



PRIMA

PARTNERSHIP FOR RESEARCH AND INNOVATION
IN THE MEDITERRANEAN AREA

How to prepare the budget for PRIMA proposal

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Summary

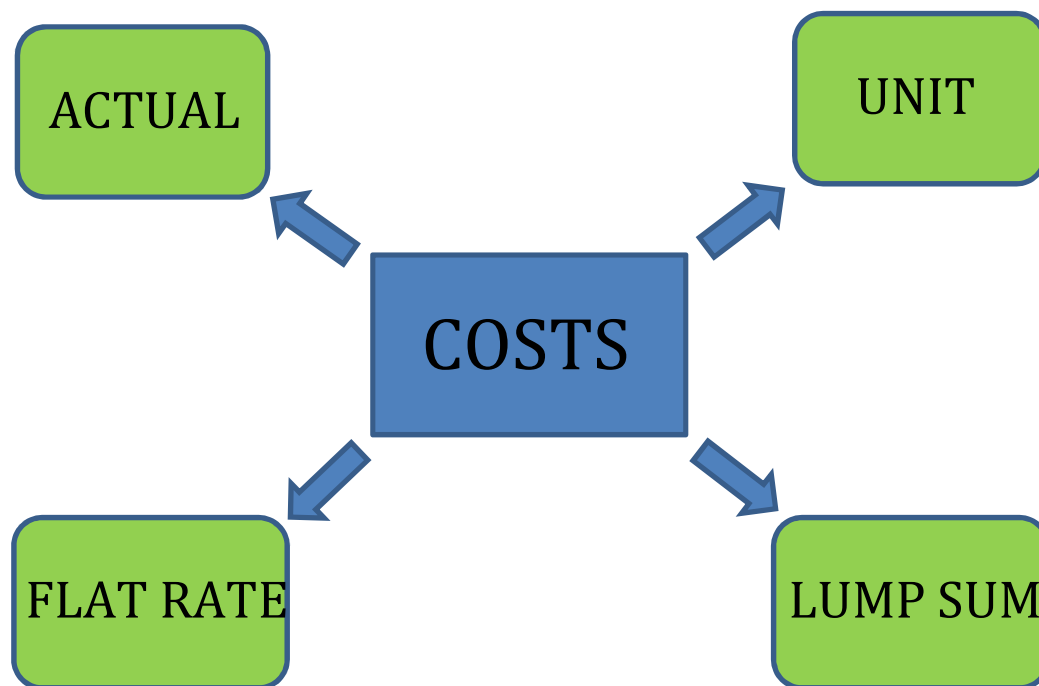
1. Calls 2019:Section 1 – Section 2
2. Eligible costs
3. Ineligible costs
4. Third Parties
5. Keeping records-supporting documentation
6. Report and payment requests
7. Checks, reviews, audits and investigations

1.Calls 2019:Section 1 – Section 2

| Section and call | Call | Total Call Budget | Budget per Topic | Type of Action | N. of expected grants | TRL | Funding Rate | Expected duration of projects | Total Budget per Section |
|------------------|----------------|-------------------|------------------|----------------|-----------------------|--------|-----------------------------------|-------------------------------|--------------------------|
| Section 1 | Call Water | 6.400.000,00 | 6.400.000,00 | RIA | Up to 4 | 3 to 5 | 100% | 36-48 Months | 28.000.000,00 |
| | Call Farming | 10.900.000,00 | 4.500.000,00 | RIA | Up to 3 | 3 to 5 | 100% | 36-48 Months | |
| | | | 6.400.000,00 | IA | Up to 4 | 5 to 8 | 70 or 100% | 36-48 Months | |
| | Call Agro-food | 6.400.000,00 | 6.400.000,00 | IA | Up to 4 | 5 to 8 | 70 or 100% | 36-48 Months | |
| | Call Nexus | 4.300.000,00 | 3.200.000,00 | RIA | Up to 2 | 3 to 5 | 100% | 36-48 Months | |
| | | | 1.100.000,00 | CSA | 1 | NA | 100% | Appr. 36 Months | |
| Section 2 | Single call | 34.950.000,00 | 34.950.000,00 | RIA | Appr. 35 | NA | depending on National Regulations | 36 Months | 34.950.000,00 |

The information for AWP 2019 is pending to be approved by the EC

2. Eligible Costs





2. Eligible Costs

A) ACTUAL COSTS (Art 6.1 MGA)

- 1- Must be actually **induced by the beneficiary**
- 2- During the **period of the action**
- 3- Must be **indicated in the estimated Budget** (Excel File)
- 4- Must be run in **connection with the action as described in Annex 1**
- 5- Must be **identifiable and verifiable**
- 6- Must comply with the **aplicable national law on taxes**, labor and social security
- 7- Must be **reasonable, justified** and must comply with the principle of sound financial management.



