



The Marie Curie Actions FP7 Financial Guidelines

SPECIFIC PROVISIONS RELATED TO MARIE CURIE ACTIONS
FINANCED UNDER THE FP7 "PEOPLE" PROGRAMME

Part 3: Projects funded in the 2007-2011 Work Programmes calls for proposals - IRSES - COFUND



The Marie Curie Actions are managed by the Research Executive Agency (REA). For more information on REA please visit <http://ec.europa.eu/research/rea/>

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1. GENERAL PRINCIPLES

The Marie Curie actions discussed in this guide are the following:

- **IRSES - Marie Curie International Research Staff Exchange Scheme (mono and multi beneficiary)**
- **COFUND - Marie Curie Co-funding of Regional, National and International Programmes (mono beneficiary)**

For these actions, the financial contribution of the Union takes the form of grants consisting of flat rates calculated by applying scale of unit costs.

The use of flat rates is authorised by the Work Programmes detailing the two actions.

The EU financial contribution is calculated by multiplying "a unit cost" by a quantitative factor linked to the specific implementation of the project. In IRSES the contribution is obtained by multiplying the monthly contribution per seconded staff by the number of secondment-months. In COFUND the contribution is obtained by multiplying the yearly contribution per fellowship by the number of fellow-years.

Please see the following formulas:

IRSES: monthly contribution per seconded staff * number of secondment-months

COFUND: yearly contribution per fellowship * number of fellow-years

While for IRSES the unit cost is predetermined by the relevant Work Programme, for COFUND it is established by a Commission decision on the basis of the project negotiations.

As for all grants awarded by the European Union, the financial contribution should not produce a profit for the beneficiary. The compliance with the no-profit rule is subject to an *ex ante* assessment performed at the time of the determination of flat rate amounts.

Important notices:

Certificate on financial statements

Certificates on the Financial Statements are not required and not reimbursed in the case of EU contributions on the basis of flat rates.

Audits

In application of the flat rates' principles, the emphasis is placed on the technical verification/control of the project, i.e., verifying if and to which extent the objectives of the project were achieved in terms of secondments or fellowships taking place according to the conditions laid down in the grant agreement.

Audits will check whether the conditions for the application of flat rates, as set in the grant agreement, have been met (number of researchers/month, employment contracts, publication of calls, respect of mobility rules, etc.).

In case of poor performance and/or partial implementation of a project, the REA may apply measures such as refusing payments of flat rates or seeking recovery for part or the total amount of the EU contribution.

Both actions address researchers who are of at least postgraduate or equivalent level.

For IRSES early-stage researchers and experienced researchers are eligible to participate in the staff exchange (see definitions below). Please note that technical and managerial staff are assimilated to early-stage or experienced researcher depending on their level of professional experience and are eligible if they are involved in research related activities.

For COFUND only experienced researchers may participate in the action (see definitions below).

Early-stage researchers must be, at the time of recruitment by the host organisation, in the first four years (full-time equivalent) of their research careers and have not yet been awarded a doctoral degree.

Experienced researchers must, at the time of the relevant deadline for submission of proposals or recruitment by the host organisation, depending on the action, be in possession of a doctoral degree or have at least four years of full-time equivalent research experience.

Full-time equivalent research experience is measured from the date when a researcher obtained the degree which would formally entitle him or her to embark on a doctorate, either in the country in which the degree was obtained or in the country in which the research training is provided.

Important notice:

Fellows in COFUND programmes

Please note that although fellows eligible to participate in COFUND are classified as experienced researchers for the purpose of the action, each COFUND project may include different categories of fellowship through several sub-schemes (e.g. junior experienced researchers and senior experienced researchers).

2. ELIGIBLE EXPENSES

2.1 Eligible Expenses in IRSES

The EU contribution is based on a flat rate per seconded person month.

Table 1. Monthly rate per secondment

Work Programme	Rates (1)
2008	€1.800
2009	€1.800
2010	€1.900 standard €2.100 long distance (2)
2011	€1.900 standard €2.100 long distance (2)

(1) Rate per seconded staff member/month

(2) An additional long distance allowance of 200 EUR per exchanged staff member per month is paid to cover higher travel costs for countries located a long distance from Europe, i.e. Argentina, Australia, Brazil, Canada, Chile, China, India, Japan, Mexico, New Zealand, Rep. of Korea, South Africa, United States. Please note that no allowance is granted for incoming fellowships from industrialised countries with EU International agreements on Science and Technology (i.e. Australia, Canada, Japan, Rep. of Korea, New Zealand, United States).

The EU contribution is determined by the number of eligible person months and is intended to support travel and subsistence costs, networking activities, management costs and overheads related to the implementation of the exchange.

