

The European Research Council

The role of the Principal Investigator in the grant management and audits

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ERC grant management event for Principal Investigators

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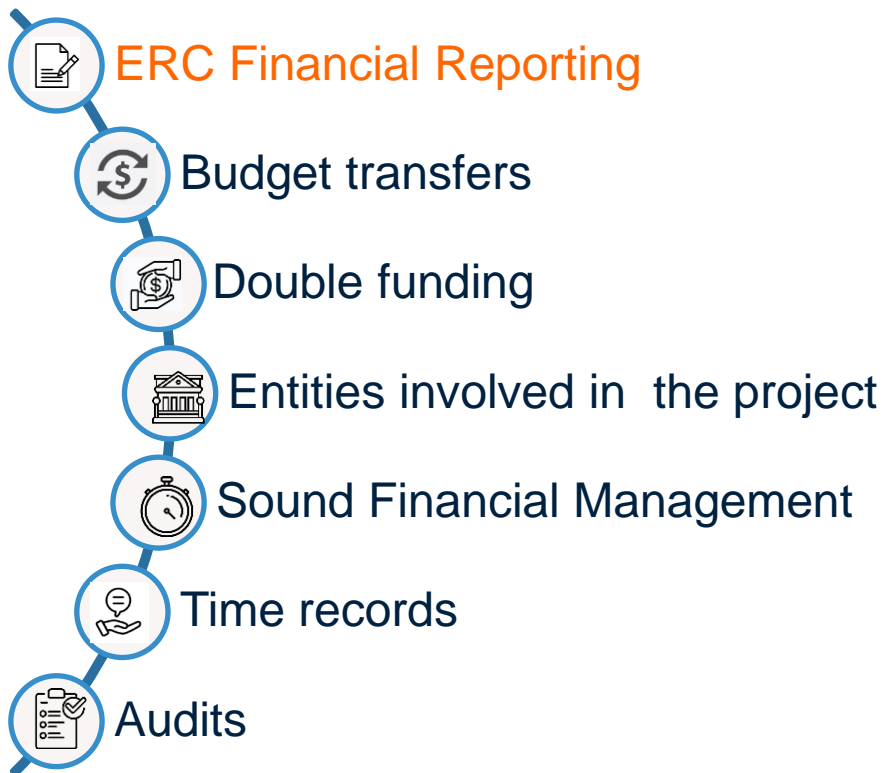


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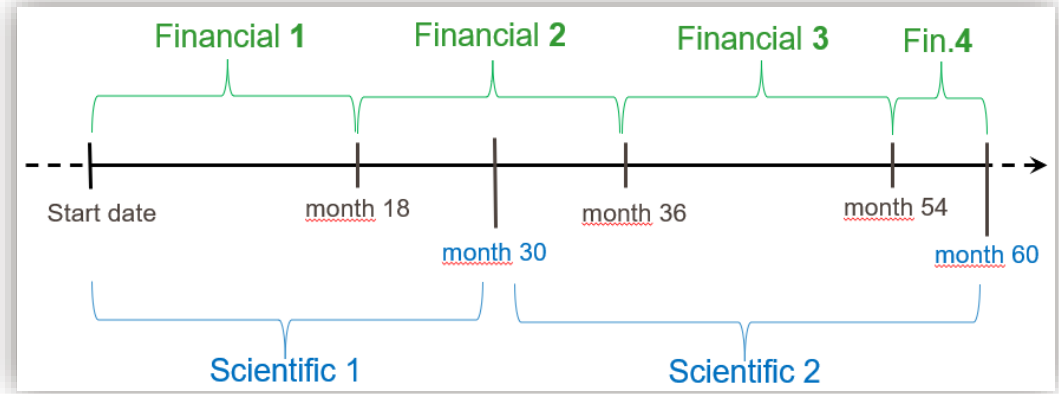
Agenda

Horizon Europe specificities
throughout the presentation



H2020 ERC Reporting - timelines

- **4 Financial Reports (HI)**
- **2 Scientific Reports (PI)**
SyG: 3 Scientific Reports



The screenshot shows the ERC reporting interface with the following menu items: Project Summary, Amendment Information, Beneficiaries, General Information, Reporting Periods (highlighted with a red box and a checkmark), Scientific Periods (highlighted with a red box and a checkmark), GA information, GA Options, Financial Information, LF Overview, Principal Investigator, Work Packages, Deliverables, and Critical Risks. The 'Reporting Periods' and 'Scientific Periods' items are highlighted with a red box.