2. Eligible Costs

SPECIFIC CASES ACTUAL COSTS

- 1- **Depreciation costs** for equipment used for the action, but bought before the action starts. **ELIGIBLE**
- 2- **Cost related to preparing**, submitting and negotiating the **proposals**. **NOT ELIGIBLE**
- 3- Costs related to **drafting the consortium agreement**. **NOT ELIGIBLE**
- 4- **Travel Costs** for the **kick-off meeting**. **ELIGIBLE**
- 5- **Costs of reporting** at end of the action. **ELIGIBLE**
- 6- Cost to allow for the participation of **disabled people**. **ELIGIBLE**



2. Eligible Costs

B) UNIT COSTS

- Usual accounting practices
- Must be calculated as follows:

Number of actual units x Amounts per unit

C) LUMP SUM

Payment exclusively based on **outcome base payment**

Example: A measurement campaign, clinical tests..

D) FLAT RATE COSTS

Calculated by applying the flat rate to eligible costs (Example: 25% Eligible direct costs will be indirect costs)



2. Eligible Costs

- A) Direct Personnel Costs
- B) Direct costs of subcontracting
- C) Direct costs of providing financial support to third parties
- D) Other direct costs
- E) Indirect costs

DIRECT COSTS: Costs directly linked to the action implementation and can be attributed directly to it.

INDIRECT COSTS: Costs NOT directly linked to the action implementation and cannot be attributed directly to it.



2. Eligible Costs

-A) DIRECT PERSONNEL COSTS (Art 6.2 MGA)

- Costs for employees

Personnel costs for employees (salary +social security contributions)

GENERAL RULE: HOURS WORKED(time records) x HOURLY RATE+ (Additional Remuneration)

$$\text{HOURLY RATE} = \frac{\text{PERSONNEL COSTS}}{\text{PRODUCTIVE HOURS}}$$

- **Hourly rate** can be calculated either annually or monthly

- **Productive hours**

a) 1.720 hours

b) Individual productive hours



2. Eligible Costs

Specific cases direct personnel costs

- . Teleworking. **ELIGIBLE**
- . Benefits in kind. **ELIGIBLE** (e.g costs of lunch vouchers)
- . Recruitment costs. **NON ELIGIBLE**
- . Students, PhDs under scholarship, internship or similar agreement. **ELIGIBLE**
- . Parental live. **ELIGIBLE**

- Costs for natural persons working under a direct contract

Costs of **in-house consultants** and similars (i.e self-employed)

- Costs for personnel seconded by a third party

- B) DIRECT COSTS OF SUBCONTRACTING

- Covers the **price paid for subcontracts** and related taxes.
- Must be declared as **actual costs**
- Be incurred for the subcontracting of action tasks **described in Annex 1.**

2. Eligible Costs

- C) OTHER DIRECT COSTS

- Travel costs

- Covers the travel costs and related subsistence allowances spent for the action
- Be in line with the beneficiary's usual practices on travel.

Specific cases

Combination with personal travels or travels for other purposes.

- Equipment

a) Depreciation costs of equipment, infrastructure or other assets

$$\boxed{\text{Acquisition Cost}} \times \boxed{\% \text{ Annually Depreciation}} \times \boxed{\% \text{ Use for the action}} \times \boxed{\frac{\text{Days used}}{365}}$$

b) Costs of renting or leasing equipment



2. Eligible Costs

- C) OTHER DIRECT COSTS

- Other goods (Art 10 MGA)

Goods and services purchased for the action. **It is not necessary to detail in Annex 1**

- Consumables and supplies
- Intellectual property rights
- Certificates on financial statements

- Costs of internally invoiced goods and services

Costs for **goods and services** which the beneficiary **itself produced or provided for the action.**



