the details (units, costs per unit, estimated number of units, etc)

<sup>13</sup> Only specific unit costs that do not include indirect costs

<sup>14</sup> See Article 7 for partners not receiving funding

<sup>15</sup> Only for linked third parties that receive funding

**ANNEX 2a**

**ADDITIONAL INFORMATION ON THE ESTIMATED BUDGET**

- Instructions and footnotes in blue will not appear in the text generated by the IT system (since they are internal instructions only).
- For options [in square brackets]: the applicable option will be chosen by the IT system. Options not chosen will automatically not appear.
- For fields in [grey in square brackets] (even if they are part of an option as specified in the previous item): IT system will enter the appropriate data.

**Unit cost for SME owners/natural partners without salary**

**1. Costs for a [SME owner]/[partner that is a natural person] not receiving a salary**

Units: hours worked on the action

Cost Amount per unit ('hourly rate'): calculated according to the following formula<sup>1</sup>:

{ { EUR 4,880 / 143 hours }  
multiplied by  
{ country-specific correction coefficient of the country where the partner is established }

Country-specific correction coefficient (in force at the time of the call):

**EU Member States**

country	coefficient								
AT	106.7%	DK	135.0%	HR	83.9%	LV	77.7%	SE	121.8%
BE	100.0%	EE	79.4%	HU	77.4%	MT	84.4%	SI	86.1%
BG	62.0%	EL	88.7%	IE	115.6%	NL	107.9%	SK	80.4%
CY	82.6%	ES	95.4%	IT	104.4%	PL	75.5%	UK	139.83%
CZ	81.78%	FI	120.8%	LT	72.5%	PT	84.2%		
DE	97.0%	FR	115.7%	LU	100.0%	RO	68.8%		

**H2020 associated countries**

country	coefficient	country	coefficient	country	coefficient	country	coefficient
AL	65.3%	FO	135.0%	MD	62.01%	RS	67.3%
AM	75.4%	GE	75.3%	ME	64.8%	TN	67.5%
BA	69.0%	IL	106.1%	MK	60.0%	TR	82.1%
CH	121.2%	IS	115.3%	NO	130.6%	UA	70.8%

**Other countries**

country	coefficient								
AE	91.5%	CR	82.1%	JP	105.5%	NC	117.2%	TD	117.8%
AO	128.1%	CU	78.6%	KE	81.5%	NE	84.8%	TG	84.4%
AR	65.6%	CV	71.7%	KG	80.3%	NG	92.6%	TH	71.6%
AU	104.4%	DJ	86.5%	KH	74.5%	NI	56.5%	TJ	62.2%
AZ	88.3%	DO	62.9%	KM	69.1%	NP	77.0%	TL	89.4%
BB	112.5%	DZ	74.0%	KR	97.6%	NZ	99.4%	TM	63.4%
BD	61.1%	EC	75.5%	KZ	81.9%	PA	63.2%	TO	85.0%

<sup>1</sup> New amounts per unit and country coefficients will apply only for calls under Work Programme 2018-2020.

BF	96.6%	EG	57.9%	LA	89.2%	PE	80.2%	TT	81.0%
BI	74.2%	ER	98.9%	LB	86.3%	PG	101.5%	TW	82.7%
BJ	97.0%	ET	85.1%	LI	121.2%	PH	73.4%	TZ	65.4%
BM	151.5%	FJ	68.1%	LK	69.9%	PK	51.9%	UG	70.5%
BO	67.5%	GA	107.8%	LR	111.1%	PS	110.8%	US	99.1%
BR	97.9%	GH	64.1%	LS	48.3%	PY	69.0%	UY	84.3%
BW	51.7%	GM	69.0%	LY	57.6%	RU	105.4%	UZ	66.5%
BY	59.5%	GN	73.7%	MA	75.4%	RW	82.5%	VE	90.2%
BZ	77.0%	GT	82.6%	MG	86.0%	SA	80.8%	VN	53.3%
CA	87.8%	GW	96.6%	ML	94.4%	SB	107.4%	VU	108.0%
CD	137.4%	GY	62.2%	MM	65.5%	SD	99.7%	WS	83.0%
CF	108.6%	HK	100.4%	MR	62.5%	SG	113.0%	XK	65.5%
CG	120.6%	HN	73.4%	MU	74.4%	SL	106.8%	YE	81.1%
CI	98.3%	HT	94.6%	MW	68.0%	SN	94.7%	ZA	50.8%
CL	58.9%	ID	69.8%	MX	67.1%	SR	56.0%	ZM	77.4%
CM	96.0%	IN	63.4%	MY	68.8%	SV	69.6%	ZW	91.8%
CN	91.7%	JM	92.0%	MZ	71.5%	SY	77.2%		
CO	77.9%	JO	86.5%	NA	61.4%	SZ	53.5%		

*[additional OPTION if the partner or a linked third party has opted to use the unit cost (in the proposal/with an amendment):* For the [partner]/[the following linked third parties], the amounts per unit (hourly rate) are fixed as follows:

- Partner/linked third party [short name]: EUR [insert amount]
  - Partner/linked third party [short name]: EUR [insert amount]
- [same for other partners/linked third parties, if necessary]

Estimated number of units: see Annex 2

### **Energy efficiency measures unit cost**

#### ***[OPTION if specific unit cost is applicable to the grant: 2 Costs for energy efficiency measures in buildings***

Unit: m<sup>2</sup> of eligible ‘conditioned’ (i.e. built or refurbished) floor area

Cost Amount per unit\*: see (for each partner/linked third party and BEST table) the ‘unit cost table’ attached

\* Amount calculated as follows:  
{EUR 0.1 x estimated total kWh saved per m<sup>2</sup> per year x 10}

Estimated number of units: see (for each partner/linked third party and BEST table) the ‘unit cost table’ attached

Unit cost table (energy efficiency measures unit cost)<sup>2</sup>

Short name partner/linked third party	BEST No	Cost Amount per unit	Estimated No of units	Total unit cost (cost per unit x estimated no of units)

<sup>2</sup> Data from the ‘building energy specification table (BEST)’ that is part of the proposal and Annex 1.

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1

### **Research infrastructure unit cost**

**[OPTION if specific unit cost is applicable to the grant: 3. Access costs for providing trans-national access to research infrastructure**

Units<sup>3</sup>: see (for each access provider and installation) the ‘unit cost table’ attached

Cost Amount per unit\*: see (for each access provider and installation) the ‘unit cost table’ attached

\* Amount calculated as follows:

$$\frac{\text{average annual total access cost to the installation (over past two years}^4)}{\text{average annual total quantity of access to the installation (over past two years}^5)}$$

Estimated number of units: see (for each access provider and installation) the ‘unit cost table’ attached

Unit cost table (access to research infrastructure unit cost)<sup>6</sup>

Short name access provider	Short name infrastructure	Installation		Unit of access	Cost Amount per unit	Estimated No of units	Total unit cost (cost per unit x estimated no of units)
		No	Short name				

1

### **Clinical studies unit cost**

**[OPTION if specific unit cost is applicable to the grant: 4. Costs for clinical studies**

Units: patients/subjects that participate in the clinical study

Amount per unit\*: see (for each sequence (if any), clinical study and beneficiary/linked third party) the ‘unit cost table’ attached

Estimated number of units: see (for each clinical study and beneficiary/linked third party) the ‘unit cost table’ attached

\* Amount calculated, for the cost components of each task, as follows:

For **personnel costs**:

For personnel costs of doctors: ‘average hourly cost for doctors’, i.e.:

{certified or auditable total personnel costs for doctors for year N-1

<sup>3</sup> Unit of access (e.g. beam hours, weeks of access, sample analysis) fixed by the access provider in proposal.

<sup>4</sup> In exceptional and duly justified cases, the Commission/Agency may agree to a different reference period.

<sup>5</sup> In exceptional and duly justified cases, the Commission/Agency may agree to a different reference period.

<sup>6</sup> Data from the ‘table on estimated costs/quantity of access to be provided’ that is part of the proposal and Annex 1.

