



FP7 Grant agreement

Financial provisions

European Commission
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Question 1:

- What is considered as minor task that does not have to be mentioned in Annex I compared to the elements that do have to be mentioned in Annex I when working with subcontracting?

Article II.7.3

Guide for financial issues page 26

- Minor tasks correspond to minor services, which are not project tasks identified as such in Annex I but are needed for implementation of the project
- Do not have to be identified in Annex I to GA, as by definition their importance is minor (the amounts involved are also normally small).



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Question 1:

- The criteria to decide whether a subcontract concerns minor tasks are qualitative and not quantitative

Examples:

- Organisation of the rooms for a meeting
- Transportation of some samples
- Printing of material, leaflets, etc.



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Question 2:

- How to calculate overheads costs when participation in a Coordination and Support Action?

Article II.15

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In CSA the reimbursement of indirect eligible costs for every beneficiary may reach a maximum of 7% of the direct eligible costs, excluding the direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the beneficiary.



Question 2:

- This 7% is not a flat rate; it is a maximum reimbursement rate.
- **Beneficiaries which identify actual indirect costs** will still have to declare their indirect costs, and their auditor will have to certify them in the Certificate of Financial Statements in the cases foreseen in the GA. However, they will be reimbursed a maximum of 7%.
- **Those using the flat rate will charge 20% (60% not available)** will also be reimbursed a maximum of 7%, but indirect costs will not need certification due to the use of the flat rate.
(Financial guide to be updated)



Question 3:

One man companies and start-up companies; how do we estimate the personnel costs and on what basis?

- If the personnel receives a **salary** recorded as such in the accounts of the company, the salary would be an eligible cost.
- Otherwise, physical persons participating as beneficiaries in FP7 GA should opt to declare average personnel costs. This rule also applies to **owners** of SMEs who do not receive a salary from the **SME**.
- The average personnel costs will be based on a methodology, which must be approved by the Commission. The beneficiary must submit to the Commission a Certificate on the Methodology used to calculate the averages, using the Form E (Annex VII) of the FP7 GA



Question 3:

- the method will take into account last year's income. During the negotiation of the project, the beneficiary will make an estimation of costs. When declaring the real costs for a given period, the costs will be based on the real total income for the year for the beneficiary.
- For Start-ups the same logic applies; it is the method which will be checked by the Commission, at the time of the submission of the certificate. If no previous income exists, the method proposed must be based on market conditions/professional fees



Question 4:

Can SMEs use the transitional flat rate of 60 % when they according to national legislation are required to have an analytical accounting system?

-no, 60% flat rate is for beneficiaries which do not have a analytical accounting system. However, they can use the 20% flat rate



Question 5:

- In-house consultants – how do we calculate the personnel cost?

Article II.15

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1) as personnel costs (if considered so by the beneficiary's account system):

- The costs of employing the consultant are not significantly different from the personnel costs of employees of the same category working under labour law contract for the beneficiary.
- Travel and subsistence costs related to such consultants' participation in project meetings or other travel relating to the project would have to be paid directly by the beneficiary in order to be eligible.



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Question 5:

- 2) Costs related to consultants can be considered **as subcontracting costs**
- 3) The last possibility is that the consultant participates in the project **as a beneficiary** (either as a physical person or possibly as an SME, if it meets the definition).