Financial Workshop for CS2 Leaders and Core-Partners

Brussels, 21 January 2016
09.30-19.00
<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>09:30 - 09:45</td>
<td>Registration and welcome coffee</td>
</tr>
<tr>
<td>09:45 - 10:45</td>
<td>Part I</td>
</tr>
<tr>
<td>09:45 - 10:45</td>
<td>Financial Management</td>
</tr>
<tr>
<td>10:45 - 11:30</td>
<td>In Kind Contribution including Additional activities</td>
</tr>
<tr>
<td>11:30 - 12:15</td>
<td>Project management</td>
</tr>
<tr>
<td>12:15 - 12:45</td>
<td>Ex-post audits</td>
</tr>
<tr>
<td>12:45 - 13:15</td>
<td>Legal aspects</td>
</tr>
<tr>
<td>13:15 - 13:30</td>
<td>Running costs</td>
</tr>
<tr>
<td>13:30 - 14:30</td>
<td>Lunch &amp; Coffee break</td>
</tr>
<tr>
<td>14:30 - 15:00</td>
<td>Part II</td>
</tr>
<tr>
<td>14:30 - 15:00</td>
<td>Intro GMT2 for Core -Partners</td>
</tr>
<tr>
<td>15:00 - 15:30</td>
<td>Planning Module</td>
</tr>
<tr>
<td>15:30 - 16:30</td>
<td>Reporting Module</td>
</tr>
<tr>
<td>16:30 - 17:00</td>
<td>Next actions/deadlines</td>
</tr>
<tr>
<td>17.00 - 18.00</td>
<td>Q &amp; A Session</td>
</tr>
<tr>
<td>18.00 - 19.00</td>
<td>Networking cocktail</td>
</tr>
</tbody>
</table>
PART I
Financial Management
1. H2020 reminders
2. Form of costs and budget categories
3. Submission of Financial reports
4. Financial checks done by FO
   4.1 Form C
   4.2 Use of resources
   4.3 CFS – Quality expectation (mandatory template – findings…)
5. Validation process and on-hold amounts
6. GAM extension 2016-2017
Financial Management

1. H2020 reminders
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6. GAM extension 2016-2017
1. H2020 reminders

1.1 Funding Rates:
Major change compared to FP7 GAM (50/50):

**CS2 GAM H2020**
for Innovation Actions (IA), the funding rate shall be

- 70% of the total eligible costs (TEC) – ‘for profit’ organisations
- up to 100% of TEC - for non-profit organisations

All members’ actions in GAMs are considered as Innovation Actions
### 1. H2020 reminders

#### 1.1 Funding Rates: Example of Eligibility of costs:

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Not for profit entity</th>
<th>ELIGIBLE DIRECT COSTS</th>
<th>ELIGIBLE INDIRECT COSTS</th>
<th>TOTAL ELIGIBLE COSTS</th>
<th>Max VALIDATED JU Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>BENEF 1</td>
<td>No</td>
<td>DIRECT PERSONNEL COSTS</td>
<td>SUBCONTRACTING COSTS</td>
<td>OTHER DIRECT COSTS</td>
<td>TOTAL</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11.000</td>
<td>1.750</td>
<td>2.000</td>
<td>14.750</td>
</tr>
<tr>
<td>BENEF 2</td>
<td>Yes</td>
<td>5.000</td>
<td>500</td>
<td>1.000</td>
<td>6.500</td>
</tr>
<tr>
<td></td>
<td></td>
<td>16.000</td>
<td>2.250</td>
<td>3.000</td>
<td>21.250</td>
</tr>
</tbody>
</table>

- **Indirect costs (Flat 25%)**: e.g. \((11.000 + 2.000) = 13.000 \times 25\% = 3.250\)
- **Total JU Contribution**: 70% of TEC(6) \(\Rightarrow\) “No”
  100% TEC(6) \(\Rightarrow\) “Yes”
1. H2020 reminders

1.2 Indirect costs

**Indirect costs** are all those eligible costs which cannot be identified by the *beneficiary* as being directly attributed to the *project* but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the *project*. They may not include any eligible direct costs.
1. H2020 reminders