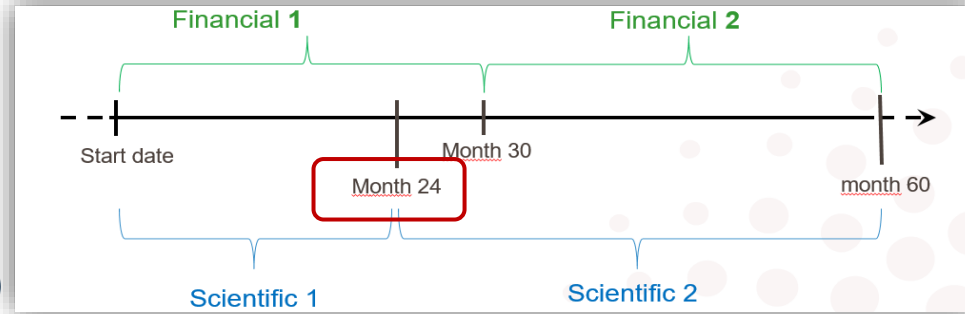
Reporting Periods

Reporting Period No.	From Month	To Month	Duration	Start date	End date
1	1	18	18	01/07/2019	31/12/2020
2	19	36	18	01/01/2021	30/06/2022
3	37	54	18	01/07/2022	31/12/2023
4	55	60	6	01/01/2024	30/06/2024



Horizon Europe ERC Reporting - timeline

- **2 Financial (periodic) Reports (HI)**
SyG: 4 Financial (periodic) Reports
- **2 Scientific (progress) Reports (PI)**
SyG: 3 Scientific (progress) Reports



The screenshot shows the top navigation bar of the Horizon Europe ERC reporting system. The 'Reporting Periods' and 'Progress Reporting Periods' tabs are highlighted with a red box. Other tabs include Project Summary, Beneficiaries, General Information, GA Information, GA Options, Financial Information, LF Overview, Associated Partners, Principal Investigator, Work Packages, Deliverables, Ethics Info, and Security.

Reporting Periods ?

This screen is only editable by EU Officers

Reporting Period No.	From Month	To Month	Duration	Start date	End date
1	1	30	30	01/03/2023	31/08/2025
2	31	60	30	01/09/2025	29/02/2028



ERC Reporting: The entry point “Funding & Tenders Portal”

Periodic Financial reporting
open at the end of each period

Continuous reporting

Always open :

- Project Summary
- Deliverables (ethics & ORDP plan)
- Publications
- Dissemination activities
- Patents
- Gender

the Project Officer
your key contact person

The screenshot displays the 'RESEARCH & INNOVATION Participant Portal - Grant Management Services' interface. The top navigation bar includes the European Commission logo and a 'Help' dropdown. The main content area is divided into three sections:

- Periodic Reporting** (REP-119261-1 - period 17/01/2010 > 16/07/2011): Shows a progress bar from 14 Mar 2017 (Draft) to 15 Sep 2011 (Submitted) to Paid. Tasks include 'Technical Part contribution' (Lock for review), 'Financial Statement AST [PIC 973276467] drafting' (Lock for review), and 'Periodic Report composition' (Submit to EU).
- Continuous Reporting** (119261 - 119261 TEST [ABAC: ABACBUDL]): Shows a progress bar from 14 Mar 2017 (Started) to Completed. Task includes 'Continuous reporting data'.
- Proposal Management & Grant Preparation** (119261 - 119261 TEST [ABAC: ABACBUDL]): Shows a progress bar from 01 Mar 2017 (Submitted) to 13 Apr 2017 (Paid). Task includes 'GA Declaration - GAP-119261 - 973276467 signature by other beneficiaries'.

The sidebar on the left contains project details for 'HORIZON 2020' and navigation buttons like 'Latest Legal Data', 'Process List', 'Document Library', and 'Communication Center'. A 'HOW TO' button is also visible.

