

Q&A catalogue
following the live webinar

"Quick guide to prepare an accurate financial statement on time"

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#	ORIGINAL PARTICIPANT QUESTION	ANSWER BY WELCOMEUROPE
1	We are seeing some conflicting information re: CFS requirements, is it required with the final claim or when the cumulative claims value exceed the threshold, (even if this is not at the final claim)?	It is required when the threshold is reached.
2	Could you tell me how often will we be required to submit periodic reports? There seems to be some confusion over whether it is every 12 months or 18 months.	The dates of reporting periods are fixed in the grant agreement, based on the total duration of a project, and can vary from a project to another.
3	How do we calculate equipment depreciation costs?	You may follow internal accountancy rules and you can charge on the action only the portion of the costs that corresponds to the rate of actual use for the action during the action duration.
4	Under which category do I report Thesis students?	You can claim PhD students under personnel costs if the agreement in place with them is work-oriented. However, time for training may not be claimed.
5	You mentioned that we have 60 days after each reporting period to submit the periodic report. Doesn't this only apply to the 2nd or final reporting Period?	It applies to each reporting period. Anyway, the coordinator of a project may fix other deadlines to partners to anticipate the delivery of each aggregated report in time.
6	What happens if the hourly cost of the SME owner is less than Unit Cost established by the application? Is this a fixed cost? Should we decrease this fixed cost or not?	According to the Annex to the 2020 Commission Decision on unit costs for the personnel costs of the owners of SMEs not receiving a salary, the fixed daily rate has to be calculated as follows: EUR 4 880, multiplied by the relevant country-specific correction coefficient, divided by 18 days. The total number of day-equivalents declared in EU grants, for a person for a year, cannot be higher than 215. This amount may be updated from 2021 onwards.
7	When justifying in detail Other Direct Costs (Purchase costs now) because they represent over 15% Personnel, should we do it purchase by purchase, every invoice one by one? Or if there are several invoices for reagents for examples we can add them up and explain all of them in one line? Sometimes we have over 50 invoices with not very high amounts and the process of explaining one by one is hard.	Usually the EC recommends to claim one item per line. You can start with most expensive items until you reach the amount that you need to justify.
8	Hello, Could you please summarize the changes in the reporting in HE in comparison with H2020 please (if any)? Thank you in advance.	You have a good EMDESK article summarising the main changes between H2020 and HE: https://www.emdesk.com/horizon-2020-horizon-europe-basics-guide/cost-calculation-in-horizon-europe-main-changes-to-h2020

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9	My understanding is the in the new Horizon Europe programme, there is template for monthly declaration (under development) instead of timesheets. There is any news about this?	So far, you have a EU Grants Template available for monthly declaration of days worked on a project, but no specific HE template.
10	How can we know which documents are to be kept as justification documentations in case of audit?	You have to keep record and other supporting documents to justify the claimed costs (e.g. contracts, invoices, accounting records, etc.)
11	Some projects allow financial support to third parties. How is that incorporated in the financial reports?	Usually the support provided to third parties is included in the project beneficiaries financial statement when completing their financial statement.
12	For how many years the original documents are to be conserved?	The default duration is 5 years but this out in the data sheet.
13	Are PMs (ant its "worth" in hours for full-time worker) determined in each institution differently and may differ from beneficiary to beneficiary?	This should not differ within institutions/partners. PMs are calculated as the amount of time spent on the project against the working time.
14	Is the annotated model grant agreement already available for Horizon Europe projects? If so, where can I find it?	An AGA for EU grants is available on-line (https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/aga_en.pdf), and the general grant agreement for Horizon Europe, without annotations, is findable there (https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/agr-contr/general-mga_horizon-euratom_en.pdf)
15	When filling in the personnel costs, if you overru on these costs, through higher hours or perhaps there has been increase in payroll costs from the budget - is this what you should input rather than the costs per the approved budget ?	You should report the actual PM spent on the action. In case of deviations, you have to include in the periodic report a justification: e.g., increase of salary, involvement of junior personnel, etc.
16	Do I understand right, that financial and technical parts of the periodic report are always submitted together to the Commission? So that if a beneficiary is late, the financial report will be submitted without their information and their share will be zero?	Yes, the financial and the scientific parts are submitted in one batch to the EC. If a beneficiary is late, the coordinator can decide to submit the report without its financial statement. Then the beneficiary could claim the costs of the previous period at the end of the next reporting period as an adjustment to the previous one.
17	Are there third parties against payment in Horizon Europe and can you report them like H2020?	Yes, they are still included in HEU and can be reported as actual cost (seconded personnel or other costs).
18	Do you have to indicate the use of Seconded persons against payment in a proposal in order to be able to report such costs?	Yes, it is recommended but you can always ask the coordinator to check with the project officer how to proceed.