{ 1720 \* number of full-time-equivalent for doctors for year N-1 }  
multiplied by  
estimated number of hours to be worked by doctors for the task (per participant)}

For personnel costs of other medical personnel: ‘average hourly cost for other medical personnel’, i.e.:

{certified or auditable total personnel costs for other medical personnel for year N-1  
\_\_\_\_\_  
{ 1720 \* number of full-time-equivalent for other medical personnel for year N-1 }  
multiplied by  
estimated number of hours to be worked by other medical personnel for the task (per participant)}

For personnel costs of technical personnel: ‘average hourly cost for technical personnel’, i.e.:

{certified or auditable total personnel costs for technical personnel for year N-1  
\_\_\_\_\_  
{ 1720 \* number of full-time-equivalent for technical personnel for year N-1 }  
multiplied by  
estimated number of hours to be worked by technical personnel for the task (per participant)}

‘total personnel costs’ means actual salaries + actual social security contributions + actual taxes and other costs included in the remuneration, provided they arise from national law or the employment contract/equivalent appointing act

**For consumables:**

For each cost item: ‘average price of the consumable’, i.e.:

{{ certified or auditable total costs of purchase of the consumable in year N-1  
\_\_\_\_\_  
total number of items purchased in year N-1 }  
multiplied by  
estimated number of items to be used for the task (per participant)}

‘total costs of purchase of the consumable’ means total value of the supply contracts (including related duties, taxes and charges such as non-deductible VAT) concluded by the beneficiary for the consumable delivered in year N-1, provided the contracts were awarded according to the principle of best value- for-money and without any conflict of interests

**For medical equipment:**

For each cost item: ‘average cost of depreciation and directly related services per unit of use’, i.e.:

{{ certified or auditable total depreciation costs in year N-1 + certified or auditable total costs of purchase of services in year N-1 for the category of equipment concerned }  
\_\_\_\_\_  
total capacity in year N-1  
multiplied by  
estimated number of units of use of the equipment for the task (per participant)}

‘total depreciation costs’ means total depreciation allowances as recorded in the beneficiary’s accounts of year N-1 for the category of equipment concerned, provided the equipment was purchased according to the principle of best value for money and without any conflict of interests + total costs of renting or leasing contracts (including related duties, taxes and charges such as non-deductible VAT) in year N-1 for the category of equipment concerned, provided they do not exceed the depreciation costs of similar equipment and do not include finance fees

**For services:**

For each cost item: ‘average cost of the service per study participant’, i.e.:

{certified or auditable total costs of purchase of the service in year N-1  
\_\_\_\_\_  
total number of patients or subjects included in the clinical studies for which the service was delivered in year N-1 }

‘total costs of purchase of the service’ means total value of the contracts concluded by the beneficiary (including related duties, taxes and charges such as non-deductible VAT) for the specific service delivered in year N-1 for the conduct of clinical studies, provided the contracts were awarded according to the principle of best value for money and without any conflict of interests

**For indirect costs:**

{{{cost component ‘personnel costs’ + cost component ‘consumables’ + cost component ‘medical equipment’}}

minus

{costs of in-kind contributions provided by third parties which are not used on the beneficiary's premises  
+ costs of providing financial support to third parties (if any)} }

multiplied by

25% }

The estimation of the resources to be used must be done on the basis of the study protocol and must be the same for all beneficiaries/linked third parties/third parties involved.

The year N-1 to be used is the last closed financial year at the time of submission of the grant application.

Unit cost table: clinical studies unit cost<sup>7</sup>

Task, Direct cost categories	Resource per patient	Costs year N-1 Beneficiary 1 [short name]	Costs year N-1 Linked third party 1a [short name]	Costs year N-1 Beneficiary 2 [short name]	Costs year N-1 Linked third party 2a [short name]	Costs year N-1 Third party giving in-kind contributions 1 [short name]
<b>Sequence No. 1</b>						
<b>Task No. 1</b> Blood sample						
(a) <b>Personnel costs:</b>						
- Doctors	n/a					
- Other Medical Personnel	Phlebotomy (nurse), 10 minutes	8,33 EUR	11,59 EUR	10,30 EUR	11,00 EUR	9,49 EUR
- Technical Personnel	Sample Processing (lab technician), 15 minutes	9,51 EUR	15,68 EUR	14,60 EUR	15,23 EUR	10,78 EUR
(b) <b>Costs of consumables:</b>	Syringe	XX EUR	XX EUR	XX EUR	XX EUR	XX EUR
	Cannula	XX EUR	XX EUR	XX EUR	XX EUR	XX EUR
	Blood container	XX EUR	XX EUR	XX EUR	XX EUR	XX EUR
(c) <b>Costs of medical equipment:</b>	Use of -80° deep freezer, 60 days	XX EUR	XX EUR	XX EUR	XX EUR	XX EUR
	Use of centrifuge, 15 minutes	XX EUR	XX EUR	XX EUR	XX EUR	XX EUR
(d) <b>Costs of services</b>	Cleaning of XXX	XX EUR	XX EUR	XX EUR	XX EUR	XX EUR
(e) <b>Indirect costs (25% flat-rate)</b>		XX EUR	XX EUR	XX EUR	XX EUR	XX EUR
<b>Task No. 2</b>						

<sup>7</sup> Same table as in proposal and Annex 1.

...						
<b>Amount per unit (unit cost sequence 1):</b>		<b>XX EUR</b>				
<b><u>Sequence No. 2</u></b>						
<b>Task No. 1</b> <b>XXX</b>						
<b>(a) Personnel costs:</b>						
- Doctors	XXX	XX EUR				
- Other Medical Personnel	XXX	XX EUR				
- Technical Personnel	XXX	XX EUR				
<b>(b) Costs of consumables:</b>	XXX	XX EUR				
	XXX	XX EUR				
	XXX	XX EUR				
<b>(c) Costs of medical equipment:</b>	XXX	XX EUR				
	XXX	XX EUR				
<b>(d) Costs of services</b>	XXX	XX EUR				
<b>(e) Indirect costs (25% flat-rate)</b>		XX EUR				
<b>Task No. 2</b>						
...						
<b>Amount per unit (unit cost sequence 2):</b>		<b>XX EUR</b>				
...						
<b>Amount per unit (unit cost entire study):</b>		<b>XX EUR</b>				

Specific Agreement number: [insert number] [insert acronym] [insert call identifier]

① print format A4 landscape

MODEL ANNEX 3 FOR H2020 SGA — MONO

FINANCIAL STATEMENT FOR [PARTNER [name]/ LINKED THIRD PARTY [name]] FOR REPORTING PERIOD [reporting period]

Eligible <sup>1</sup> costs (per budget category)											Receipts	EU contribution			Additional information				
A. Direct personnel costs			B. Direct costs of subcontracting		[C. Direct costs of fin. support]	D. Other direct costs			E. Indirect costs <sup>2</sup>	[F. Costs of ... ]		Total costs	Receipts	Reimbursement rate %	Maximum EU contribution <sup>3</sup>	Requested EU contribution	Information for indirect costs :		
A.1 Employees (or equivalent)	A.4 SME owners without salary				C.1. Financial support	D.1 Travel	[D.4 Costs of large research infrastructure]	D.5. Costs of internally invoiced goods and services	[F.1 Costs of ...]		[F.2 Costs of ...]		Receipts of the action, to be reported in the last reporting period, according to Article-4-10.3.3 SGA FPA						
A.2 Natural persons under direct contract	A.5 Partners that are natural persons without salary				C.2 Prizes	D.2 Equipment	D.3 Other goods and services												
A.3 Seconded persons [A.6 Personnel for providing access to research infrastructure]																			
Form of costs <sup>4</sup>		Actual	Unit	Unit	Actual	Actual	Actual	Actual	Unit	Flat-rate <sup>5</sup> 25%	Unit	[Unit][Lump sum]							
		a	Total b	No hours Total c	d	[e]	f	[g]	Total h	i=0,25 x (a+b+ c+f+[g] +h+ [j1] <sup>6</sup> +[j2] <sup>6</sup> )	No units	Total [j1]	Total [j2]	k = a+b+c+d+f[e] +f+[g] j+h+i+[j1] +[j2]	l	m	n	o	p
[short name partner/linked third party]																			

**The partner/linked third party hereby confirms that:**  
 The information provided is complete, reliable and true.  
 The costs declared are eligible (see Article 5 SGA).  
 The costs can be substantiated by adequate records and supporting documentation that will be produced upon request or in the context of checks, reviews, audits and investigations (see Articles 23, 24 and 28 FPA).  
 For the last reporting period: that all the receipts have been declared (see Article 10.3.3 FPA).

① Please declare all eligible costs, even if they exceed the amounts indicated in the estimated budget (see Annex 2). Only amounts that were declared in your individual financial statements can be taken into account lateron, in order to replace other costs that are found to be ineligible.

<sup>1</sup> See Article 5 SGA for the eligibility conditions

<sup>2</sup> The indirect costs claimed must be free of any amounts covered by an operating grant (received under any EU or Euratom funding programme; see Article 5.2.E SGA). If you have received an operating grant during this reporting period, you cannot claim indirect costs, unless you can demonstrate that the operating grant does not cover any costs of the action.

<sup>3</sup> This is the *theoretical* amount of EU contribution that the system calculates automatically (by multiplying the reimbursement rate by the total costs declared). The amount you request (in the column 'requested EU contribution') may be less.