The EU contribution is paid to the coordinator of the project who will distribute it to the beneficiaries. The beneficiaries, as grant recipients, remain responsible towards the REA for the management of the EU contribution which covers the outgoing secondments to an eligible third country organisation and the incoming secondments from an ICPC partner organisation. Partner organisations are not recipients of EU funds and the financial aspects between them and beneficiaries are to be dealt with in the partnership agreement.

2.2 Eligible Expenses in COFUND

The EU contribution is based on of a flat rate per fellow-year.

The EU contribution is intended to support costs for a fellowship programme in the host organisation. Within a fellowship programme, the costs of a fellowship might be different according to the mobility scheme (incoming, outgoing or reintegration).

The EU contribution per fellow, which is specified in each Grant Agreement, is established per project following negotiations and it corresponds to 40% of the annual fellowship cost.

Although no cost categories are predetermined, costs may include a living allowance, a travel/mobility allowance, a contribution to the research costs for the benefit of the fellow, management costs and overheads, as established during negotiations.

In negotiating the flat rates the estimated cost of a fellowship can include a maximum of 7% for management and 10% of the total direct fellowship cost for overheads.

Important notice:

Variations in the flat rate

During the implementation of a project the actual award of fellowships may vary compared to what was budgeted at the time of negotiating the flat rate set out in the grant agreement. Such variations may stem from a change of the number of fellows by category (compared to initial estimates at the time of grant negotiation), from a modification of the annual cost of a fellowship, etc.

While the REA accepts inevitable variations in implementation of the fellowship programme compared to initial estimates, notably in the light of the results of open calls for candidates published, significant changes in the design of the programme (e.g. a decrease of the contribution per fellow per year) may be considered as non compliance with the obligations outlined in the grant agreement (in particular the description of work).

A beneficiary facing significant changes in the implementation of the fellowship programme compared to initial plans/estimates should immediately inform the REA which will assess whether the variation is substantial and whether corrective measures are required. The REA reserves the right to disagree with a modification which significantly alters the original design of the action.

In case of a reduction in the number of fellow-years compared to the number specified in the grant agreement, the actual number of fellow years granted/paid should be reported and used as a basis for payment of the grant.

3. HOW TO REPORT COSTS

Costs should be reported in the financial statement (Form C) on the basis of the flat rates defined in the Grant Agreement. The Form C should thus include solely the total amount as resulting from the application of formulas related to scale-of-unit costs:

IRSES: monthly contribution per seconded staff * number of secondment-months

COFUND: yearly contribution per fellowship * number of fellow-years

In the Form C the total amount should be reported under the cost category I (for projects funded under the Work Programmes 2007-2010) or category 6 (for projects funded under the Work Programmes 2011)¹.

Important notice:

Interests generated by the pre-financing

In each Form C beneficiaries have to declare interests yielded by the pre-financing (if any). Since such interests remain property of the European Union, they will be deducted from payments made to beneficiaries.

The Form C has to be submitted within 60 days after the end of each reporting period. The duration of a reporting period may vary according to the action, and possibly the project.

The Form C has to be submitted in FORCE through the Participant Portal at the following link:

<http://ec.europa.eu/research/participants/portal>

Table 2. Example of Form C for COFUND and IRSES (for a project funded under Work Programme 2008)

¹ See table 2 as example.

Form C - Financial Statement (to be filled in by the beneficiary)

Project nr	nnnnnn	Funding scheme	Marie Curie Actions
Project Acronym	XXXXXXXXXX		
Period from	dd/mm/yy	Is this an adjustment to previous statement?	Yes/No
To	dd/mm/yy		
Legal Name		Participant Identity Code (PIC)	nn
Organisation short Name		Beneficiary nr	nn

1- Declaration of eligible costs/lump sum/flat rate/scale of unit (in €)

	Type of activity									Total
	A	B	C	D	E	F	G	H	I	
	Monthly living and mobility allowance	Travel Allowance	Career exploratory allowance	Contribution to the participation expenses of eligible researchers	Contribution to the research /training /transfer of knowledge /programme expenses	Contribution to the organisation of international conferences, workshops and events	Management activities (including certification on financial statements)	Contribution to overheads	Other types of eligible expenses / specific conditions	A+B+C+D+E+F+G+H+I
Lump sum/flat rate										
Direct actual costs										
Subcontracting										
Indirect costs										
Total										
Maximum EC contribution										
Requested EC contribution										

2-Declaration of receipts

Did you receive any financial transfers or contributions in kind, free of charge from third parties or did the project generate any income which could be considered a receipt according to Art.II.15 of the grant agreement ?
If yes, please mention the amount

Yes/No

3-Declaration of interest yielded by the pre-financing

Did the pre-financing you received generate any interest according to Art. II.17 ?
If yes, please mention the amount (in €)

Yes/No

4- Certificate on the methodology

Is there a certificate on the methodology provided by an independent auditor and accepted by the Commission according to Art. II.3.3 ?