1.2 Indirect costs

Comparison between FP7 and H2020

- 60% ?
- 20% ?
- Real ?
- Simplified?
- Single model: 25% Flat Rate
1. H2020 reminders

1.2 Indirect costs

Flat rate of 25% of total direct eligible costs

Indirect eligible costs shall be determined by applying a flat rate of 25% of the total direct eligible costs (TEC), excluding:

- direct eligible costs for subcontracting and;
- the costs of resources made available by third parties which are not used on the premises of the beneficiary (Direct Costs of In kind contribution not used on premises).
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4. Financial checks done by FO
   4.1 Form C
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6. GAM extension 2016-2017
2. Form of costs and Budget categories

• Costs should be specified by Form of costs:
  • Actual
  • Unit costs (average personnel costs)
  • Flat rate (indirect costs)
2. Form of costs and Budget categories

<table>
<thead>
<tr>
<th>FORMS OF COSTS</th>
<th>BUDGET CATEGORIES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DIRECT COSTS</td>
</tr>
<tr>
<td></td>
<td>Personnel</td>
</tr>
<tr>
<td>Actual costs</td>
<td>✔</td>
</tr>
<tr>
<td>Unit costs</td>
<td></td>
</tr>
<tr>
<td>Yes for</td>
<td>✔</td>
</tr>
<tr>
<td>- Average</td>
<td></td>
</tr>
<tr>
<td>personnel costs</td>
<td></td>
</tr>
<tr>
<td>- SME owners &amp;</td>
<td></td>
</tr>
<tr>
<td>natural persons</td>
<td></td>
</tr>
<tr>
<td>without a salary</td>
<td></td>
</tr>
<tr>
<td>Flat-rate costs</td>
<td>✔</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Yes if foreseen by Comm. Decision
# 2. Form of costs and Budget categories

- **Budget table (Annex 2 of the GAM)**

## ANNEX 2 TO THE GAM - ITD/ADP/TA ANNUAL BUDGET - CLEAN SKY 2

**ITD / IADP / TA**

**ITD Leader**

**Reporting period**

<table>
<thead>
<tr>
<th>from</th>
<th>to</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/2016</td>
<td>31/12/2016</td>
</tr>
</tbody>
</table>

**YEAR**

**2016**

**In Euros**

<table>
<thead>
<tr>
<th>N°</th>
<th>Leader / CP</th>
<th>Short Name</th>
<th>Organisation</th>
<th>Not for profit entity</th>
<th>Yes / No</th>
<th>Beneficiary Linked Third Parties</th>
<th>ELIGIBLE DIRECT COSTS</th>
<th>TOTAL ELIGIBLE COSTS</th>
<th>TOTAL SPD MAX VALIDATED JU CONTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
<tr>
<td>1</td>
<td>Leader</td>
<td>BENEF 1</td>
<td></td>
<td></td>
<td>No</td>
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<td></td>
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<tr>
<td></td>
<td>Leader</td>
<td>LINKED THIRD PARTY BENEF 1</td>
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<td>Leader</td>
<td>LINKED THIRD PARTY BENEF 1</td>
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<td>No</td>
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<tr>
<td></td>
<td>TOTAL BENEF 1</td>
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<tr>
<td>2</td>
<td>Leader</td>
<td>BENEF 2</td>
<td></td>
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<td>No</td>
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<td>Leader</td>
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</tr>
<tr>
<td></td>
<td>Leader</td>
<td>LINKED THIRD PARTY BENEF 2</td>
<td>No</td>
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<td>No</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL BENEF 2</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Leader</td>
<td>BENEF 3</td>
<td></td>
<td></td>
<td>No</td>
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<td></td>
<td></td>
<td></td>
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<td>Leader</td>
<td>LINKED THIRD PARTY BENEF 3</td>
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<td></td>
<td>Leader</td>
<td>LINKED THIRD PARTY BENEF 3</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>...</td>
<td>...</td>
<td></td>
<td></td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2. Example of costs declared in GMT