<sup>4</sup> See Article 4 SGA for the forms of costs

<sup>5</sup> Flat rate : 25% of eligible direct costs, from which are excluded: direct costs of subcontracting, costs of in-kind contributions not used on premises, direct costs of financial support, and unit costs declared under budget category F if they include indirect costs (see Article 5.2.E SGA)

<sup>6</sup> Only specific unit costs that do not include indirect costs

**ANNEX 4**

**MODEL FOR THE CERTIFICATE ON THE FINANCIAL STATEMENTS**

- For options [*in italics in square brackets*]: choose the applicable option. Options not chosen should be deleted.
- For fields in [grey in square brackets]: enter the appropriate data

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## **Terms of Reference for an Independent Report of Factual Findings on costs declared under a Grant Agreement financed under the Horizon 2020 Research and Innovation Framework Programme**

This document sets out the ‘**Terms of Reference (ToR)**’ under which

[*OPTION 1: [insert name of the partner] (‘the Partner’)*] [*OPTION 2: [insert name of the linked third party] (‘the Linked Third Party’), third party linked to the Partner [insert name of the partner] (‘the Partner’)*]

agrees to engage

[**insert legal name of the auditor**] (‘the Auditor’)

to produce an independent report of factual findings (‘the Report’) concerning the Financial Statement(s)<sup>1</sup> drawn up by the [Partner] [Linked Third Party] for the Horizon 2020 specific agreement [insert number of the specific agreement, title of the action, acronym and duration from/to] (‘the Agreement’), and

to issue a Certificate on the ‘Financial Statements (CFS)’ referred to in Article 13.4 of the Specific Agreement based on the compulsory reporting template stipulated by the Commission.

The Agreement has been concluded under the Horizon 2020 Research and Innovation Framework Programme (H2020) between the Partner and [*OPTION 1: the European Union, represented by the European Commission (‘the Commission’)*][*OPTION 2: the European Atomic Energy Community (Euratom,) represented by the European Commission (‘the Commission’)*][*OPTION 3: the [Research Executive Agency (REA)] [European Research Council Executive Agency (ERCEA)] [Innovation and Networks Executive Agency (INEA)] [Executive Agency for Small and Medium-sized Enterprises (EASME)] (‘the Agency’), under the powers delegated by the European Commission (‘the Commission’).*]

The [Commission] [Agency] is mentioned as a signatory of the Agreement with the Partner only. The [European Union][Euratom][Agency] is not a party to this engagement.

### **1.1 Subject of the engagement**

The partner must submit to the [Commission][Agency] the final report within 60 days following the end of the last reporting period which should include, amongst other documents, a CFS for itself and for each of its linked third parties that requests a total contribution of EUR 325 000 or more, as reimbursement of actual costs and unit costs calculated on the basis of its usual cost accounting practices (see Article 13.4 of the Specific Agreement). The CFS must cover all reporting periods of the partner or linked third party indicated above.

The CFS is composed of two separate documents:

- The Terms of Reference (‘the ToR’) to be signed by the [Partner] [Linked Third Party] and the Auditor;
- The Auditor’s Independent Report of Factual Findings (‘the Report’) to be issued on the Auditor’s letterhead, dated, stamped and signed by the Auditor (or the competent public officer) which includes the agreed-upon procedures (‘the Procedures’) to be performed by the Auditor, and the standard factual findings (‘the Findings’) to be confirmed by the Auditor.

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<sup>1</sup> By which costs under the Agreement are declared (see template ‘Model Financial Statements’ in Annex 3 to the Specific Agreement).

If the CFS must be included in the final report according to Article 13.4 of the Specific Agreement, the request for payment of the balance relating to the Agreement cannot be made without the CFS. However, the payment for reimbursement of costs covered by the CFS does not preclude the Commission, [the Agency,] the European Anti-Fraud Office and the European Court of Auditors from carrying out checks, reviews, audits and investigations in accordance with Article 28 of the Framework Partnership Agreement.

## 1.2 Responsibilities

The [Partner] [Linked Third Party]:

- must draw up the Financial Statement(s) for the action financed by the Agreement in compliance with the obligations under the Agreement. The Financial Statement(s) must be drawn up according to the [Partner's] [Linked Third Party's] accounting and book-keeping system and the underlying accounts and records;
- must send the Financial Statement(s) to the Auditor;
- is responsible and liable for the accuracy of the Financial Statement(s);
- is responsible for the completeness and accuracy of the information provided to enable the Auditor to carry out the Procedures. It must provide the Auditor with a written representation letter supporting these statements. The written representation letter must state the period covered by the statements and must be dated;
- accepts that the Auditor cannot carry out the Procedures unless it is given full access to the [Partner's] [Linked Third Party's] staff and accounting as well as any other relevant records and documentation.

The Auditor:

- [Option 1 by default: is qualified to carry out statutory audits of accounting documents in accordance with Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC or similar national regulations].
- [Option 2 if the Partner or Linked Third Party has an independent Public Officer: is a competent and independent Public Officer for which the relevant national authorities have established the legal capacity to audit the Partner].
- [Option 3 if the Partner or Linked Third Party is an international organisation: is an [internal] [external] auditor in accordance with the internal financial regulations and procedures of the international organisation].

The Auditor:

- must be independent from the Partner [and the Linked Third Party], in particular, it must not have been involved in preparing the [Partner's] [Linked Third Party's] Financial Statement(s);
- must plan work so that the Procedures may be carried out and the Findings may be assessed;
- must adhere to the Procedures laid down and the compulsory report format;
- must carry out the engagement in accordance with this ToR;
- must document matters which are important to support the Report;
- must base its Report on the evidence gathered;
- must submit the Report to the [Partner] [Linked Third Party].

The Commission sets out the Procedures to be carried out by the Auditor. The Auditor is not responsible for their suitability or pertinence. As this engagement is not an assurance engagement, the Auditor does not provide an audit opinion or a statement of assurance.

### 1.3 Applicable Standards

The Auditor must comply with these Terms of Reference and with<sup>2</sup>:

- the International Standard on Related Services ('ISRS') 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as issued by the International Auditing and Assurance Standards Board (IAASB);
- the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants (IESBA). Although ISRS 4400 states that independence is not a requirement for engagements to carry out agreed-upon procedures, the [Commission][Agency] requires that the Auditor also complies with the Code's independence requirements.

The Auditor's Report must state that there is no conflict of interests in establishing this Report between the Auditor and the Partner [and the Linked Third Party], and must specify - if the service is invoiced - the total fee paid to the Auditor for providing the Report.

### 1.4 Reporting

The Report must be written in the language of the Agreement (see Article 13.7 SGA).

Under Article 28 of the Framework Partnership Agreement, the Commission,[ the Agency,] the European Anti-Fraud Office and the Court of Auditors have the right to audit any work that is carried out under the action and for which costs are declared from [the European Union] [Euratom] budget. This includes work related to this engagement. The Auditor must provide access to all working papers (e.g. recalculation of hourly rates, verification of the time declared for the action) related to this assignment if the Commission,[ the Agency,] the European Anti-Fraud Office or the European Court of Auditors requests them.

### 1.5 Timing

The Report must be provided by [dd Month yyyy].

### 1.6 Other terms

[The [Partner] [Linked Third Party] and the Auditor can use this section to agree other specific terms, such as the Auditor's fees, liability, applicable law, etc. Those specific terms must not contradict the terms specified above.]

[legal name of the Auditor]

[name & function of authorised representative]

[dd Month yyyy]

Signature of the Auditor

[legal name of the [Partner][Linked Third Party]]

[name & function of authorised representative]

[dd Month yyyy]

Signature of the [Partner][Linked Third Party]

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<sup>2</sup> Supreme Audit Institutions applying INTOSAI-standards may carry out the Procedures according to the corresponding International Standards of Supreme Audit Institutions and code of ethics issued by INTOSAI instead of the International Standard on Related Services ('ISRS') 4400 and the Code of Ethics for Professional Accountants issued by the IAASB and the IESBA.

Specific Agreement number: [insert number] [insert acronym] [insert call identifier]

H2020 Model Grant Agreements: H2020 SGA — Mono: v5.0 – 18.10.2017

## Independent Report of Factual Findings on costs declared under Horizon 2020 Research and Innovation Framework Programme

*(To be printed on the Auditor's letterhead)*

To

[ name of contact person(s)], [Position]  
[ [Partner's] [Linked Third Party's] name ]  
[ Address]  
[ dd Month yyyy]

Dear [Name of contact person(s)],

As agreed under the terms of reference dated [dd Month yyyy]

with [OPTION 1: [insert name of the partner] ('the Partner')] [OPTION 2: [insert name of the linked third party] ('the Linked Third Party'), third party linked to the Partner [insert name of the partner] ('the Partner')],

we

[name of the auditor] ('the Auditor'),  
established at [full address/city/state/province/country],  
represented by [name and function of an authorised representative],

have carried out the procedures agreed with you regarding the costs declared in the Financial Statement(s)<sup>3</sup> of the [Partner] [Linked Third Party] concerning the grant agreement [insert specific agreement reference: number, title of the action and acronym] ('the Agreement'),

with a total cost declared of [total amount] EUR,

and a total of actual costs and unit costs calculated in accordance with the [Partner's] [Linked Third Party's] usual cost accounting practices' declared of

[sum of total actual costs and total unit costs calculated in accordance with the [Partner's] [Linked Third Party's] usual cost accounting practices] EUR

and **hereby provide our Independent Report of Factual Findings ('the Report')** using the compulsory report format agreed with you.