2. Eligible Costs

-D) INDIRECT COSTS

Indirect costs are eligible if they are declared on the basis of the **flat-rate of 25%** of the eligible DIRECT costs from which are **EXCLUDED**:

-Costs of subcontracting

EXAMPLE:

A public university is a beneficiary under a GA and has incurred the following costs:

- 100.000 € personnel costs
- 20.000 € subcontracting costs
- 10.000 € Other direct costs

Eligible DIRECT costs: $100.000 + 20.000 + 10.000 = 130.000$ €

Eligible INDIRECT costs: $(100.000 + 10.000) \times 25\% = 27.500$ €

Total Eligible costs: 157.500 €



3. Ineligible costs

1- Costs that **do not comply with the conditions** set out in the eligible costs:

- a) Doubtful debts
- b) Currency Exchange losses
- c) Excessive or reckless expenditure
- d) Deductible VAT

Budget Categories Transfers

| Estimated eligible* costs (per budget category) | | | | | | | |
|---|---|-----------|--|-----------|-----------------------------------|---|---------|
| Form of costs**** | A. Direct personnel costs | | B. Direct costs of subcontracting | | [C. Direct costs of fin. support] | D. Other direct costs | |
| | A.1 Personnel A.2 Natural persons under direct contract A.3 Seconded persons [A.6 Personnel for providing access to research infrastructure] | | A.4 SME owners without salary A.5 Beneficiaries that are natural persons without salary | | | D.1 Travel D.2 Equipment D.3 Other goods and services D.4 Costs of large research infrastructure | |
| | Actual | Unit ① | Unit ② | | Actual | Actual | Actual |
| | | | XX EUR/hour | | | | |
| | (a) | Total (b) | No hours | Total (c) | (d) | (e) | (f) |
| Beneficiary 1 | 500.000 | 0 | 100 | 3.213 | 150.000 | 0 | 325.000 |
| Beneficiary 2 | 0 | 300.000 | 0 | 0 | 0 | 0 | 125.000 |

Source: This slide is provided by EC

4. Third Parties

⇒ What is a third party?

A legal entity which **carries out work of the action**, supplies goods or provides services for the action, but which **did not sign the grant agreement**

⇒ What types of third parties?