H2020 ERC Financial Reporting: PI input for the 'narrative part'

1. Overview of the action's implementation for this reporting period

(N.B. Heading applicable in every interim reporting period but *not applicable* in the final one; **Do not complete this heading for your final financial report**)

Include a global overview of the action's implementation for the reporting period including the major achievements and elaborate on any problems incurred **(no more than ½ page)**

Provide a brief overview of the scientific progress

2. Information on eligible costs

2.1 Relationship PI - HI

Describe how the relationship between the Principal Investigator and the Host Institution has evolved (i.e. Have the provisions of the Supplementary Agreement been respected? What is the kind of administrative support provided by the Host Institution? Has the Principal Investigator been able: to set-up and recruit the research team as planned, to timely purchase the foreseen equipment, other difficulties or delays? Elaborate on the tasks of the various team members (list names together with a short description of the work undertaken)

How working relationship evolved with the HI

+

Description of the team & their tasks

(mention also the team members whose salaries are not charged to the project)



H2020 ERC Financial Reporting: Time commitment of the PI

2.2 Time commitment of the PI

According to the ERC Work Programme and the Grant Agreement, the Principal Investigator must spend a minimum amount of his/her working time on the action and in an EU Member State or Associated Country.

% of working time that the PI has committed to the action according to the Grant Agreement (Annex 2):	[insert XX% from Annex 2]
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Please indicate:

The % of the total contractual working time the PI has dedicated to the action from the start date of the action until the end of this reporting period:	[insert XX%]
Did the PI spend at least 50% of his/her total working time in Europe (Member States or Associated Countries) from the start date of the action until the end of this reporting period?	[YES] [NO]

Both are cumulative
(since the start of the project)

If the Principal Investigator has deviated from one or both requirements concerning the time commitments, please justify and explain how the latter - as per the Annex 1 and 2 (commitment to the action) and/or the Work Programme (commitment in Europe) - will be met by the end of the action.

If deviates from what was planned
explain the reason and how it will
be caught up



H2020 ERC Financial Reporting: PI's input for the 'narrative part'

2.3. Deviations from Annex 1 and Annex 2 (if applicable)

Explain the reasons for deviations from the DoA, the consequences and the proposed corrective actions.

2.3.1 Tasks

Include explanations for tasks not fully implemented, critical objectives not fully achieved and/or not being on schedule. Explain also the impact on other tasks on the available resources and the planning.

Scientific deviations (incl. delay, cancellation of activities/work tasks) + how it was addressed

2.3.2 Use of resources – budget follow-up

- Include explanations on deviations and any envisaged reallocations of the use of resources between actual and planned use of resources in Annex 1, with ref. to the 'Annex 2 to the GA – Estimated budget of the action'.
- Describe the expenses during the Action in comparison with the original budget breakdown in Annex 2 of the Grant Agreement. Include explanations on transfer of costs between cost categories (if applicable).
- If this ERC action has been awarded with additional funding for one of the eligible purposes ((i) covering eligible 'start-up' costs for a PI moving from another country to the EU or an Associated Country as a consequence of receiving an ERC grant and/or (ii) the purchase of major equipment and/or (iii) access to large facilities), describe how the related expenses have been incurred.

Financial deviations

Expenses incurred in comparison with the original budget

(if any) Consumption of the additional funding



H2020 ERC Financial Reporting: Unforeseen subcontracting & third parties

2.3.3. Unforeseen subcontracting (if applicable)

Specify in this section:

- a) the work (the tasks) performed by a subcontractor which may cover only a limited part of the project;
- b) explanation of the circumstances which caused the need for a subcontract, taking into account the specific characteristics of the project;
- c) the confirmation that the subcontractor has been selected ensuring the best value for money or, if appropriate, the lowest price and avoiding any conflict of interests.

only if NOT foreseen in Annex 1

2.3.4. Unforeseen use of in kind contribution from third party against payment or free of charges (if applicable)

Specify in this section:

- a) the identity of the third party;
- b) the resources made available by the third party respectively against payment or free of charges
- c) explanation of the circumstances which caused the need for using these resources for carrying out the work.

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Budget transfers

Freedom to re-arrange the budget according to the needs of the project
“as long as the action is implemented as described in Annex 1”

Recommendation: Explain any budget transfer in the Financial Report

Exceptions:

- Budget transfer due to **unforeseen subcontracting** requires an amendment
- **Additional Funding** can only be used for the purpose it has been awarded



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Double funding

- Costs not covered by the ERC grant may be covered by other source of funding (regional/national/international/European)

BUT financial overlap is not allowed between the ERC grant and any other source of funding co-funded with EU/Euratom funds

- ERC Frontier research grants (STG/COG/ADG/SyG) must be consecutive a 'main grant' can run in parallel only with a Proof of Concept (PoC)



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Horizon Europe Entities involved in the project implementing action tasks

Beneficiaries

Art. 7 HE / 41 H2020



Must comply with eligibility criteria
Sign the GA

Affiliated entities

Art. 8 HE/14 H2020

(H2020 Linked third parties)