### **The Report**

Our engagement was carried out in accordance with the terms of reference ('the ToR') appended to this Report. The Report includes the agreed-upon procedures ('the Procedures') carried out and the standard factual findings ('the Findings') examined.

The Procedures were carried out solely to assist the [Commission] [Agency] in evaluating whether the [Partner's] [Linked Third Party's] costs in the accompanying Financial Statement(s) were declared in

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<sup>3</sup> By which the Partner declares costs under the Agreement (see template 'Model Financial Statement' in Annex 3 to the Specific Agreement).

accordance with the Agreement. The [Commission] [Agency] draws its own conclusions from the Report and any additional information it may require.

The scope of the Procedures was defined by the Commission. Therefore, the Auditor is not responsible for their suitability or pertinence. Since the Procedures carried out constitute neither an audit nor a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, the Auditor does not give a statement of assurance on the Financial Statements.

Had the Auditor carried out additional procedures or an audit of the [Partner's] [Linked Third Party's] Financial Statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to its attention and would have been included in the Report.

### **Not applicable Findings**

We examined the Financial Statement(s) stated above and considered the following Findings not applicable:

*Explanation (to be removed from the Report):*

*If a Finding was not applicable, it must be marked as 'N.A.' ('Not applicable') in the corresponding row on the right-hand column of the table and means that the Finding did not have to be corroborated by the Auditor and the related Procedure(s) did not have to be carried out.*

*The reasons of the non-application of a certain Finding must be obvious i.e.*

- i) if no cost was declared under a certain category then the related Finding(s) and Procedure(s) are not applicable;*
- ii) if the condition set to apply certain Procedure(s) are not met the related Finding(s) and those Procedure(s) are not applicable. For instance, for 'partners with accounts established in a currency other than euro' the Procedure and Finding related to 'partners with accounts established in euro' are not applicable. Similarly, if no additional remuneration is paid, the related Finding(s) and Procedure(s) for additional remuneration are not applicable.*

**List here all Findings considered not applicable for the present engagement and explain the reasons of the non-applicability.**

....

### **Exceptions**

Apart from the exceptions listed below, the [Partner] [Linked Third Party] provided the Auditor all the documentation and accounting information needed by the Auditor to carry out the requested Procedures and evaluate the Findings.

*Explanation (to be removed from the Report):*

- If the Auditor was not able to successfully complete a procedure requested, it must be marked as 'E' ('Exception') in the corresponding row on the right-hand column of the table. The reason such as the inability to reconcile key information or the unavailability of data that prevents the Auditor from carrying out the Procedure must be indicated below.*
- If the Auditor cannot corroborate a standard finding after having carried out the corresponding procedure, it must also be marked as 'E' ('Exception') and, where possible, the reasons why the Finding was not fulfilled and its possible impact must be explained here below.*

**List here any exceptions and add any information on the cause and possible consequences of each exception, if known. If the exception is quantifiable, include the corresponding amount.**

....

*Example (to be removed from the Report):*

1. *The Partner was unable to substantiate the Finding number 1 on ... because ....*
2. *Finding number 30 was not fulfilled because the methodology used by the Partner to calculate unit costs was different from the one approved by the Commission. The differences were as follows: ...*
3. *After carrying out the agreed procedures to confirm the Finding number 31, the Auditor found a difference of \_\_\_\_\_ EUR. The difference can be explained by ...*

### **Further Remarks**

In addition to reporting on the results of the specific procedures carried out, the Auditor would like to make the following general remarks:

*Example (to be removed from the Report):*

1. *Regarding Finding number 8 the conditions for additional remuneration were considered as fulfilled because ...*
2. *In order to be able to confirm the Finding number 15 we carried out the following additional procedures: ....*

### **Use of this Report**

This Report may be used only for the purpose described in the above objective. It was prepared solely for the confidential use of the [Partner] [Linked Third Party] and the [Commission] [Agency], and only to be submitted to the [Commission] [Agency] in connection with the requirements set out in Article 13.4 of the Specific Agreement. The Report may not be used by the [Partner] [Linked Third Party] or by the [Commission] [Agency] for any other purpose, nor may it be distributed to any other parties. The [Commission] [Agency] may only disclose the Report to authorised parties, in particular to the European Anti-Fraud Office (OLAF) and the European Court of Auditors.

This Report relates only to the Financial Statement(s) submitted to the [Commission] [Agency] by the [Partner] [Linked Third Party] for the Agreement. Therefore, it does not extend to any other of the [Partner's] [Linked Third Party's] Financial Statement(s).

There was no conflict of interest<sup>4</sup> between the Auditor and the Partner [and Linked Third Party] in establishing this Report. The total fee paid to the Auditor for providing the Report was EUR [ ] (including EUR [ ] of deductible VAT).

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance.

[legal name of the Auditor]

[name and function of an authorised representative]

[dd Month yyyy]

Signature of the Auditor

<sup>4</sup> A conflict of interest arises when the Auditor's objectivity to establish the certificate is compromised in fact or in appearance when the Auditor for instance:

- was involved in the preparation of the Financial Statements;
- stands to benefit directly should the certificate be accepted;
- has a close relationship with any person representing the Partner;
- is a director, trustee or partner of the Partner; or
- is in any other situation that compromises his or her independence or ability to establish the certificate impartially.

**Agreed-upon procedures to be performed and standard factual findings to be confirmed by the Auditor**

The European Commission reserves the right to i) provide the auditor with additional guidance regarding the procedures to be followed or the facts to be ascertained and the way in which to present them (this may include sample coverage and findings) or to ii) change the procedures, by notifying the Partner in writing. The procedures carried out by the auditor to confirm the standard factual finding are listed in the table below.

If this certificate relates to a Linked Third Party, any reference here below to ‘the Partner’ is to be considered as a reference to ‘the Linked Third Party’.

The ‘result’ column has three different options: ‘C’, ‘E’ and ‘N.A.’:

- ‘C’ stands for ‘confirmed’ and means that the auditor can confirm the ‘standard factual finding’ and, therefore, there is no exception to be reported.
- ‘E’ stands for ‘exception’ and means that the Auditor carried out the procedures but cannot confirm the ‘standard factual finding’, or that the Auditor was not able to carry out a specific procedure (e.g. because it was impossible to reconcile key information or data were unavailable),
- ‘N.A.’ stands for ‘not applicable’ and means that the Finding did not have to be examined by the Auditor and the related Procedure(s) did not have to be carried out. The reasons of the non-application of a certain Finding must be obvious i.e. i) if no cost was declared under a certain category then the related Finding(s) and Procedure(s) are not applicable; ii) if the condition set to apply certain Procedure(s) are not met then the related Finding(s) and Procedure(s) are not applicable. For instance, for ‘partners with accounts established in a currency other than the euro’ the Procedure related to ‘partners with accounts established in euro’ is not applicable. Similarly, if no additional remuneration is paid, the related Finding(s) and Procedure(s) for additional remuneration are not applicable.

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
A	<b>ACTUAL PERSONNEL COSTS AND UNIT COSTS CALCULATED BY THE PARTNER IN ACCORDANCE WITH ITS USUAL COST ACCOUNTING PRACTICE</b>		
	The Auditor draws a sample of persons whose costs were declared in the Financial Statement(s) to carry out the procedures indicated in the consecutive points of this section A.  <i>(The sample should be selected randomly so that it is representative. Full coverage is required if there are fewer than 10 people (including employees, natural persons working under a direct contract and personnel seconded by a third party), otherwise the sample should have a minimum</i>		