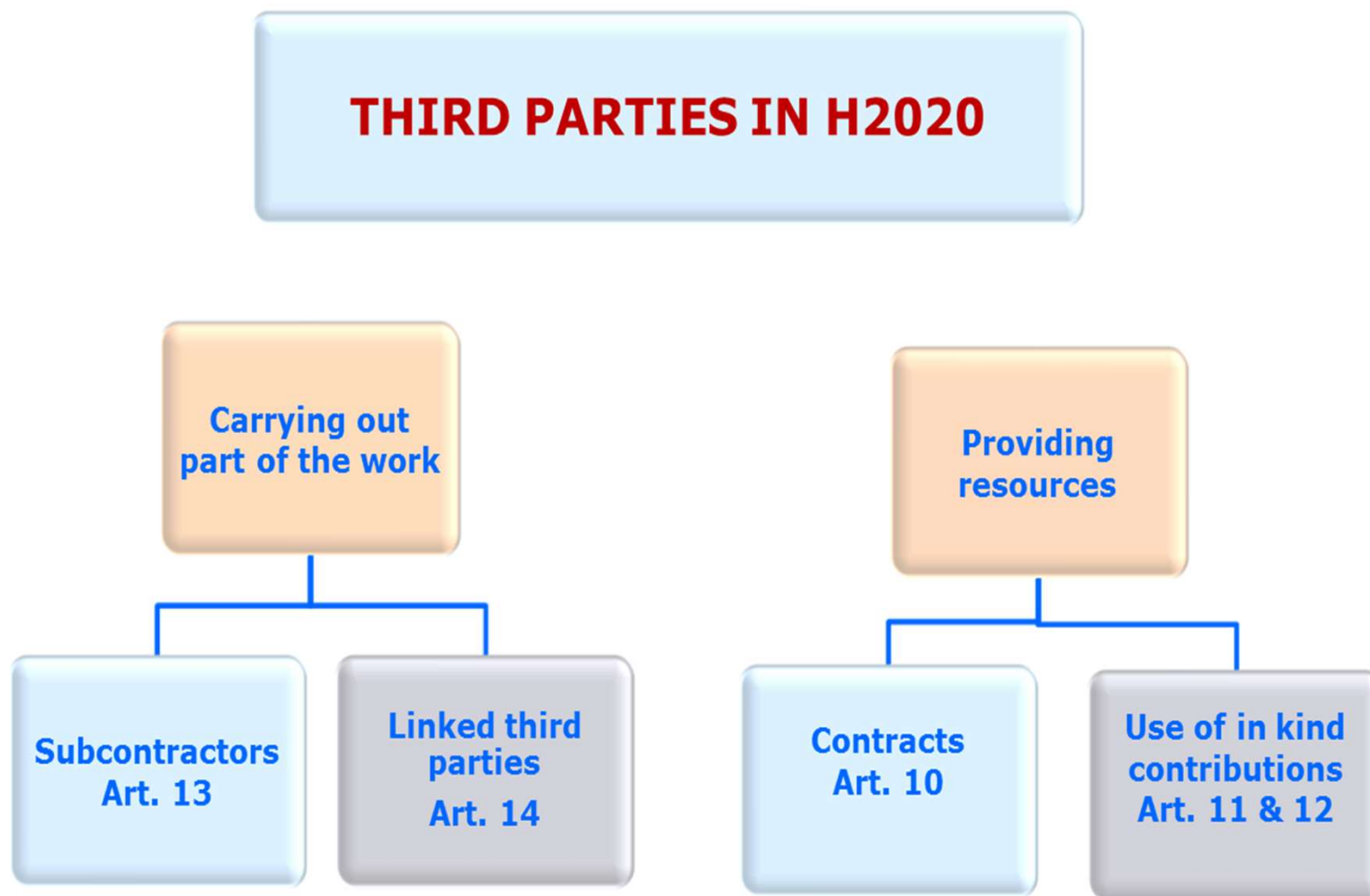


1. Third parties **directly carrying out** part of the work described in Annex 1



2. Other third parties: **providing resources, goods or services** to the beneficiaries for them to carry out the work described in Annex 1

4. Third Parties



Source: This slide is provided by EC



5. Keeping records-Supporting documentation

- **Five years** keep records and other supporting documentation.
- **Original documents.**
- The beneficiaries must keep the records and documentation supporting the costs declared:
 - a) Actual costs:** e.g: contracts, subcontracts, invoices and accounting records.
 - b) Unit costs:** Adequate records and other supporting documentation to prove the number of units declared.
- ‘**Certificate on the methodology**’ Stating that their usual cost accounting practices comply with these conditions.
- In addition, for **personnel costs** (only for persons who don’t work exclusively on the action), the beneficiaries must keep **time records** (writting and approved by the persons working on the action) for the number of hours declared (at least monthly).



6. Report and Payment Requests

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

-Periodic financial report:

Payment accordance of the work package accomplishment

An individual financial statement

A periodic summary financial statement

-Final financial report:

It is also necessary to include a certificate on the financial statements if the beneficiary requests a total contribution **of 325.000 € or more.**

-Financial Statements **must be drafted in euro.** (For non-euro members, Official Journal of the European Union)



6. Report and Payment Requests

-Prima Foundation will do the following payments:

1- **Pre-financing payment**: 60% (max 30 days)

2- **Interim payment/s**: 30% (max 90 days)

The amount due as interim payment is calculated by the PRIMA Foundation in the following steps:

Step 1: Application of the reimbursement rates

Step 2: Limit to 90% of the maximum grant amount.

3- **Payment of the balance**: 10% (max 90 days)

- Payments **will be made to the coordinator**.



7. Checks, reviews, audits and investigations

- The **Prima Foundation or the Commission** will check the proper implementation of the action and compliance with the obligations under the Agreement. **30% of Beneficiaries**
- **Reviews** may be started up to 2 years after the payment if the balance. These reviews can be carried out directly (own staff) or indirectly (using external persons or bodies).
- The Prima Foundation or the Commission may carry out **audits** on the proper implementation of the action.
- European Anti-Fraud office (OLAF) and European Court of Auditors (ECA) can carry out at any moment during the implementation of the action investigations or audits.





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Thank you for your attention

Website: <http://prima-med.org/>