Established relationship (capital or legal link)
Same eligibility conditions
With own budget in Annex 2

Associated partners

Art. 9.1 HE



Do not receive EU funding

Subcontractors

Art. 9.3 HE/ 13 H2020



Best value for money or lowest price
No conflict of interest
Invoiced price



Horizon Europe Entities involved in the project

NOT implementing action tasks

In-kind contribution for free
Art. 6.1 & 9.2 HE / 12 H2020



beneficiary does not reimburse the third party but the costs may be claimed on the ERC project under the relevant cost category

In-kind contribution against payment
No specific Art. in HE / 11 H2020



beneficiary reimburses the third party and claim the costs under the relevant category

Purchase costs for goods, works & services
Art.6.2 HE / 10 H2020



selection procedure ensuring best value for money & no conflict of interest

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Sound Financial Management best practice – **Subcontracting; Purchase costs**

- comply with the applicable national law on public procurement
- be based on the best value for money or on the lowest price
- not be subject to conflict of interest

Subcontracting

- Implementation of (limited part) of **action tasks**

Other goods, works and services

- **Ordinary** contracts that cover **support tasks** to implement the project



Sound Financial Management best practice – **Internally invoiced goods and services**

Must:

- Be provided by the HI directly for the Action
- Valued through HI's usual cost accounting practices (consistently applied)
- Declared as **unit costs** based on actual costs methodology



Sound Financial Management best practice - **Travel costs**

- Transportation, accommodation and subsistence costs for:
 - **Team Members** = those working on the project
(even if their salary is covered by other sources)
 - **Visiting experts** = participation foreseen in the DoA (or simplified approval procedure)
- Follow the **HI's usual policy** on business travel
- **Conference fees** are not "travel" but "**other direct costs**"

Sound Financial Management best practice - **Equipment costs**

- Purchased for carrying out the project
- **Depreciation costs** (in line with the HI policy and the International Accounting Standards)
- Only the **portion corresponding to the rate of use** in the project
- Equipment purchased before the project start – if not completely depreciated yet
- Costs for renting or leasing equipment if they do not exceed the depreciation costs of similar equipment and do not include financing fees.
- Ensure equipment is **labelled** correctly

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Time records: H2020 Article 18.1.2 & Template AMGA

Hours worked
on the action

- Use **reliable time records** (time-sheets) actual hours - paper/computer based

Or

- **If 100% on project: Declaration on exclusive work for the action**

↗ (one per reporting period)

Conditions of use: *uninterrupted period of at least one month, absences in a month (other than annual holiday) are not >50% of days in the month*

- ✓ **Dated and signed by the employee and supervisor - at least monthly for time-sheets**
- ✓ **Consistence with HR absence records!**



Time records: HE Article 20 & Template AGA

Days worked
on the action

- Sign a **monthly declaration** on days spent on the action
- Or
- Use **reliable time records** (time-sheets) actual days/hours - paper/computer based
 - **Hours** need conversion to day-equivalents
 - 3 options for conversion
- ✓ **Dated and signed at least monthly by the employee and supervisor**
 - ✓ **Consistence with HR absence records!**

Both options are available for ALL team members who work for the action, regardless if they are full-time or part-time employees and/or if they work exclusively or not (new for HE) for the action

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Audits – PI's assistance

- **Indicative Audit Programme** - be aware of what auditors will check
 - ⇒ [h2020-iap_en.pdf \(europa.eu\)](#)
 - ⇒ *HE: Corporate guidelines - under preparation*
- **Meet** the auditors - suggest brief presentation of team/work
- **Assist** the HI Financial Managers with **supporting info** to justify costs



Audits – Common errors

- Lack of adequate **Supporting Documents**
- Costs not related to the Action
- Costs incurred **outside reporting period**
- **Non-compliance** to AMGA Rules or to HI's Own Internal Procedures/Practices
- Most common errors involve personnel costs

KEY MESSAGES

- Respect your HI usual accounting and management practices
- In case of doubt, contact your **ERC Project Officer** or the **PI helpdesk mailbox** ERC-C2-PI-HELPDESK@ec.europa.eu

- Reference documents: [Funding & tenders \(europa.eu\)](#)
- Be informed about ERC rules: **Annotated Grant Agreement (AGA):**

H2020: [h2020-amga_en.pdf](#)

Horizon Europe: https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/aga_en.pdf