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p><i>of 10 people, or 10% of the total, whichever number is the highest)</i></p> <p>The Auditor sampled [ ] people out of the total of [ ] people.</p>		
A.1	<p><b>PERSONNEL COSTS</b></p> <p><u>For the persons included in the sample and working under an employment contract or equivalent act (general procedures for individual actual personnel costs and personnel costs declared as unit costs)</u></p> <p>To confirm standard factual findings 1-5 listed in the next column, the Auditor reviewed following information/documents provided by the Partner:</p> <ul style="list-style-type: none"> <li>○ a list of the persons included in the sample indicating the period(s) during which they worked for the action, their position (classification or category) and type of contract;</li> <li>○ the payslips of the employees included in the sample;</li> <li>○ reconciliation of the personnel costs declared in the Financial Statement(s) with the accounting system (project accounting and general ledger) and payroll system;</li> <li>○ information concerning the employment status and employment conditions of personnel included in the sample, in particular their employment contracts or equivalent;</li> <li>○ the Partner’s usual policy regarding payroll matters (e.g. salary policy, overtime policy, variable pay);</li> </ul>	<p>1) The employees were i) directly hired by the Partner in accordance with its national legislation, ii) under the Partner’s sole technical supervision and responsibility and iii) remunerated in accordance with the Partner’s usual practices.</p> <p>2) Personnel costs were recorded in the Partner's accounts/payroll system.</p> <p>3) Costs were adequately supported and reconciled with the accounts and payroll records.</p> <p>4) Personnel costs did not contain any ineligible elements.</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<ul style="list-style-type: none"> <li>○ applicable national law on taxes, labour and social security and</li> <li>○ any other document that supports the personnel costs declared.</li> </ul> <p>The Auditor also verified the eligibility of all components of the retribution (see Article 5 SGA) and recalculated the personnel costs for employees included in the sample.</p>	5) There were no discrepancies between the personnel costs charged to the action and the costs recalculated by the Auditor.	
	<p><i>Further procedures if ‘additional remuneration’ is paid</i></p> <p>To confirm standard factual findings 6-9 listed in the next column, the Auditor:</p> <ul style="list-style-type: none"> <li>○ reviewed relevant documents provided by the Partner (legal form, legal/statutory obligations, the Partner’s usual policy on additional remuneration, criteria used for its calculation, the Partner's usual remuneration practice for projects funded under national funding schemes ...);</li> <li>○ recalculated the amount of additional remuneration eligible for the action based on the supporting documents received (full-time or part-time work, exclusive or non-exclusive dedication to the action, usual remuneration paid for projects funded by national schemes) to arrive at the applicable FTE/year and pro-rata rate (see data collected in the course of carrying out the procedures under A.2 ‘Productive hours’ and A.4 ‘Time recording system’).</li> </ul> <p><i>‘ADDITIONAL REMUNERATION’ MEANS ANY PART OF THE REMUNERATION WHICH EXCEEDS WHAT THE PERSON WOULD BE PAID FOR TIME WORKED IN PROJECTS FUNDED BY NATIONAL SCHEMES.</i></p> <p><i>IF ANY PART OF THE REMUNERATION PAID TO THE EMPLOYEE QUALIFIES AS "ADDITIONAL REMUNERATION" AND IS ELIGIBLE UNDER THE PROVISIONS OF ARTICLE 5.2.A.1 OF THE SPECIFIC AGREEMENT, THIS CAN BE CHARGED AS ELIGIBLE COST TO THE ACTION UP TO THE FOLLOWING</i></p>	6) The Partner paying “additional remuneration” was a non-profit legal entity.	
		7) The amount of additional remuneration paid corresponded to the Partner’s usual remuneration practices and was consistently paid whenever the same kind of work or expertise was required.	
		8) The criteria used to calculate the additional remuneration were objective and generally applied by the Partner regardless of the source of funding used.	
		9) The amount of additional	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p><i>AMOUNT:</i></p> <p>(A) <i>IF THE PERSON WORKS FULL TIME AND EXCLUSIVELY ON THE ACTION DURING THE FULL YEAR: UP TO EUR 8 000/YEAR;</i></p> <p>(B) <i>IF THE PERSON WORKS EXCLUSIVELY ON THE ACTION BUT NOT FULL-TIME OR NOT FOR THE FULL YEAR: UP TO THE CORRESPONDING PRO-RATA AMOUNT OF EUR 8 000, OR</i></p> <p>(C) <i>IF THE PERSON DOES NOT WORK EXCLUSIVELY ON THE ACTION: UP TO A PRO-RATA AMOUNT CALCULATED IN ACCORDANCE TO ARTICLE 5.2.A.1 OF THE SPECIFIC AGREEMENT.</i></p>	<p>remuneration included in the personnel costs charged to the action was capped at EUR 8,000 per FTE/year (up to the equivalent pro-rata amount if the person did not work on the action full-time during the year or did not work exclusively on the action).</p>	
	<p><i>Additional procedures in case “unit costs calculated by the Partner in accordance with its usual cost accounting practices” is applied:</i></p> <p>Apart from carrying out the procedures indicated above to confirm standard factual findings 1-5 and, if applicable, also 6-9, the Auditor carried out following procedures to confirm standard factual findings 10-13 listed in the next column:</p> <ul style="list-style-type: none"> <li>○ obtained a description of the Partner's usual cost accounting practice to calculate unit costs;.</li> <li>○ reviewed whether the Partner's usual cost accounting practice was applied for the Financial Statements subject of the present CFS;</li> <li>○ verified the employees included in the sample were charged under the correct category (in accordance with the criteria used by the Partner to establish personnel categories) by reviewing the contract/HR-record or analytical accounting records;</li> <li>○ verified that there is no difference between the total amount of personnel costs used in</li> </ul>	<p>10) The personnel costs included in the Financial Statement were calculated in accordance with the Partner's usual cost accounting practice. This methodology was consistently used in all H2020 actions.</p>	
		<p>11) The employees were charged under the correct category.</p>	
		<p>12) Total personnel costs used in calculating the unit costs were consistent with the expenses recorded in the statutory</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>calculating the cost per unit and the total amount of personnel costs recorded in the statutory accounts;</p> <ul style="list-style-type: none"> <li>○ verified whether actual personnel costs were adjusted on the basis of budgeted or estimated elements and, if so, verified whether those elements used are actually relevant for the calculation, objective and supported by documents.</li> </ul>	<p>accounts.</p> <p>13) Any estimated or budgeted element used by the Partner in its unit-cost calculation were relevant for calculating personnel costs and corresponded to objective and verifiable information.</p>	
	<p><u>For natural persons included in the sample and working with the Partner under a direct contract other than an employment contract, such as consultants (no subcontractors).</u></p> <p>To confirm standard factual findings 14-17 listed in the next column the Auditor reviewed following information/documents provided by the Partner:</p> <ul style="list-style-type: none"> <li>○ the contracts, especially the cost, contract duration, work description, place of work, ownership of the results and reporting obligations to the Partner;</li> <li>○ the employment conditions of staff in the same category to compare costs and;</li> <li>○ any other document that supports the costs declared and its registration (e.g. invoices, accounting records, etc.).</li> </ul>	<p>14) The natural persons worked under conditions similar to those of an employee, in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed.</p> <p>15) The results of work carried out belong to the Partner, or if not, the Partner has obtained all necessary rights to fulfil its obligations as if those results were generated by itself.</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
		16) Their costs were not significantly different from those for staff who performed similar tasks under an employment contract with the Partner.	
		17) The costs were supported by audit evidence and registered in the accounts.	
	<p><u>For personnel seconded by a third party and included in the sample (not subcontractors)</u></p> <p>To confirm standard factual findings 18-21 listed in the next column, the Auditor reviewed following information/documents provided by the Partner:</p> <ul style="list-style-type: none"> <li>○ their secondment contract(s) notably regarding costs, duration, work description, place of work and ownership of the results;</li> <li>○ if there is reimbursement by the Partner to the third party for the resource made available (in-kind contribution against payment): any documentation that supports the costs declared (e.g. contract, invoice, bank payment, and proof of registration in its accounting/payroll, etc.) and reconciliation of the Financial Statement(s) with the accounting system (project accounting and general ledger) as well as any proof that the amount invoiced by the third party did not include any profit;</li> <li>○ if there is no reimbursement by the Partner to the third party for the resource made available (in-kind contribution free of charge): a proof of the actual cost borne by the Third Party for the resource made available free of charge to the Partner such as a</li> </ul>	18) Seconded personnel reported to the Partner and worked on the Partner’s premises (unless otherwise agreed with the Partner).	
		19) The results of work carried out belong to the Partner, or if not, the Partner has obtained all necessary rights to fulfil its obligations as if those results were generated by itself.	
		<p><i>If personnel is seconded against payment:</i></p> <p>20) The costs declared were supported with documentation</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>statement of costs incurred by the Third Party and proof of the registration in the Third Party's accounting/payroll;</p> <ul style="list-style-type: none"> <li>○ any other document that supports the costs declared (e.g. invoices, etc.).</li> </ul>	<p>and recorded in the Partner's accounts. The third party did not include any profit.</p>	
		<p><i>If personnel is seconded free of charge:</i></p> <p>21) The costs declared did not exceed the third party's cost as recorded in the accounts of the third party and were supported with documentation.</p>	
