

1.1 New eligibility criteria 2011 for average costs and SME-owners

1.1.1 New eligibility criteria of 2011 retroactively in force?

Antwort: 26.01.2011

Dear RES,

*this is a very urgent question and refers to the new Annex II and therefore the new II.14 eligibility criteria published on January 24, 2011.
Are these criteria also in force for ongoing Grant Agreements or just for those which are signed from now onwards?*

Best regards

Thank you for your question. The measures adopted by this Commission Decision apply to new and already signed indirect actions under FP7. Regarding the acceptability criteria for average personnel cost, these new criteria are applicable to costs declared in all FP7 projects. Beneficiaries can therefore directly apply their usual average personnel costs calculation method, if compatible with these criteria, for any cost declaration. However, the beneficiary is not allowed to recalculate costs which were already reported by application of other calculation methods due to the fact that the usual methodology is now acceptable under the criteria described in the new Decision. For instance, if the beneficiary has charged individual actual costs due to the fact that its average personnel cost methodology was not acceptable by the Commission under the prior criteria, the beneficiary can not re-calculate at present those costs by using averages, even if its methodology is now acceptable. The Commission will also apply these new criteria in all ongoing and future FP7 audits. The retroactive application concerns as well the flat-rate financing for SME owners and natural persons in the case of physical persons and SME owners who do not receive a salary. This form of flat-rate financing shall apply to all grant agreements signed under the Seventh Framework Programmes, including those already signed. Therefore it applies to ongoing GAs without the need for amendments.

Kind regards,

RTD A4 Enquiry Service Team

1.1.2 Still need of CoMAv after Simplification decision?

Antwort: 27.01.2011

Dear Certification Team,

Is it correct that it is now possible for an organisation to get reimbursed average personnel costs even if it does not have a valid CoMAv? Or is a CoMAv still mandatory but set up based on the new criteria established in II.14.1. (a)-(d) GA?

Best regards

Following the Commission Decision adopted on 24.1.2010 beneficiaries may opt to declare average personnel costs if the following cumulative criteria are fulfilled:

1) The average personnel cost methodology shall be the one declared by the beneficiary as its usual cost accounting practice; as such it shall be consistently applied to all indirect actions of the beneficiary under the Framework Programmes;

(2) The methodology shall be based on the actual personnel costs of the beneficiary as registered in its statutory accounts, without estimated or budgeted elements;

(3) The methodology shall exclude from the average personnel rates any ineligible cost item as defined in Regulations (EC) No 1906/2006 and (Euratom) No 1908/2006 and the model Grant Agreements established by Decisions C(2007) 1509 and C(2007) 1625 (hereinafter "the model Grant Agreements") and any costs claimed under other costs categories in order to avoid double funding of the same costs;

(4) The number of productive hours used to calculate the average hourly rates shall correspond to the usual management practice of the beneficiary provided that it reflects the actual working standards of the beneficiary, in compliance with applicable national legislation, collective labour agreements and contracts and that it is based on auditable data. If you use average personnel costs and you meet the above criteria you are no longer obliged to have an approved Certificate on the Methodology for Average Personnel costs. Of course if you wish you can still apply for a Certificate on the Methodology for Average Personnel costs.

Should you have any more questions, please do not hesitate to contact us again.

Yours sincerely,

FP7 Certification Team

1.1.3 Classification for average personnel costs I

Antwort: 08.03.2011

1) If an organisation wants to apply the new criteria for average personnel costs - do they have to have all employees classified in a category or is it enough to have only the researchers classified? Or only the employees of a certain department?

The criteria are defined in the Commission Decision C(2011) 174 of 24 January 2011. The methodology applied should be the usual cost accounting practice of the beneficiary. This criterion does not require the average personnel costs methodology to be equal for all types of employees, departments or cost centres. However, the overall methodology must be consistently applied in all FP7 participations of the beneficiary and can not be adapted ad-hoc for particular research actions or specific projects.

2) If there is an acceptable average cost system - does the organisation calculate a yearly average rate for each category?