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19	Hi, what about the "in-kind contributions from third party" in HE proposals and financial statements? Where should this cost category be inserted and justified?	You have to indicate them in the proposal (table to be completed) and in the financial statement you will also have to declare these as actual costs which might be seconded personnel or other types of costs
20	How can we verify that they are meeting the criteria under the grant conditions. People in finance don't know enough about the work carried out	You can always check the HEU online manual and the Annotated Model Grant Agreement during the duration of the project, both available on the Funding and Tenders Portal: https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/aga_en.pdf You can also contact the project coordinator and the project management team and ask your questions, in case of doubt they may liaise with the EC project officer.
21	Hello! One question regarding the internally invoiced goods and services, is it possible to submit this type of costs if we don't have any specific budget allocated ? (slide 6 – internally is located under other costs category)?	In case of deviation from what described in the Annex 2, we strongly recommend to get in touch with the coordinator who will submit the question to the EC project officer in charge of your project.
22	Can you tell, what is the difference between saving and validating the financial statement?	When you click on Validating, the system checks if there are errors or information missing that will not allow you to proceed forward with the submission of the financial statement. When you click on Saving, you just save the entered data.
23	Is it possible to shift the cost of one category to another (e.g. from personnel to other direct costs or subcontracting) up to some limits? Or does it require always the permission of coordinator/ EU project officer?	The best practice is to always inform the coordinator and the project management team, they will then inform the project officer from the EC accordingly and decide on the best procedure. Usually beneficiaries are allowed to move costs from one cost category to another when we are talking about direct costs; for instance moving the budget of direct costs to subcontracting might require an amendment to the grant agreement.
24	Is the threshold of 430k eur included with the indirect costs or not?	The threshold of 430K addresses the whole EU contribution, including indirect costs.
25	How the personnel cost are calculated, I've heard it will be different from that in H2020 ?	They are calculated on a daily basis: Personnel costs = daily rate X Days worked in the project. The daily rate is calculated as follows: Actual annual personnel costs for the person / 215 (from which can be deducted the number of days the person has spent on parental leave). Horizon Europe uses the calendar year (from January to December). Time spent can be justified through timesheets or monthly declarations.

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26	Difference in HE budget table „own resources“ and „financial contribution“	These refer to other source of funding which can be indicated in the budget form of the proposal for the associated partners.
27	Is the term "Inhouse Consultant" still used in Horizon Europe? I thought it is called now "Natural Person under direct contract".	You are right. They are called Natural persons under direct contract, and their contract must be similar to other employees within the organisation. Teleworking is eligible if conditions are similar to other employees' ones.
28	Are there any costs prior to the commencement of the project eligible?	Costs incurred before the start of the project are not eligible.
29	Amendments to the budget can only be done before the end of the project? or can also be done within the 60 day period(until reporting) after the project ends?	You can amend your budget during the project duration only.
30	For personnel costs: must one keep a timesheet to support the time spent on the project or can the personnel be paid a standard wage per month. And therefore not have to keep a timesheet?	The use of timesheet (time recording system) is strongly recommended. In the case a person is working 100% of their time only on the action, then the timesheets might not be needed, but it has to be indicated in their contract that they are working only on the action.
31	What is the % of indirect costs?	25% as for Horizon 2020. The MGA stipulates: Indirect costs will be reimbursed at the flat-rate of 25% of the eligible direct costs (categories A-D, except volunteers costs, subcontracting costs, financial support to third parties and exempted specific cost categories, if any).
32	How is the amount of the pre-financing calculated in relation to the full budget for each beneficiary? Is it done on an agreed percentage basis?	A way to distribute the pre-financing is based on the percentage of EU funding received by the partner: e.g. if the total EU grant allocated to the beneficiary A for the total duration of the project is equal to 5% of the total EU grant allocated to the project, this beneficiary will received 5% of the pre-financing.
33	Is there a recommendation for amount of auditing cost that we should budget, or is it an each country thing? Thank you.	Auditing costs may vary from an organisation to another (depending on the quantity). You should ask a quote from the targeted auditor to better estimate auditing costs.
34	It is recommended to sign a 'Declaration on a person working exclusively' on the project instead of sign a timesheet every month?	It depends if the person is working exclusively on the action or if the person might be involved in other activities, then it is recommended to complete monthly timesheets.
35	Are budget shifts allowed between cost categories and between beneficiaries as in H2020?	Yes, this is still possible. Anyway, we recommend to ask your coordinator to contact the EU project officer in charge of your grant to ask whether a change requires an amendment or a simplified approval procedure.

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36	Are "Timesheets" enough to justify by itself the time of the work on the action of each employee (person)? Thank you in advance.	Yes, usually they should be completed every month and signed by the employee and the supervisor.
37	Technical question - who is able to lock each partner's Financial statement? Can the Coordinator do this on behalf of each partner in the Consortium?	The FSIGN can lock, but also other participants role like the PaCO (Partner Contact). While the submission can be done only by the organisation FSIGN assigned to the project.
38	Will the CoMUC we used for salaries under H2020 still be valid for Horizon Europe? If not what changes do we need to make?	For Horizon Europe it has been replaced by the SPA (systems and process audit; see AGA — Annotated Grant Agreement, art 24).
39	The financial statement that we have to fill in Horizon Europe is similar to the financial statement of H2020? Same voices or something different?	The financial statement of HEU is not available yet but it might be that it will slightly differ from that of H2020 in order to accommodate the major difference within the programmes.
40	Our timebooking system works in hours - when should we round this up/down in to days, daily/weekly/monthly?	You have a good EMDESK article summarising the main changes between H2020 and HE: https://www.emdesk.com/horizon-2020-horizon-europe-basics-guide/cost-calculation-in-horizon-europe-main-changes-to-h2020
41	In the HH financial statement can we indicate the total amount of purchase costs or we should indicate travelling/equipment/goods separately?	The HEU financial statement is not available yet, but it might be that one will need to indicate the cost breakdown.
42	Can you elaborate on mission order template? Form the employer about tasks of employee? So nothing to do with the MISSIONS (cancer, etc.)? This in mandatory? plus timesheet.	Right, nothing to do with the HE missions. A mission order is the form where employers indicates the tasks performed by an employee on a project.