<p><b>A.2</b></p>	<p><b>PRODUCTIVE HOURS</b></p> <p>To confirm standard factual findings 22-27 listed in the next column, the Auditor reviewed relevant documents, especially national legislation, labour agreements and contracts and time records of the persons included in the sample, to verify that:</p> <ul style="list-style-type: none"> <li>○ the annual productive hours applied were calculated in accordance with one of the methods described below,</li> <li>○ the full-time equivalent (FTEs) ratios for employees not working full-time were correctly calculated.</li> </ul> <p>If the Partner applied method B, the auditor verified that the correctness in which the total number of hours worked was calculated and that the contracts specified the annual workable hours.</p> <p>If the Partner applied method C, the auditor verified that the 'annual productive hours' applied</p>	<p>22) The Partner applied method [choose one option and delete the others]</p> <p>[A: 1720 hours]</p> <p>[B: the 'total number of hours worked']</p> <p>[C: 'standard annual productive hours' used correspond to usual accounting practices]</p> <p>23) Productive hours were calculated annually.</p> <p>24) For employees not working full-time the full-time</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>when calculating the hourly rate were equivalent to at least 90 % of the ‘standard annual workable hours’. The Auditor can only do this if the calculation of the standard annual workable hours can be supported by records, such as national legislation, labour agreements, and contracts.</p> <p><i>PARTNER’S PRODUCTIVE HOURS’ FOR PERSONS WORKING FULL TIME SHALL BE ONE OF THE FOLLOWING METHODS:</i></p> <p><i>A. 1720 ANNUAL PRODUCTIVE HOURS (PRO-RATA FOR PERSONS NOT WORKING FULL-TIME)</i></p> <p><i>B. THE TOTAL NUMBER OF HOURS WORKED BY THE PERSON FOR THE PARTNER IN THE YEAR (THIS METHOD IS ALSO REFERRED TO AS ‘TOTAL NUMBER OF HOURS WORKED’ IN THE NEXT COLUMN). THE CALCULATION OF THE TOTAL NUMBER OF HOURS WORKED WAS DONE AS FOLLOWS: ANNUAL WORKABLE HOURS OF THE PERSON ACCORDING TO THE EMPLOYMENT CONTRACT, APPLICABLE LABOUR AGREEMENT OR NATIONAL LAW PLUS OVERTIME WORKED MINUS ABSENCES (SUCH AS SICK LEAVE OR SPECIAL LEAVE).</i></p> <p><i>C. THE STANDARD NUMBER OF ANNUAL HOURS GENERALLY APPLIED BY THE PARTNER FOR ITS PERSONNEL IN ACCORDANCE WITH ITS USUAL COST ACCOUNTING PRACTICES (THIS METHOD IS ALSO REFERRED TO AS ‘STANDARD ANNUAL PRODUCTIVE HOURS’ IN THE NEXT COLUMN). THIS NUMBER MUST BE AT LEAST 90% OF THE STANDARD ANNUAL WORKABLE HOURS.</i></p> <p><i>‘ANNUAL WORKABLE HOURS’ MEANS THE PERIOD DURING WHICH THE PERSONNEL MUST BE WORKING, AT THE EMPLOYER’S DISPOSAL AND CARRYING OUT HIS/HER ACTIVITY OR DUTIES UNDER THE EMPLOYMENT CONTRACT, APPLICABLE COLLECTIVE LABOUR AGREEMENT OR NATIONAL WORKING TIME LEGISLATION.</i></p>	<p>equivalent (FTE) ratio was correctly applied.</p> <p><i>If the Partner applied method B.</i></p> <p>25) The calculation of the number of ‘annual workable hours’, overtime and absences was verifiable based on the documents provided by the Partner.</p> <p>25.1) The Partner calculates the hourly rates per full financial year following procedure A.3 (method B is not allowed for partners calculating hourly rates per month).</p> <p><i>If the Partner applied method C.</i></p> <p>26) The calculation of the number of ‘standard annual workable hours’ was verifiable based on the documents provided by the Partner.</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
		27) The ‘annual productive hours’ used for calculating the hourly rate were consistent with the usual cost accounting practices of the Partner and were equivalent to at least 90 % of the ‘annual workable hours’.	
A.3	<p><b>HOURLY PERSONNEL RATES</b></p> <p><u>D) For unit costs calculated in accordance to the Partner's usual cost accounting practice (unit costs):</u></p> <p>If the Partner has a "Certificate on Methodology to calculate unit costs " (CoMUC) approved by the Commission, the Partner provides the Auditor with a description of the approved methodology and the Commission’s letter of acceptance. The Auditor verified that the Partner has indeed used the methodology approved. If so, no further verification is necessary.</p> <p>If the Partner does not have a "Certificate on Methodology" (CoMUC) approved by the Commission, or if the methodology approved was not applied, then the Auditor:</p> <ul style="list-style-type: none"> <li>○ reviewed the documentation provided by the Partner, including manuals and internal guidelines that explain how to calculate hourly rates;</li> <li>○ recalculated the unit costs (hourly rates) of staff included in the sample following the results of the procedures carried out in A.1 and A.2.</li> </ul> <p><u>II) For individual hourly rates:</u></p> <p>The Auditor:</p>	<p>28) The Partner applied [<i>choose one option and delete the other</i>]:</p> <p>[Option I: “Unit costs (hourly rates) were calculated in accordance with the Partner’s usual cost accounting practices”]</p> <p>[Option II: Individual hourly rates were applied]</p> <p><i>For option I concerning unit costs and if the Partner applies the methodology approved by the Commission (CoMUC):</i></p> <p>29) The Partner used the Commission-approved methodology to calculate hourly rates. It corresponded to the organisation's usual cost</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<ul style="list-style-type: none"> <li>○ reviewed the documentation provided by the Partner, including manuals and internal guidelines that explain how to calculate hourly rates;</li> <li>○ recalculated the hourly rates of staff included in the sample (recalculation of all hourly rates if the Partner uses annual rates, recalculation of three months selected randomly for every year and person if the Partner uses monthly rates) following the results of the procedures carried out in A.1 and A.2;</li> <li>○ (only in case of monthly rates) confirmed that the time spent on parental leave is not deducted, and that, if parts of the basic remuneration are generated over a period longer than a month, the Partner has included only the share which is generated in the month.</li> </ul> <p><i>“UNIT COSTS CALCULATED BY THE PARTNER IN ACCORDANCE WITH ITS USUAL COST ACCOUNTING PRACTICES”:</i>  <i>IT IS CALCULATED BY DIVIDING THE TOTAL AMOUNT OF PERSONNEL COSTS OF THE CATEGORY TO WHICH THE EMPLOYEE BELONGS VERIFIED IN LINE WITH PROCEDURE A.1 BY THE NUMBER OF FTE AND THE ANNUAL TOTAL PRODUCTIVE HOURS OF THE SAME CATEGORY CALCULATED BY THE PARTNER IN ACCORDANCE WITH PROCEDURE A.2.</i></p> <p><i><u>HOURLY RATE FOR INDIVIDUAL ACTUAL PERSONAL COSTS:</u></i>  <i>IT IS CALCULATED FOLLOWING ONE OF THE TWO OPTIONS BELOW:</i></p> <p><i>A) [OPTION BY DEFAULT] BY DIVIDING THE ACTUAL ANNUAL AMOUNT OF PERSONNEL COSTS OF AN EMPLOYEE VERIFIED IN LINE WITH PROCEDURE A.1 BY THE NUMBER OF ANNUAL PRODUCTIVE HOURS VERIFIED IN LINE WITH PROCEDURE A.2 (FULL FINANCIAL YEAR HOURLY RATE);</i></p> <p><i>B) BY DIVIDING THE ACTUAL MONTHLY AMOUNT OF PERSONNEL COSTS OF AN EMPLOYEE VERIFIED IN LINE WITH PROCEDURE A.1 BY 1/12 OF THE NUMBER OF ANNUAL PRODUCTIVE</i></p>	<p>accounting practices and was applied consistently for all activities irrespective of the source of funding.</p> <p><i>For option I concerning unit costs and if the Partner applies a methodology not approved by the Commission:</i></p> <p>30) The unit costs re-calculated by the Auditor were the same as the rates applied by the Partner.</p> <p><i>For option II concerning individual hourly rates:</i></p> <p>31) The individual rates re-calculated by the Auditor were the same as the rates applied by the Partner.</p> <p>31.1.) The Partner used only one option (per full financial year or per month) throughout each financial year examined.</p> <p>31.2) The hourly rates do not include additional</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<i>HOURS VERIFIED IN LINE WITH PROCEDURE A.2 (MONTHLY HOURLY RATE).</i>	remuneration.	
<b>A.4</b>	<p><b>TIME RECORDING SYSTEM</b></p> <p>To verify that the time recording system ensures the fulfilment of all minimum requirements and that the hours declared for the action were correct, accurate and properly authorised and supported by documentation, the Auditor made the following checks for the persons included in the sample that declare time as worked for the action on the basis of time records:</p> <ul style="list-style-type: none"> <li>○ description of the time recording system provided by the Partner (registration, authorisation, processing in the HR-system);</li> <li>○ its actual implementation;</li> <li>○ time records were signed at least monthly by the employees (on paper or electronically) and authorised by the project manager or another manager;</li> <li>○ the hours declared were worked within the project period;</li> <li>○ there were no hours declared as worked for the action if HR-records showed absence due to holidays or sickness (further cross-checks with travels are carried out in B.1 below) ;</li> <li>○ the hours charged to the action matched those in the time recording system.</li> </ul> <p><i>ONLY THE HOURS WORKED ON THE ACTION CAN BE CHARGED. ALL WORKING TIME TO BE CHARGED SHOULD BE RECORDED THROUGHOUT THE DURATION OF THE PROJECT, ADEQUATELY SUPPORTED BY</i></p>	<p>32) All persons recorded their time dedicated to the action on a <b>daily/ weekly/ monthly</b> basis using a <b>paper/computer-based</b> system. <i>(delete the answers that are not applicable)</i></p> <p>33) Their time-records were authorised at least monthly by the project manager or other superior.</p> <p>34) Hours declared were worked within the project period and were consistent with the presences/absences recorded in HR-records.</p> <p>35) There were no discrepancies between the number of hours charged to the action and the number of hours recorded.</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<i>EVIDENCE OF THEIR REALITY AND RELIABILITY (SEE SPECIFIC PROVISIONS BELOW FOR PERSONS WORKING EXCLUSIVELY FOR THE ACTION WITHOUT TIME RECORDS).</i>		
	<p><u>If the persons are working exclusively for the action and without time records</u></p> <p>For the persons selected that worked exclusively for the action without time records, the Auditor verified evidence available demonstrating that they were in reality exclusively dedicated to the action and that the Partner signed a declaration confirming that they have worked exclusively for the action.</p>	36) The exclusive dedication is supported by a declaration signed by the Partner and by any other evidence gathered.	
<b>B</b>	<b>COSTS OF SUBCONTRACTING</b>		
<b>B.1</b>	<p><b>The Auditor obtained the detail/breakdown of subcontracting costs and sampled [redacted] cost items selected randomly</b> (<i>full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest</i>).</p> <p>To confirm standard factual findings 37-41 listed in the next column, the Auditor reviewed the following for the items included in the sample:</p> <ul style="list-style-type: none"> <li>○ the use of subcontractors was foreseen in Annex 1;</li> <li>○ subcontracting costs were declared in the subcontracting category of the Financial Statement;</li> <li>○ supporting documents on the selection and award procedure were followed;</li> <li>○ the Partner ensured best value for money (key elements to appreciate the respect of this principle are the award of the subcontract to the bid offering best price-quality ratio,</li> </ul>	<p>37) The use of claimed subcontracting costs was foreseen in Annex 1 and costs were declared in the Financial Statements under the subcontracting category.</p> <p>38) There were documents of requests to different providers, different offers and assessment of the offers before selection of the provider in line with internal procedures and procurement rules. Subcontracts were awarded in</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>under conditions of transparency and equal treatment. In case an existing framework contract was used the Partner ensured it was established on the basis of the principle of best value for money under conditions of transparency and equal treatment).</p> <p>In particular,</p> <ul style="list-style-type: none"> <li>i. if the Partner acted as a contracting authority within the meaning of Directive 2004/18/EC (or 2014/24/EU) or of Directive 2004/17/EC (or 2014/25/EU) , the Auditor verified that the applicable national law on public procurement was followed and that the subcontracting complied with the Terms and Conditions of the Agreement.</li> <li>ii. if the Partner did not fall under the above-mentioned category the Auditor verified that the Partner followed its usual procurement rules and respected the Terms and Conditions of the Agreement..</li> </ul> <p>For the items included in the sample the Auditor also verified that:</p> <ul style="list-style-type: none"> <li>o ;</li> <li>o there were signed agreements between the Partner and the subcontractor;</li> <li>o there was evidence that the services were provided by subcontractor;</li> </ul>	<p>accordance with the principle of best value for money.</p> <p><i>(When different offers were not collected the Auditor explains the reasons provided by the Partner under the caption “Exceptions” of the Report. The Commission will analyse this information to evaluate whether these costs might be accepted as eligible)</i></p> <p>39) Not Applicable</p> <p>40) All subcontracts were supported by signed agreements between the Partner and the subcontractor.</p> <p>41) There was evidence that the services were provided by the subcontractors.</p>	
<b>C</b>	<b>COSTS OF PROVIDING FINANCIAL SUPPORT TO THIRD PARTIES</b>		
<b>C.1</b>	<b>The Auditor obtained the detail/breakdown of the costs of providing financial support to third parties and sampled [redacted] cost items selected randomly (full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest).</b>	42) All minimum conditions were met	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>The Auditor verified that the following minimum conditions were met:</p> <ul style="list-style-type: none"> <li>a) the maximum amount of financial support for each third party did not exceed EUR 60 000, unless explicitly mentioned in Annex 1;</li> <li>b) the financial support to third parties was agreed in Annex 1 of the Agreement and the other provisions on financial support to third parties included in Annex 1 were respected.</li> </ul>		
