

A P R E
A G E N Z I A
P E R L A
P R O M O Z I O N E
D E L L A
R I C E R C A
E U R O P E A



Fit for Health

Support to **SMEs & Researchers**
in **FP7 Health-oriented projects**

Rules for participation

13 July 2011 | Tirana
Nicola Bergonzi | APRE

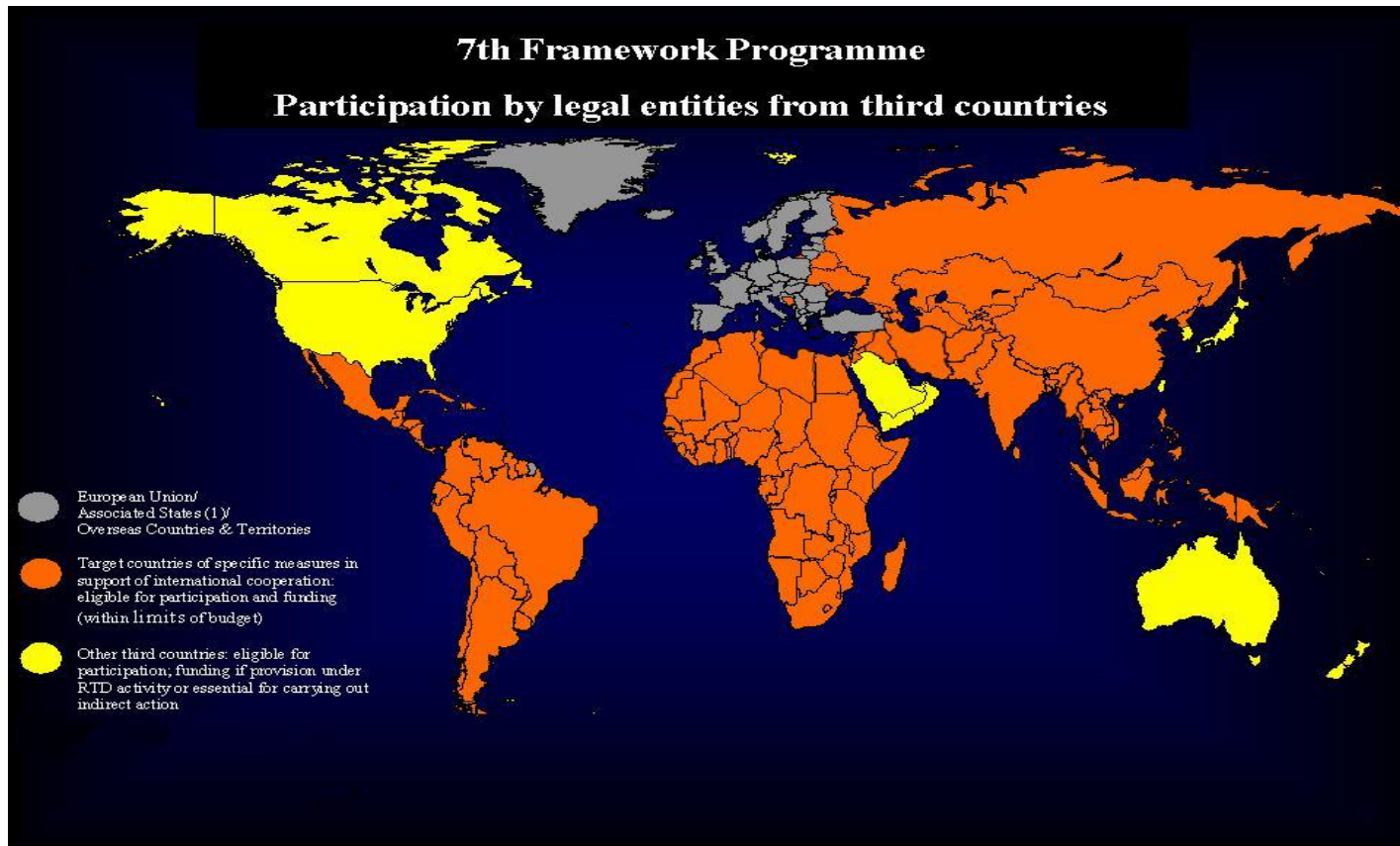
www.fitforhealth.eu



Fit for Health is funded by
the European Commission

- Who can participate?
- Categories of countries for FP7
- Who can get funding?