<table>
<thead>
<tr>
<th>A</th>
<th>DIRECT PERSONNEL COSTS</th>
<th>2 436 125,43 €</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Staff receiving salary A1/A2/A3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Actual</td>
<td>2 436 125,43 €</td>
</tr>
<tr>
<td></td>
<td>Unit</td>
<td>0,00 €</td>
</tr>
<tr>
<td></td>
<td>Staff not receiving salary A4/A5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hourly Rate</td>
<td>0,00 €</td>
</tr>
<tr>
<td></td>
<td>Nº of Hours</td>
<td>0,00 €</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>0,00 €</td>
</tr>
</tbody>
</table>

| B | SUBCONTRACTING COSTS (ACTUAL) | 1 433 236,97 € |

| C | DIRECT COSTS OF FINANCIAL SUPPORT (ACTUAL) | 0,00 € |

<table>
<thead>
<tr>
<th>D</th>
<th>OTHER DIRECT COSTS</th>
<th>29 019,87 €</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Other direct costs D1/D2/D3</td>
<td>29 019,87 €</td>
</tr>
<tr>
<td></td>
<td>D4 - Costs for Large research infrastructure.</td>
<td>0,00 €</td>
</tr>
</tbody>
</table>

TOTAL ELIGIBLE DIRECT COSTS 3 898 382,27 €
## 2. Example of costs declared in GMT

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td>ELIGIBLE INDIRECT COSTS (25% FLAT RATE)</td>
</tr>
<tr>
<td>F</td>
<td>SPECIFIC CATEGORIES OF COSTS UNIT</td>
</tr>
<tr>
<td>TOTAL ELIGIBLE COSTS</td>
<td>4,514,668,60 €</td>
</tr>
<tr>
<td>RECEIPTS ACCORDING TO ART. 5.3.3</td>
<td>0,00 €</td>
</tr>
<tr>
<td><strong>JU CONTRIBUTION</strong></td>
<td></td>
</tr>
<tr>
<td>REIMBURSEMENT RATE 70% / 100% (if not for profit organisation)</td>
<td>70%</td>
</tr>
<tr>
<td>THEORETICAL MAXIMUM JU CONTRIBUTION</td>
<td>3,160,268,02 €</td>
</tr>
<tr>
<td>MAXIMUM GRANT AMOUNT (BUDGET ANNEX 2)</td>
<td>4,514,752,55 €</td>
</tr>
<tr>
<td>REQUESTED JU CONTRIBUTION</td>
<td>3,160,268,02 €</td>
</tr>
<tr>
<td>DIRECT COSTS OF IN KIND CONTRIBUTION NOT USED ON PREMIS</td>
<td>0,00 €</td>
</tr>
<tr>
<td>(ALREADY INCLUDED IN DIRECT COSTS)</td>
<td></td>
</tr>
</tbody>
</table>
2. Example of Description of costs in GMT 2

<table>
<thead>
<tr>
<th>Work Package</th>
<th>Planned PM</th>
<th>Claimed PM</th>
<th>Difference PM</th>
<th>Planned Amount</th>
<th>Claimed Amount</th>
<th>Difference Amount</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>WP0 - Work Package 0</td>
<td>5,00</td>
<td>6,35</td>
<td>1,35</td>
<td>35,000,00 €</td>
<td>37,629,28 €</td>
<td>2,629,28 €</td>
<td>Programme Management support has been provided to the Clean Sky 2 programme over the defined duration. Planned PM vs claimed PM is consistent. Difference in planned amount vs. claim amount is due to the difference in estimated personnel cost. Actual personnel cost.</td>
</tr>
<tr>
<td>WP5 - Work Package 5</td>
<td>121,54</td>
<td>128,72</td>
<td>7,18</td>
<td>1,070,772,00 €</td>
<td>762,778,07 €</td>
<td>-307,993,93 €</td>
<td>Planned PM vs claimed PM is consistent. Difference in planned amount vs. claim amount is due to the estimated personnel cost. Actual personnel cost.</td>
</tr>
<tr>
<td>WP6 - Work Package 6</td>
<td>278,37</td>
<td>276,03</td>
<td>-2,34</td>
<td>2,141,258,00 €</td>
<td>1,635,718,08 €</td>
<td>-505,543,92 €</td>
<td>Planned PM vs claimed PM is consistent. Difference in planned amount vs. claim amount is due to the difference in estimated personnel cost. Actual personnel cost.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>404,91</strong></td>
<td><strong>411,10</strong></td>
<td><strong>6,19</strong></td>
<td><strong>3,247,040,00 €</strong></td>
<td><strong>2,436,125,43 €</strong></td>
<td><strong>-810,914,57 €</strong></td>
<td></td>
</tr>
</tbody>
</table>
Financial Management

