



Managing your project: Do's and don'ts

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Financial issues: Please help us to help you to avoid errors!

Tips to avoid common errors

Financial issues: Consequences of errors



Controls and audits are undertaken by the Commission services (MGA Article 22) and the European Court of Auditors

Identified errors could lead to:

- Recovery of the undue amount (some time after you have received the money!)

- Penalties

- Reputational damage

- Financial losses

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Financial issues: Consequences of errors



The Commission prefers that you avoid these errors in the first place!

- it makes life easier for you
 - it makes life easier for us
 - it avoids unnecessary conflict
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- it allows us all to concentrate on the provision of excellent science

Our advice



Follow the simple steps set out in the following slides, which will help you to avoid the most common errors

Then check the guidance (Annotated Model Grant Agreement – MGA) when you need to!

Grant proposal and signature stage:

Check that all third parties have been **clearly** declared
(MGA Articles 6, 11, 12, 14)

Check that all sub-contracting of scientific (or other)
work has been **clearly** declared (MGA Article 13)

Using in-house consultants? – please check the rules
carefully (MGA Article 6.2 A2)

Is a partner an interest group without staff? – normally
staff costs relate to employees, this may be better
declared as sub-contracting (MGA Article 6.2, A1)

Establishing systems from the start:

Staff working on the project must keep time records (MGA Article 18)!

- staff must record the hours they spend on the project
- regularly (daily, weekly)
- countersigned by a supervisor

Establishing systems from the start:

You must keep time records!

Regular errors:

- Staff working on the project and sick or on holiday at the same time!!
- Hours claimed cannot be supported
- Impossible number of hours claimed

Establishing systems from the start:

You must declare costs based on the actual amounts spent (MGA Article 5, Article 6(1))

- Personnel Costs based on actual staff costs
- Other direct costs based on actual costs for the project (MGA Article 6,2 D):
 - Depreciation costs for assets
 - Real costs of consumables
- Please declare all your costs (guidance to MGA Article 20) to mitigate potential disallowance

Establishing systems from the start:

You must declare costs based on the actual amounts spent

Regular errors

- Declaration of the agreed budget for the project – the budget is a maximum amount, not THE amount or a price!
- Full costs of assets charged
- Internal charging system with no relation to real costs
- No demonstrated link of consumables to the project

Establishing systems from the start:

You must demonstrate "best value" in purchasing (MGA Article 10) and sub-contracting (MGA Article 13)

- some level of tendering to demonstrate "best value"
 - e.g. tender, three offers, market survey
- We will normally accept your standard practices, when properly used
- We will normally accept commercial agreements already in place
- Naming the supplier in the contract does not mean that you do not have to demonstrate best value

Establishing systems from the start:

You must demonstrate "best value" in purchasing and sub-contracting

Regular errors

- "best value" not demonstrated – no tender, no offers, no market survey
- Participants own normal practices not applied
- No documentation kept

Establishing systems from the start:
You must demonstrate "best value" in sub-contracting

You may not, under any
circumstances, sub-contract
to a project partner (MGA
Article 13)

Establishing systems from the start:

Don't charge costs incurred
before the entry into force of
the Grant Agreement

(Unless an earlier start date is agreed with the Commission)

MGA Article 3, Article 6(1)a(ii)



Thank you!