- Any legal entity established in any country



Categories of countries for FP7

- EU member states
- FP7 associated countries
- Third countries
 - International Cooperation Partner Countries (ICPCs)
 - Highly industrialised third countries
- Type of country co-determines whether legal entity can get FP7 funding

Categories of countries for FP7

- EU member states
- FP7 associated countries
- Third countries
 - International Cooperation Partner Countries (ICPCs)
 - Highly industrialised third countries
- Type of country co-determines whether legal entity can get FP7 funding

- Currently Switzerland, Israel, Norway, Iceland, Liechtenstein, countries of the former Yugoslav Republic, Albania, Faroe Islands
- ftp://ftp.cordis.europa.eu/pub/fp7/docs/third-country-agreements_en.doc
- Same rights and obligations as EU member states – legal entities established in associated countries **can always get FP7 funding**

Categories of countries for FP7

- EU member states
- FP7 associated countries
- Third countries
 - International Cooperation Partner Countries (ICPCs)
 - Highly industrialised third countries
- Type of country co-determines whether legal entity can get FP7 funding

- Not highly industrialized 3rd countries
- Annex I of the Specific Programme Cooperation lists ICPCs: ftp://ftp.cordis.europa.eu/pub/fp7/docs/wp/cooperation/cooperation-general-annexes201102_en.pdf
- Legal entities established in ICPCs **can always get FP7 funding**
- Specific funding type requires participation of ICPS countries
 - “SICA”-projects
- Option of lump-sum funding

Categories of countries for FP7

- EU member states
- FP7 associated countries
- Third countries
 - International Cooperation Partner Countries (ICPCs)
 - Highly industrialised third countries
- Type of country co-determines whether legal entity can get FP7 funding

- E.g. Australia, Japan, Canada, USA, New Zealand
- Theoretically **can get EU funding under certain conditions** (but practically this is very difficult)
- Exception for FP7 Health: legal entities established in the US have the same rights and obligations as those from the EU member states or associated countries

Questions?



THE BRUSSELS
ENTERPRISE AGENCY



Fit for Health

Support to **SMEs & Researchers**
in **FP7 Health-oriented projects**

FP7 Financial Basics

6th April 2011 | Budapest

Ana Luisa Baptista | The Brussels Enterprise Agency

www.fitforhealth.eu



Fit for Health is funded by
the European Commission

- Forms of EC financial contribution
- General principles
- Which costs will be reimbursed by the EC?
 - (In)Direct costs
 - Reimbursement conditions: (In)Eligible costs
- How much money will I get from the EC?
 - Funding rates
- When will I get the EC money?
- Reference documents

- EC financial contribution = “**Grant**”
- Most FP7 grants are paid by the EC as **(Partial) Reimbursement of Eligible Costs:**
 - You perform some research activity
 - You report the costs related to your work to the EC
 - The EC reimburses (part of) these costs
- **Exception:** Lump sums
 - Networks of Excellence
 - ICPC partners

- **Non-profit** principle
 - EC funding \leq 100% total costs – receipts
- **Co-financing** principle
 - EC funding $<$ 100% total costs – receipt
- **Partial** reimbursement (up to 100%) of “**eligible**” costs
 - **Funding rates**

Which costs will be reimbursed by the EC?

- **Eligible costs = Direct costs + Indirect costs**
- **Direct costs:**
 - Cost of **personnel** assigned to the project
 - **Travel & Subsistence** costs
 - **Equipment** (depreciation costs)
 - **Consumables**
 - **Subcontracting** costs
 - Various:
 - **Intellectual Property Rights** (patent, ...)
 - **Certificates**

- Structural and support costs of administrative, technical and logistical nature:
 - **secretariat,**
 - **building rental & maintenance,...**
- Indirect costs = **percentage** of direct costs
 - **Actual** (real) percentage
 - **Flat rate** percentage

- General rule for all partners:
 - **Actual** overhead
 - OR **Flat rate of 20%** of direct costs
- **Exceptions:**
 - **60%** Flat rate for **Collaborative Projects**
 - **!Conditions!**
 - **7%** Flat rate reimbursement for **Coordination / Support Actions**

Example (1)

SME partner in a collaborative project:

- 5000€ management costs (staff)
 - 55000€ R&D costs (staff + equipment)
 - 15000€ maintenance costs (building)
- = 75000€ TOTAL ACTUAL COSTS**

Eligible direct and indirect costs claimable to the EC?

Example (2)

Question 1: direct costs?

Question 2: overhead rate?

Question 3: indirect costs?