Yes/No

Name of the auditor		Cost of the certificate (in €), if charged under this project	
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5- Certificate on the financial statements

Is there a certificate on the financial statements provided by an independent auditor attached to this financial statement according to Art.II.3.3 ?

Yes/No

Name of the auditor		Cost of the certificate (in €)	
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6- Beneficiary's declaration on its honour

We declare on our honour that:

- the costs declared above are directly related to the resources used to attain the objectives of the project and fall within the definition of eligible costs specified in Articles II.13 and II.14 of the grant agreement, and, if relevant, Annex III and Article 6 (special clauses) of the grant agreement ;
- the receipts declared above are the only financial transfers or contributions in kind, free of charge, from third parties and the only income generated by the project which could be considered as receipts according to Art. II.15 of the grant agreement;
- the interest declared above is the only interest yielded by the pre-financing which falls within the definition of Art. II.17 of the grant agreement;
- there is full supporting documentation to justify the information hereby declared. It will be made available at the request of the REA or the Commission and in the event of an audit by the REA, the Commission and/or by the Court of Auditors and/or their authorised representatives.

Beneficiary's Stamp	Name of the Person(s) Authorised to sign this Financial Statement
	Date & signature

Amounts reported in the Form C should correspond to the number of secondments/fellowships as specified in the periodic report². In case secondments are not for full months, the amount to be declared should be calculated pro-rata.

IRSES: Important notice:

Submission of Form C in case of mono-beneficiary project (WP 2008)

In mono-beneficiary grant agreements covered by the 2008 Work Programme the participants from MS or AC shall submit their own Form C through the beneficiary.

Submission of Form C in case of multi-beneficiary project (WP 2009-2011)

In case of a multi-beneficiary project, each beneficiary should submit a form C and the coordinator should also provide a summary financial report which consolidates the claimed contribution of all the beneficiaries, based on the information provided in Form C of each beneficiary.

When reporting to the REA, beneficiaries should **not** provide evidence of actual costs (e.g. cost statements for travel). Proof of the costs must only be kept available by the beneficiaries as a normal accounting procedure complying with the institution or the national accounting system applying. Reporting will be limited to showing the accomplished results (e.g.. number of exchanges) according to the grant agreement.

² COFUND: the reported amount should Table 4 "Full report with fellow's data

4. HOW IS THE EU CONTRIBUTION CALCULATED?

4.1 Example of the calculation of the EU contribution for an IRSES grant³

Example: Two institutions from two different EU Member States (Germany, France) and one institution from an Associated Country (Turkey) implement a staff exchange programme with three institutions located in three *Third countries*, namely one in an industrialised country (the United States) and two in an eligible International Cooperation Partner Country (Russia and Brazil)⁴.

For each member of staff seconded from Germany, France and Turkey to Russia, the EU will pay a contribution of €1900 per month. For secondments to Brazil and the United States, an additional long distance allowance of €200 per seconded staff member per month is paid (€2100). The same rates apply to secondments from Brazil and Russia to Germany, France and Turkey. No allowance is granted for secondments from the United States to Germany, France and Turkey.

Secondments distribution table

SECONDMENTS months)		(person)	FROM					TOTAL	
			BENEFICIARIES			PARTNERS			
			Germany	France	Turkey	Russia	Brazil		US
TO	BENEFICIARIES	Germany				40	20	10	70
		France				40	20	5	65
		Turkey				20	10	5	35
		SUB-TOTAL				100	50	20	170
	PARTNERS	Russia	30	20	10				60
		Brazil	20	10	5				35
		US	20	20	30				70
		SUB-TOTAL	70	50	45				165
TOTAL			70	50	45	100	50	20	335

EU contribution distribution table

EU CONTRIBUTION CALCULATION (€)			FROM					TOTAL	
			BENEFICIARIES			PARTNERS			
			Germany	France	Turkey	Russia	Brazil(*)		US(**)
TO	BENEFICIARIES	Germany				76.000	42.000		118.000
		France				76.000	42.000		118.000
		Turkey				38.000	21.000		59.000
		SUB-TOTAL				190.000	105.000	0	295.000
	PARTNERS	Russia	57.000	38.000	19.000				114.000
		Brazil(*)	42.000	21.000	10.500				73.500
		US(*)	42.000	42.000	63.000				147.000
		SUB-TOTAL	141.000	101.000	92.500				334.500
TOTAL			141.000	101.000	92.500	190.000	105.000	0	629.500

(*) Additional long-distance allowance of €200 per seconded staff member per month applies

(**) There is no EU funding towards the costs of secondments from the US.

EU CONTRIBUTION BUDGET					
BENEFICIARIES	SECONDMENTS	OUTGOING	INCOMING	TOTAL	(€)
	Germany	70	70	140	259.000
	France	50	65	115	219.000
	Turkey	45	35	80	151.500
	TOTAL	165	170	335	629.500

³ Rates are related to Work Programme 2010.