1. H2020 reminders
2. Form of costs and budget categories
3. Submission of Financial reports
4. Financial checks done by FO
   4.1 Form C
   4.2 Use of resources
   4.3 CFS – Quality expectation (mandatory template – findings...)
5. Validation process and on-hold amounts
6. GAM extension 2016-2017
3. Submission of financial reports

What – When – How

• **What:**

1. Form C
2. Description on the Use of Resources
3. CFS if required

Each CFS is per beneficiary/linked THP and per SPD!
3. Submission of financial reports

What – When – How

• **When**: Within 60 days of the end of the reporting period (31 Dec 20xx)
  → by 1st of March 2016

• **How**:
  1. Via electronic submission in GMT 2
  2. Sending of original **signed** documents by post
3. Submission of financial reports

Report will be considered as completed when all required documents are electronically submitted and received by post from all beneficiaries.

**Reminder:** the coordinator is responsible:

- To collect all the original signed documents from beneficiaries
- To send them in batch to the JU by post
- No direct sending to the JU by individual members
Financial Management

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4. Financial checks done by FO

4.1 Form C

- The FO will perform a cross check of financial figures between the Form C and the budget table A2 per cost categories (e.g. planned vs actual)

- It is the basic work for the validation/rejection of costs.
4. Financial checks done by FO

4.2 Use of resources – UoR

- **Direct personnel costs**: Verification of claimed amount and P/M according to the Annex 1 & 2
- **Subcontracting costs**: Clear description. JU will check if foreseen in Annex 1 (main condition)
- **Other direct costs**:
  - **Travels**: ideally description of date and place of meetings
  - **Equipment**: description + depreciation method
  - **Other goods and services**: Clear description of the good or services
4. Financial checks done by FO

4.2 Use of resources

UOR – Potential issues:

- Planned figures not encoded in the UoR,
- Discrepancy between planned and claimed amount
  → when claimed amount is higher than the planned one, it should be clearly justified under explanation section
- Missing information in the explanation section and/or lack of description

In such case, the FO will reject the FormC (with comment in GMT) and inform the beneficiary of the required modification and/or action
4. Financial checks done by FO

4.2 Use of resources

UOR – Potential issues:

Examples:

✓ Direct personnel costs: Planned amount or P/M not encoded, Number of P/M not specified or discrepancy with P/M planned, ...

✓ Subcontracting costs: Amount and description not foreseen in Annex 1 and no prior agreement from the PO

✓ Other direct costs:
  • Travels: date of travel not reported => FO is not able to verify if the travel occurred during the appropriate reporting period.
  • Other Goods and Services: Insufficient description provided i.e. consumables, raw material, ...
  • Equipment: depreciation method is not specified
4. Financial checks done by FO

4.3 Certificate on the Financial Statements - CFS

Agreement with industry to submit CFS every two years from start date of the project and/or at the end of the project when JU contribution as reimbursement of direct costs is $\geq 325$ K\(\text{€}\) (thus excl. the flat rate on IC)

CFS also required for costs related to 2015 for new Core Partners if threshold is reached; if threshold not reached, no CFS is required that year from that member!

<table>
<thead>
<tr>
<th>Case 1</th>
<th>Costs claimed</th>
<th>Funding 70%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>400</td>
<td>280</td>
</tr>
<tr>
<td>Subcontracting</td>
<td>100</td>
<td>70</td>
</tr>
<tr>
<td><strong>Total direct costs</strong></td>
<td><strong>500</strong></td>
<td><strong>350</strong></td>
</tr>
<tr>
<td>Indirect costs 25%</td>
<td>100</td>
<td>70</td>
</tr>
<tr>
<td><strong>Total eligible costs</strong></td>
<td><strong>600</strong></td>
<td><strong>420</strong></td>
</tr>
</tbody>
</table>