<b>D</b>	<b>OTHER ACTUAL DIRECT COSTS</b>		
<b>D.1</b>	<p><b>COSTS OF TRAVEL AND RELATED SUBSISTENCE ALLOWANCES</b></p> <p><b>The Auditor sampled [redacted] cost items selected randomly</b> (<i>full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is the highest</i>).</p> <p>The Auditor inspected the sample and verified that:</p> <ul style="list-style-type: none"> <li>o travel and subsistence costs were consistent with the Partner's usual policy for travel. In this context, the Partner provided evidence of its normal policy for travel costs (e.g. use of first class tickets, reimbursement by the Partner on the basis of actual costs, a lump sum or per diem) to enable the Auditor to compare the travel costs charged with this policy;</li> <li>o travel costs are correctly identified and allocated to the action (e.g. trips are directly linked to the action) by reviewing relevant supporting documents such as minutes of meetings, workshops or conferences, their registration in the correct project account, their</li> </ul>	43) Costs were incurred, approved and reimbursed in line with the Partner's usual policy for travels.	
		44) There was a link between the trip and the action.	
		45) The supporting documents were consistent with each other regarding subject of the trip, dates, duration and reconciled with time records and accounting.	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>consistency with time records or with the dates/duration of the workshop/conference;</p> <ul style="list-style-type: none"> <li>○ no ineligible costs or excessive or reckless expenditure was declared (see Article 5.5 SGA) .</li> </ul>	46) No ineligible costs or excessive or reckless expenditure was declared.	
<b>D.2</b>	<p><b>DEPRECIATION COSTS FOR EQUIPMENT, INFRASTRUCTURE OR OTHER ASSETS</b></p> <p><b>The Auditor sampled [ ] cost items selected randomly</b> <i>(full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is the highest).</i></p> <p>For “equipment, infrastructure or other assets” [from now on called “asset(s)”] selected in the sample the Auditor verified that:</p> <ul style="list-style-type: none"> <li>○ the assets were acquired in conformity with the Partner's internal guidelines and procedures;</li> <li>○ they were correctly allocated to the action (with supporting documents such as delivery note invoice or any other proof demonstrating the link to the action)</li> <li>○ they were entered in the accounting system;</li> <li>○ the extent to which the assets were used for the action (as a percentage) was supported by reliable documentation (e.g. usage overview table);</li> </ul> <p>The Auditor recalculated the depreciation costs and verified that they were in line with the applicable rules in the Partner’s country and with the Partner’s usual accounting policy (e.g.</p>	<p>47) Procurement rules, principles and guides were followed.</p> <p>48) There was a link between the grant agreement and the asset charged to the action.</p> <p>49) The asset charged to the action was traceable to the accounting records and the underlying documents.</p> <p>50) The depreciation method used to charge the asset to the action was in line with the applicable rules of the Partner's country and the Partner's usual accounting policy.</p> <p>51) The amount charged corresponded to the actual usage for the action.</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>depreciation calculated on the acquisition value).</p> <p>The Auditor verified that no ineligible costs such as deductible VAT, exchange rate losses, excessive or reckless expenditure were declared (see Article 5.5 SGA).</p>	52) No ineligible costs or excessive or reckless expenditure were declared.	
<b>D.3</b>	<p><b>COSTS OF OTHER GOODS AND SERVICES</b></p> <p><b>The Auditor sampled [redacted] cost items selected randomly</b> (<i>full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest</i>).</p> <p>For the purchase of goods, works or services included in the sample the Auditor verified that:</p> <ul style="list-style-type: none"> <li>○ the contracts did not cover tasks described in Annex 1;</li> <li>○ they were correctly identified, allocated to the proper action, entered in the accounting system (traceable to underlying documents such as purchase orders, invoices and accounting);</li> <li>○ the goods were not placed in the inventory of durable equipment;</li> <li>○ the costs charged to the action were accounted in line with the Partner’s usual accounting practices;</li> <li>○ no ineligible costs or excessive or reckless expenditure were declared (see Article 5 SGA).</li> </ul>	<p>53) Contracts for works or services did not cover tasks described in Annex 1.</p> <p>54) Costs were allocated to the correct action and the goods were not placed in the inventory of durable equipment.</p> <p>55) The costs were charged in line with the Partner’s accounting policy and were adequately supported.</p> <p>56) No ineligible costs or excessive or reckless expenditure were declared. For internal invoices/charges only the cost element was charged, without any mark-ups.</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>In addition, the Auditor verified that these goods and services were acquired in conformity with the Partner's internal guidelines and procedures, in particular:</p> <ul style="list-style-type: none"> <li>○ if Partner acted as a contracting authority within the meaning of Directive 2004/18/EC (or 2014/24/EU) or of Directive 2004/17/EC (or 2014/25/EU), the Auditor verified that the applicable national law on public procurement was followed and that the procurement contract complied with the Terms and Conditions of the Agreement.</li> <li>○ if the Partner did not fall into the category above, the Auditor verified that the Partner followed their usual procurement rules and respected the Terms and Conditions of the Agreement.</li> </ul> <p>For the items included in the sample the Auditor also verified that:</p> <ul style="list-style-type: none"> <li>○ the Partner ensured best value for money (key elements to appreciate the respect of this principle are the award of the contract to the bid offering best price-quality ratio, under conditions of transparency and equal treatment. In case an existing framework contract was used the Auditor also verified that the Partner ensured it was established on the basis of the principle of best value for money under conditions of transparency and equal treatment);</li> </ul> <p><i>SUCH GOODS AND SERVICES INCLUDE, FOR INSTANCE, CONSUMABLES AND SUPPLIES, DISSEMINATION (INCLUDING OPEN ACCESS), PROTECTION OF RESULTS, SPECIFIC EVALUATION OF THE ACTION IF IT IS REQUIRED BY THE AGREEMENT, CERTIFICATES ON THE FINANCIAL STATEMENTS IF THEY ARE REQUIRED BY THE AGREEMENT AND CERTIFICATES ON THE METHODOLOGY, TRANSLATIONS, REPRODUCTION.</i></p>	<p>57) Procurement rules, principles and guides were followed. There were documents of requests to different providers, different offers and assessment of the offers before selection of the provider in line with internal procedures and procurement rules. The purchases were made in accordance with the principle of best value for money.</p> <p><i>(When different offers were not collected the Auditor explains the reasons provided by the Partner under the caption “Exceptions” of the Report. The Commission will analyse this information to evaluate whether these costs might be accepted as eligible)</i></p>	
<b>D.4</b>	<p><b>AGGREGATED CAPITALISED AND OPERATING COSTS OF RESEARCH INFRASTRUCTURE</b></p> <p>The Auditor ensured the existence of a positive ex-ante assessment (issued by the EC Services) of</p>	<p>58) The costs declared as direct costs for Large Research Infrastructures (in the</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>the cost accounting methodology of the Partner allowing it to apply the guidelines on direct costing for large research infrastructures in Horizon 2020.</p> <p><i>In the cases that a positive ex-ante assessment has been issued (see the standard factual findings 58-59 on the next column),</i> The Auditor ensured that the partner has applied consistently the methodology that is explained and approved in the positive ex ante assessment;</p> <p><i>In the cases that a positive ex-ante assessment has NOT been issued (see the standard factual findings 60 on the next column),</i> The Auditor verified that no costs of Large Research Infrastructure have been charged as direct costs in any costs category;</p> <p><i>In the cases that a draft ex-ante assessment report has been issued with recommendation for further changes (see the standard factual findings 60 on the next column),</i></p> <ul style="list-style-type: none"> <li>The Auditor followed the same procedure as above (when a positive ex-ante assessment has NOT yet been issued) and paid particular attention (testing reinforced) to the cost items for which the draft ex-ante assessment either rejected the inclusion as direct costs for Large Research Infrastructures or issued recommendations.</li> </ul>	<p>appropriate line of the Financial Statement) comply with the methodology described in the positive ex-ante assessment report.</p> <p>59) Any difference between the methodology applied and the one positively assessed was extensively described and adjusted accordingly.</p> <p>60) The direct costs declared were free from any indirect costs items related to the Large Research Infrastructure.</p>	
<b>D.5</b>	<p><b>Costs of internally invoiced goods and services</b></p> <p><b>The Auditor sampled cost items selected randomly</b> (full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest).</p> <p>To confirm standard factual findings 61-65 listed in the next column, the Auditor:</p>	<p>61) The costs of internally invoiced goods and services included in the Financial Statement were calculated in accordance with the Partner's usual cost accounting practice.</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<ul style="list-style-type: none"> <li>○ obtained a description of the Partner's usual cost accounting practice to calculate costs of internally invoiced goods and services (unit costs);</li> <li>○ reviewed whether the Partner's usual cost accounting practice was applied for the Financial Statements subject of the present CFS;</li> <li>○ ensured that the methodology to calculate unit costs is being used in a consistent manner, based on objective criteria, regardless of the source of funding;</li> <li>○ verified that any ineligible items or any costs claimed under other budget categories, in particular indirect costs, have not been taken into account when calculating the costs of internally invoiced goods and services (see Article 5 SGA);</li> <li>○ verified whether actual costs of internally invoiced goods and services were adjusted on the basis of budgeted or estimated elements and, if so, verified whether those elements used are actually relevant for the calculation, and correspond to objective and verifiable information.</li> <li>○ verified that any costs of items which are not directly linked to the production of the invoiced goods or service (e.g. supporting services like cleaning, general accountancy, administrative support, etc. not directly used for production of the good or service) have not been taken into account when calculating the costs of internally invoiced goods and services.</li> <li>○ verified that any costs of items used for calculating the costs internally invoiced goods and services are supported by audit evidence and registered in the accounts.</li> </ul>	<p>62) The cost accounting practices used to calculate the costs of internally invoiced goods and services were applied by the Partner in a consistent manner based on objective criteria regardless of the source of funding.</p>	
		<p>63) The unit cost is calculated using the actual costs for the good or service recorded in the Partner's accounts, excluding any ineligible cost or costs included in other budget categories.</p>	
		<p>64) The unit cost excludes any costs of items which are not directly linked to the production of the invoiced goods or service.</p>	