⁴ ICPC include countries which have concluded an international agreement on Science and Technology with the EU and countries of European Neighbourhood policy (ENP).

4.2 Example of the calculation of the EU contribution for a COFUND grant

Example: An institution located in a Member State or an Associated Country finances a programme which supports the mobility of incoming researchers who have not been resided in the country of the host organisation for 12 months at the time of the publication of the call. The programme intends to fund 35 researchers for 2-year fellowships (70 fellow-years).

Average costs per fellowship and year

Cost category	Amount
Living allowance	50.000
Mobility/Travel allowance	8.900
Contribution to research costs	8.000
Fellowship Costs before Management and Overheads	66.900
Management (7% of fellowship costs)	4.683
Subtotal	71.583
Overheads (10% of subtotal)	7.158
Total annual fellowship cost	78.741

Calculation of the maximum amount of the grant

	Amount (€)
Total annual fellowship cost	78.741
EU contribution per fellow-year (flat rate set at 40% of the annual fellowship costs)	31.496
Total programme cost (70 * 78 741)	5.511.870
Total EU contribution (70 * 31 496)	2.204.720

5. FAQs

Q1. Should real costs incurred be declared/reported in order to be reimbursed?

A. Real costs incurred during the project should not be reported since flat rate financing applies.

In IRSES, the amount of the EU contribution, as paid to the beneficiary, is calculated by multiplying the flat rate per secondment/month (1.800, 1900 or 2100 EUR) by the number of secondment- months that have taken place.

In COFUND, the amount of the EU contribution, as paid to the beneficiary, is calculated by multiplying the flat rate for the yearly contribution per fellowship by number of fellow-years funded by the COFUND programme.

The Form C to be submitted after the end of each reporting period together with all other required reports should simply indicate the amounts calculated according to the above formulas.

Q2. Can the EU contribution be used to cover management costs and overheads?

A. The beneficiary is not required to report on how the EU contribution has been spent or distributed among different categories of expenditure. Indeed, it is required to demonstrate that the action has been carried out according to the grant agreement i.e., the number of person months exchanged or the number of fellowships taking place, according to the grant agreement.

Q3. What happens if the EU contribution is not spent entirely?

A. The beneficiary is not required to demonstrate how and to which extent the EU contribution has been effectively spent. It is only required to demonstrate that the action has been carried out according to the grant agreement.

The flat rate is deemed to be a fair estimate of the cost of secondment or of a 40% contribution to the cost of a fellowship and is not subject to *ex post* justification.

The EU contribution might be reduced or recovered in case the action has not been implemented in compliance with the grant agreement or in case the agreed secondments/fellowships have not taken place.

For instance, in case during the project implementation less secondments or fellowships than planned have been funded, the real number of secondments or fellows as reported in the periodic report will be taken into account for the payment.

Q4. IRSES: how should the funds for the third country partners be managed?

A. The EU funding is administered by the beneficiaries according to the provisions of the grant agreement and disregarding any provision established in the partnership agreement. The beneficiaries remain the sole responsible towards the EU for the management of the

funds. In addition, the financial reporting will be done by each beneficiary depending on the number of outgoing secondments to an eligible third country and the number of incoming secondments from an ICPC partner (if requested).

The amounts corresponding to the outgoing secondments to an eligible third country and the number of incoming secondments from an ICPC partner will be included in the Form C of each beneficiary. Please note that in any case, the beneficiary remains responsible for the management of the funds and should be able to provide with the justification of the exchanges in case of an audit.

Q5. COFUND: can fellows who were awarded their fellowships during the grant period continue to be paid from EU funds after the end of the period?

A. No, only expenses which were incurred during the period of the project can be covered by the EU contribution.

Q6. COFUND: what happens if after the negotiation of the flat rate, the average fellowship cost per year has been reduced, for example due to the financial crisis?

A. In principle, the beneficiary is entitled to receive the flat-rate as negotiated and approved by a Commission Decision. Nevertheless, if there is a significant and systematic reduction in costs compared with the negotiated rate then the REA should be informed and the REA reserves the right, in view of non-compliance with the initial design as agreed during the grant negotiation and detailed in the grant agreement, to initiate corrective action (which may include re-assessing the flat rate).

Q7. COFUND: what happens if some fellows end their fellowships earlier than expected? Can the "left-over" months be used to fund additional fellows?

A. Programmes are entitled to spend the number of fellow-years as stated in Annex I of the grant agreement. "Un-used" fellow-months can be transferred to other fellows, after prior agreement of the project officer. If this is not possible (e.g. because this happens towards the end of the COFUND project), only the actually "spent" fellow-years will be taken into account for the payment of the grant.