We do not understand your question.

3) How does the standard productive hours of the organisation has to be found? If there is only time recording for project employees, shall the standard only include them or all employees (then on the basis of the contracts and absences)?

As a general rule, the number of productive hours should be that applied as the usual practice of the beneficiary. For instance, beneficiaries could use the actual productive hours of each researcher according to the time-records or instead use a standard number of productive hours (generally annual productive hours). When the beneficiary applies a standard number of productive hours, this should be representative of its working standards.

Background information used to determine the standard productive hours should be available and verifiable.

Kind regards

RTD A4

1.1.4 Classification for average personnel costs II

Antwort: 24.03.2011

Dear RTD A4,

I would like to clarify on my second question:

2) If there is an acceptable average cost system - does the organisation calculate a yearly average rate for each category?

I wanted to ask if the average rate shall be newly calculated or updated each year (according to the changing data like payroll, people changing from one category into another, valorisation or netback etc.)?

Kind Regards

The answer is yes, it should be updated every year.

Kind regards,
RTD A4

1.1.5 CoMAv after Simplification decision for SME-owners still possible?

Antwort: 01.02.2011

Dear Certification Team,

are SME-owners still allowed to hand in a CoMAv if it is better for them (e.g. CoMAv proves the methodology for calculating a higher hourly rate as the Marie Curie rates)?

Best Regards

Certificates submitted (by physical persons and SME owners not receiving a salary registered in the accounts) up to the date of the decision, or at the latest one month after such date will be treated and evaluated under the rules in force prior to the decision. Certificates submitted later than one month of the date of adoption will be considered not receivable.

Yours sincerely,

FP7 Certification Team

1.1.6 Use of CoMAv for SME-owners after using Marie Curie flat rates

Antwort: 02.02.2011

Dear Certification Team,

if an SME-owner already has a valid CoMAv and decides on taking the Marie Curie flat rates, is he able to go back and use his CoMAv again e.g. in a different FP7-project?

Best regards

All SME owners and natural persons having received the approval of their methodology are entitled either to:

- Continue applying the approved methodology
- Apply the flat rate system.

However, if the beneficiary chooses to apply the flat-rate system they will have to apply it for all cost statements in ongoing and future participations in FP7 projects. It is recommended that beneficiaries in this situation inform the Commission on their choice via the functional mailbox:

RTD-FP7-Average-Personnel-Rate-Certification@ec.europa.eu

Yours sincerely,
FP7 Certification Team

1.1.7 Marie Curie rates for SME-owners in reporting

Antwort: 15.02.2011

Dear RES,

when an SME-owner chooses to get reimbursed the Marie Curie rates he has to put this into the Form C under the cost category: "lump-sum/flat-rate/scale of unit declared".

As this is technically not possible if the organisation has not chosen lump sums - who has to be informed? The Po or URF directly?

Best regards

In any case advise the PO. From information given, it is not possible to be precise about the programme and call to which the query refers.

Best regards,
Marie Curie Helpdesk

Follow-Up:

Antwort: 14.03.2011

Dear Marie Curie Helpdesk,

it was definitely no question for you - it is a question which refers to the new eligibility criteria and the usage of Marie Curie rates for SME-owners - please forward it to responsible department.

It is technically not possible to put in lump sums into FORCE as these cells are not open - is it possible to send an email to RTD-FP7-Average-Personnel-Rate-Certification@ec.europa.eu as said in Case ID: 0352001 / 3301467 - will then the cell be opened?

If an SME-owner did not have a valid CoMav but had money for himself reimbursed in the last Form Cs, is he able to hand in Adjustment Form Cs with the Marie Curie flat rates?

Best Regards

FORCE/NEF will be modified in order to allow introducing the flat-rates in the proper box.

In the meantime the flat-rate has to be declared under personnel costs. In the report on explanation of the use of resources the beneficiary has to indicate that it is using the flat rate.