**Case 2**

<table>
<thead>
<tr>
<th>Costs claimed</th>
<th>Funding 70%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>360</td>
</tr>
<tr>
<td>Subcontracting</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total direct costs</strong></td>
<td><strong>460</strong></td>
</tr>
<tr>
<td>Indirect costs 25%</td>
<td>90</td>
</tr>
<tr>
<td><strong>Total eligible costs</strong></td>
<td><strong>550</strong></td>
</tr>
</tbody>
</table>
4. Financial checks done by FO

4.3 – CFS planning

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>FormC 2015</td>
<td>FormC 2016</td>
<td>FormC 2017</td>
<td>FormC 2018</td>
<td>FormC 2019</td>
<td></td>
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</tr>
</tbody>
</table>

*When above 325K€ threshold*

2014-2015: Leaders 2015 CP

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFS</td>
<td>CFS</td>
<td>CFS</td>
<td>CFS</td>
<td>CFS</td>
</tr>
</tbody>
</table>

*When above 325K€ threshold*

OR

*When above 325K€ threshold*

OR

OR
4. Financial checks done by FO

4.3 CFS

- The mandatory template is composed of 3 documents (Annex 5 of GA)

1. Terms of Reference
2. Independent Report of Factual Findings
3. Table of Procedures
4. Financial checks done by FO

4.3 CFS Highlighting of new requirements in the Report of factual findings:

<table>
<thead>
<tr>
<th>Ref</th>
<th>Procedures</th>
<th>Standard factual finding</th>
<th>Result (C/E/N.A.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.1</td>
<td>Pers. Costs</td>
<td>2) Personnel costs were recorded in the Beneficiary's accounts/payroll system.</td>
<td>E</td>
</tr>
<tr>
<td>A.2</td>
<td>Prod. Hours</td>
<td>...</td>
<td>C</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In the table of Procedures, the wording of Standard Factual findings shall not be modified

Only 3 options are possible in the new result column:
- C – confirmed
- E – Exceptions
- N/A – Not Applicable
In case of Exceptions and/or N/A findings, the Auditor should list them and explain the reasons in the Independent Report. For Exceptions, the Auditor should specify the corresponding amount.
4. Financial checks done by FO

4.3 CFS

- Example for Exceptions:

The beneficiary was not able to substantiate the Finding n°1: 1 out the 10 employment contracts was not verified as the client was able to provide only unsigned copy of the employment contract. The personnel costs claimed for this employee totalled 20,669€

- Example N/A:

The procedure and finding relating to ‘beneficiaries with accounts established in euro’ do not apply to ‘beneficiaries with accounts established in a currency other than euro’.
4. Financial checks done by FO

4.3 CFS

➢ The Auditor has also room to make general remarks (“Further remarks”),

➢ The Auditor should also mention if he had carried out additional procedures or if another audit of the Financial statements was performed in which other matters might have come to his attention and would have been included in the Report
Certificate of Financial Statement – How to calculate the productive hours 1/3

• PRODUCTIVE HOURS

The beneficiaries may choose one of the following 3 different methods:

• A: fixed number of hours **1720 hours**. This method can be used in all cases; any beneficiary can use this option.
**B**: the ‘total number of hours worked’ (individual annual productive hours) calculated as follows:

\[
\text{[annual workable hours of the person]} + \text{[overtime worked]} - \text{[absences]}
\]

NB. This option **cannot be used if** it the contract or the applicable collective labour agreement or national law **does not allow to determine** the annual workable hours.
C: ‘annual productive hours’ generally applied by the beneficiary for its personnel and which correspond to usual accounting practices;

Conditions to use this option:

- the calculation method is consistently applied (per group of personnel under similar conditions)

- This number must be at least 90% of the ‘standard annual workable hours’. The standard annual workable hours is the standard number of hours that a full time employee of the group, having the same standard productive hours, (‘reference group’, e.g. a category of employees, employees of a cost centre, etc.) must be present at work under normal circumstances, as defined in:
  - the employment contracts of the reference group
  - an applicable collective labour agreement or
  - the national law on working time legislation.