Type of activity	Direct costs	Overhead rate	Indirect costs	Total eligible costs
Management	5,000 €	60%	3,000 €	8,000 €
R&D	55,000 €	60%	33,000 €	88,000 €
TOTAL	60,000 €		36,000 €	96,000 €

Costs must be “**eligible**” i.e. **fulfil ALL** conditions below:

- Actual (**real**) costs
- Incurred **by partner** who claims the reimbursement
- Incurred **during project duration**
 - Exception: “final” costs may be incurred up to **60 calendar days** after the end of the project
 - Preparation costs are not eligible! (-> regional funding)

- Determined & recorded in partner's **accounts** following beneficiary's usual management principles & accounting practices
- Solely used for achieving project objectives in an **economic, efficient & effective way**
- Indicated in estimated **budget** annexed to the contract with the EC
 - Important: precise **budgeting exercise** during proposal preparation!

Proposal budget form

Proposal Submission Form



EUROPEAN COMMISSION
7th Framework Programme on
Research, Technological
Development and Demonstration

Collaborative Project
Small or medium-scale
focused research project

A3.1: Budget

Proposal Number Proposal Acronym Participant Number

In FP7, there are different methods for calculating indirect costs. The various options are explained in the guidance notes

** Please be aware that not all options are available to all types of organisations.

The method of determining indirect costs is set in the Proposal setup page.

If you would like to modify this information, you have to do it from the proposal set-up page.

Simplified method

My legal entity is established in an ICPC
and I shall use the lump sum funding method
(If yes, please fill below the lump sum row only.
If no, please do not use the lump sum row)

Type of Activity

Personnel costs (in €)

Subcontracting (in €)

Other direct costs (in €)

Indirect costs (in €)

Lump sum, flat-rate or scale of unit
(option only for ICPC) (in €)

Total budget (in €)

Requested EC contribution (in €)

Total Receipts (in €)

	RTD	Demonstration	Training	Coordination	Support	Management	Other	Total
Personnel costs (in €)	0	0	0	0	0	0	0	0
Subcontracting (in €)	0	0	0	0	0	0	0	0
Other direct costs (in €)	0	0	0	0	0	0	0	0
Indirect costs (in €)	0	0	0	0	0	0	0	0
Lump sum, flat-rate or scale of unit (option only for ICPC) (in €)	0	0	0	0	0	0	0	0
Tot. ELIGIBLE COSTS	0	0	0	0	0	0	0	0
Requested EC contribution (in €)	0	0	0	0	0	0	0	0
Total Receipts (in €)								0

FUNDING SCHE

Which costs will not be reimbursed by the EC?



- **Ineligible costs:**
 - Any cost not fulfilling **all of** the above conditions
 - Proposal preparation costs
 - Estimated costs, ...
 - Indirect taxes: **VAT**, duties, ...
 - **Exception:** airport taxes are eligible
 - Interest owed, Exchange losses, ...
- **TIP: EC money is public money, so spend it “as a good housekeeper” and you will get reimbursed**

How much money will I get?



- **Grant** based on proposal budget and set during **negotiation phase** with EC
- **Maximum** amount that can never be exceeded
- Paid by EC to **Coordinator**, who distributes it to the partners
- Based on **funding rates** that depend from:
 - **Legal status of partner** (SME, University, ...)
 - **Type of activity** (Research, Management, Training, ...)
 - **Type of project**

Type of activity	Non-profit public bodies, secondary & higher education establishments, research organisations & SMEs	All other organisations
Research & Technological development activities	75%	50%
Demonstration	50%	50%
Other: management, training, dissemination, ...	100%	100%

Unofficial ceiling for **management** costs: **10%** of maximum EC grant

Example (3)

Type of activity	Direct costs	Overhead rate	Indirect costs	Total eligible costs	EC funding rate	EC reimbursement
Management	5,000 €	60%	3,000 €	8,000 €	100%	8,000 €
R&D	55,000 €	60%	33,000 €	88,000 €	75%	66,000 €
TOTAL	60,000 €		36,000 €	96,000 €		74,000 €

Total EC grant = 74000€ vs. Total actual costs = 75000€

→ Total EC funding rate = 98,6..6%!

When will I get the money?



- **One pre-financing payment**
 - Within 45 days after signature of contract by coordinator and the EC
 - **Interim payments** after each reporting period
 - Upon approval of periodic reports (from all partners) by EC
 - **One final payment**
 - Upon approval by EC of final reports
 - Target: **Positive cash-flow** during whole project for all partners
- > **do your job as agreed & report it on time to the EC!**

- Guide to financial issues
 - ftp://ftp.cordis.europa.eu/pub/fp7/docs/financialguide_en.pdf
- Certificates issued by external auditors – Guidance notes for beneficiaries and auditors
 - ftp://ftp.cordis.europa.eu/pub/fp7/docs/guidelines-audit-certification_en.pdf
- SME check tool
 - <http://smetest.uwe.be>



Thank you
for your attention!

Nicola Bergonzi

APRE

bergonzi@apre.it