Kind regards,
RTD A4

1.1.8 Reimbursement of costs for CoMAv which was not used?

Antwort: 15.02.2011

Dear Certification Team,

one of our clients, an SME, already has an approved CoMAv for its owner without salary. Now they would like to apply the flat rates from Marie Curie instead of the CoMAv. However, is it possible for them to have the costs of the CoMAv reimbursed?

Best Regards

The cost of the Certificate on the Methodology (CoM and CoMAv) is an eligible cost in any of the financial statements submitted in any FP7 Grant Agreement in which the beneficiary participates after the acceptance of this Certificate by the Commission. Therefore, in the specific case you mention, the beneficiary is entitled to claim the cost of the accepted Certificate, even though he decides to revert to the new flat rate mechanism for SME owners not receiving a salary. In case the SME owner would withdraw from the Certification Process before acceptance of the methodology, the costs cannot be reimbursed.

Yours sincerely,
FP7 Certification Team

1.1.9 SME-owners under the research categories of Marie Curie

Antwort: 15.02.2011

Dear RES,

in the future Finance Guide (we received the pages from Ms. De Wolf) the new Simplification measures of January 24, 2011 are described. There it says that the Marie Curie rates shall be used, depending on the appropriate researcher category (early stage researcher, experienced researcher > 4 years, experienced researcher > 10 years), which shall be "(...) defined by considering the years of professional experience of the SME owner/natural person."

E.g. the Marie Curie definition for experienced researchers taken from Marie Curie Work Programme 2011 p. 7 is: 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.

As the Marie Curie categories foresee a doctoral degree as well as years of research experience this cannot be applied in many cases of SME owners/Natural persons that take part in Grants but are not coming from a scientific background. Therefore we have a few questions:

- 1) Are the 'research categories' mentioned for SME-owners determined with regard to the Marie Curie definitions?*
- 2) If the "professional experience" of the SME-owner is taken into account instead of the Marie Curie definitions - does this mean professional experience in a certain "relevant" branch in which the person/SME-owner is working in the EU-Project or just professional experience in general?*
- 3) What kind of documents do the SME-owners/natural persons have to provide to verify the years of professional experience in case of an audit?*

Best Regards

Please find below the answers to your questions:

- 1) Are the 'research categories' mentioned for SME-owners determined with regard to the Marie Curie definitions?*

The flat-rate system for SME owners and natural persons without a salary adopted last January by the Commission is based on the living allowances fixed in the annual PEOPLE Work Programmes (the Marie Curie rates). These allowances are different depending on the experience of the researcher concerned. However the criteria applicable in the Marie Curie grants to define the experience of the researcher (the category) do not apply to the flat-rate system for SME owners and natural persons.

The latter is simplified in regard to the assessment of the experience of the researcher and do not require this experience to be on condition, for instance, to have a doctoral degree.

2) If the "professional experience" of the SME-owner is taken into account instead of the Marie Curie definitions - does this mean professional experience in a certain "relevant" branch in which the person/SME-owner is working in the EU-Project or just professional experience in general?

The category of the researcher should be determined with regard to the years of professional experience of the SME owner or natural person. This professional experience does not necessarily need to be linked to the specific area of the research project, nor exclusively related to technical/research activities. For instance, in the cases of SME owners and natural persons, is often not possible to differentiate between the experience as a researcher and as an owner/manager since both activities run in parallel. Thus, the period as owner-manager would be considered in full as professional experience for the determination of the category of the researcher;

3) What kind of documents do the SME-owners/natural persons have to provide to verify the years of professional experience in case of an audit?

The starting documentation is the Curriculum Vitae of the researcher and the supporting documents (e.g. labour contracts, publications, etc.) enabling the auditor to verify the correctness of the information stated in it. Please note that these are just examples of the kind of documents which may be requested, and they should not be taken as absolute benchmarks by the beneficiaries.

Note also that, in any case, auditors are entitled to ask for evidence to the extent needed by their professional judgement, in accordance with the relevant applicable International Standards on Auditing. When analysing this evidence, auditors may raise further questions and request further evidence to support the authenticity of the documents presented.

Kind regards,

RTD A4