If there is no applicable reference for the standard annual workable hours, this option cannot be used.
Example

Example for calculation of standard annual workable hours:

Employment contract that states that they must work eight hours per day, from Monday to Friday. National legislation provides for 22 working days of annual leave, plus eight days of public holidays. The applicable collective labour agreement adds three extra days of annual leave.

The standard annual workable hours would therefore be:

- 365 days — 104 days (Saturdays and Sundays) — 22 days (annual leave) — 8 days (public holidays) — 3 days (collective agreement) = 228 days * 8 hours per day = **1,824 hours**

Standard annual productive hours:

Beneficiary would like to use its usual cost accounting practices to calculate the hourly rates. It calculates the number of standard annual productive hours as follows:

- Annual working days = 228
- - average annual sick leave (days) = 3
- - days of general training = 4
- - other unproductive activities (days) = 9
- productive days = 212
- Multiplied by 8 working hours per day ➔ standard annual productive hours = **1,696**

Standard annual productive hours should be at least 90% of the standard annual workable hours:

Standard annual productive hours 1,696 hours (usual cost accounting practice) > 1,642 hours (90% annual workable hours)

⇒ 1,696 hours can be applied.
## 4. Financial checks done by FO
### CFS quality aspects

### Specific quality issues to be aware of

<table>
<thead>
<tr>
<th>Personnel costs:</th>
<th>Audit procedures:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conditions of employment</td>
<td>Review of employment contracts or equivalent by the auditors still necessary for info re status and conditions of employment – hence, CSJU management decision regarding alternative evidence is only to be applied in exceptional circumstances</td>
</tr>
<tr>
<td>Productive hours</td>
<td>Option A (Standard 1720): no verification by auditors</td>
</tr>
<tr>
<td></td>
<td>Option B (Actual productive): Annual workable hours need to be verified in the employment contracts for the sample</td>
</tr>
<tr>
<td></td>
<td>Option C (individual standard): comparison of used standard hours to actual for sample to confirm deviation of less than 10% (below standard)</td>
</tr>
<tr>
<td>actual personnel costs</td>
<td>Reconciliation of expenses used in calculation with accounts and payroll records for the tested sample</td>
</tr>
</tbody>
</table>
4. Financial checks done by FO CFS quality aspects

<table>
<thead>
<tr>
<th>Personnel costs:</th>
<th>Audit procedures:</th>
</tr>
</thead>
</table>
| Unit costs, i.e. average personnel costs) [cntd]: | ➢ Verify the data of the tested sample in the calculation of the unit costs  
➢ Reconciliation of **total** personnel costs used for the calculation of the unit costs with the **total** personnel expenses in the statutory accounts  
➢ Verification that actual costs have been used. If budgeted or estimated elements are used, verification of:  
  - relevance (clear relation to personnel costs),  
  - reasonableness (no major role in total calculation),  
  - objective and evident information (basis is clearly defined and shown to the auditors) |
4. Financial checks done by FO CFS quality aspects

<table>
<thead>
<tr>
<th>Personnel costs:</th>
<th>Audit procedures:</th>
</tr>
</thead>
</table>
| Time recording system | Minimum requirements are not clearly defined in the procedures or standard findings (recording of time on a daily, weekly or monthly basis, paper or computer based, authorisation at least monthly, hours declared fall into the project period, consistency with presences/absences records). The JU recommends following details to be included in the time recording in order to ensure acceptance by the auditors:  
1. the title and number of the project, as specified in the GA  
2. the beneficiary’s full name, as specified in the GA  
3. the full name, date and signature of the person working for the project  
4. the total number of hours worked for the project in the period covered by the time record (i.e. hours worked in the month)  
5. the supervisor’s full name and signature & date  
6. a reference to the project tasks or work package described in the GAM  
7. a brief description of the activities carried out, to understand and show what work was carried out (i.e. one sentence) |
## 4. Financial checks done by FO
### CFS quality aspects

<table>
<thead>
<tr>
<th>Subcontracting costs:</th>
<th>Audit procedures:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval of subcontracting</td>
<td>Verify, that the use of the specific subcontracting was foreseen in the GAM/amendments. The CFS procedures do not provide for the possibility of an exceptional subsequent approval of the S/C outside of the GAM. Hence, the auditors need to raise an exception.</td>
</tr>
</tbody>
</table>