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
		65) The costs items used for calculating the actual costs of internally invoiced goods and services were relevant, reasonable and correspond to objective and verifiable information.	
<b>E</b>	<b>USE OF EXCHANGE RATES</b>		
<b>E.1</b>	<p>a) <u>For Partners with accounts established in a currency other than euros</u></p> <p><b>The Auditor sampled [redacted] cost items selected randomly and verified that the exchange rates used for converting other currencies into euros were in accordance with the following rules established in the Agreement ( full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest):</b></p> <p><i>COSTS RECORDED IN THE ACCOUNTS IN A CURRENCY OTHER THAN EURO SHALL BE CONVERTED INTO EURO AT THE AVERAGE OF THE DAILY EXCHANGE RATES PUBLISHED IN THE C SERIES OF OFFICIAL JOURNAL OF THE EUROPEAN UNION (<a href="https://www.ecb.int/stats/exchange/eurofxref/html/index.en.html">https://www.ecb.int/stats/exchange/eurofxref/html/index.en.html</a> ), DETERMINED OVER THE CORRESPONDING REPORTING PERIOD.</i></p> <p><i>IF NO DAILY EURO EXCHANGE RATE IS PUBLISHED IN THE OFFICIAL JOURNAL OF THE EUROPEAN UNION FOR THE CURRENCY IN QUESTION, CONVERSION SHALL BE MADE AT THE AVERAGE OF THE MONTHLY ACCOUNTING RATES ESTABLISHED BY THE COMMISSION AND PUBLISHED ON ITS WEBSITE (<a href="http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm">http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm</a> ), DETERMINED OVER THE CORRESPONDING REPORTING PERIOD.</i></p>	66) The exchange rates used to convert other currencies into Euros were in accordance with the rules established of the Grant Agreement and there was no difference in the final figures.	

Specific Agreement number: [insert number] [insert acronym] [insert call identifier]

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>b) For Partners with accounts established in euros</p> <p><b>The Auditor sampled [ ] cost items selected randomly and verified that the exchange rates used for converting other currencies into euros were in accordance with the following rules established in the Agreement ( full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest):</b></p> <p><i>COSTS INCURRED IN ANOTHER CURRENCY SHALL BE CONVERTED INTO EURO BY APPLYING THE PARTNER'S USUAL ACCOUNTING PRACTICES.</i></p>	<p>67) The Partner applied its usual accounting practices.</p>	

*[legal name of the audit firm]*

*[name and function of an authorised representative]*

*[dd Month yyyy]*

*<Signature of the Auditor>*