In case the beneficiary believes this approval may be still provided by the JU through the approval of the technical report by the JU (although this is still ongoing at the time the CFS is drawn up) the Members should provide this information to the auditors, who should mention it in the section of their report (Report of factual findings...) dealing with the description of the exceptions. The JU (PO and FO) can then decide on its acceptance when validating the costs and technical report.
<table>
<thead>
<tr>
<th>Other actual direct costs:</th>
<th>Audit procedures:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of equipment</td>
<td>Verify the depreciation method used and reconcile with the entity’s usual accounting policy and applicable national rules. Any deviation from the treatment of the depreciation in the statutory accounts of the member will be noted as exception. The same applies in analogy for costs charged under the category <em>Other goods and services</em>. (This category can only be used for assets, which are fully written off in the reporting period also in the statutory accounts of the entity.)</td>
</tr>
<tr>
<td>Procurement procedures</td>
<td>The auditors are requested to provide details, in case no alternative offers were requested by the Members for goods and services charged to the CS projects. The reasoning must be <strong>detailed enough</strong> to allow the JU to validate the costs despite the exception stated by the auditors.</td>
</tr>
</tbody>
</table>
### CFS for H2020 cost claims

<table>
<thead>
<tr>
<th><strong>Other actual direct costs:</strong></th>
<th><strong>Audit procedures:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocation of costs to the action</td>
<td>Verify for the sample, that purchases were correctly identified and allocated to the action. The auditors need evidence for the clear allocation to only one action, i.e. original underlying documents have to bear exclusive reference to the CS project (number, acronym, specific code) or are stamped respectively by the entity.</td>
</tr>
</tbody>
</table>
1. H2020 reminders
2. Form of costs and budget categories
3. Submission of Financial reports
4. Financial checks done by FO
   4.1 Form C
   4.2 Use of resources
   4.3 CFS – Quality expectation (mandatory template – findings…)
5. Validation process and on-hold amounts
6. GAM extension 2016-2017
5. 2015 costs validation process

- During the financial assessment, the JU pays attention to the coherence with the A2:
  - The total Max JU Contribution
  - Total contribution per beneficiary

### Table: 2015 costs validation process

<table>
<thead>
<tr>
<th>No</th>
<th>Short Name</th>
<th>DIRECT PERSONNEL COSTS</th>
<th>SUBCONTRACTING COSTS</th>
<th>OTHER DIRECT COSTS</th>
<th>TOTAL</th>
<th>ELIGIBLE INDIRECT COSTS</th>
<th>TOTAL ELIGIBLE COSTS</th>
<th>Max JU Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(1) Actual</td>
<td>(2) Unit cost</td>
<td>(3a) Hourly rate</td>
<td>(3b) No hours</td>
<td>(3) = (3a) + (3b)</td>
<td>(4) Actual</td>
<td>(5) Actual</td>
</tr>
<tr>
<td>19</td>
<td>INTEAIR</td>
<td>34.800</td>
<td></td>
<td>3.200</td>
<td>38.000</td>
<td>9.500</td>
<td>47.500</td>
<td>33.250</td>
</tr>
<tr>
<td>20</td>
<td>FIDAMC</td>
<td>231.420</td>
<td></td>
<td></td>
<td></td>
<td>61.408</td>
<td>349.440</td>
<td>244.608</td>
</tr>
<tr>
<td>21</td>
<td>AA</td>
<td>145.456</td>
<td>5.500</td>
<td>150.956</td>
<td></td>
<td>37.739</td>
<td>188.695</td>
<td>132.087</td>
</tr>
<tr>
<td>21a</td>
<td>PA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31.622</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21b</td>
<td>GEDE</td>
<td>34.639</td>
<td>1.500</td>
<td>36.139</td>
<td></td>
<td>9.035</td>
<td>45.174</td>
<td></td>
</tr>
<tr>
<td>21c</td>
<td>GECP</td>
<td>1.927</td>
<td>1.000</td>
<td>2.927</td>
<td></td>
<td>732</td>
<td>3.659</td>
<td>2.561</td>
</tr>
<tr>
<td></td>
<td></td>
<td>182.022</td>
<td>8.000</td>
<td>190.022</td>
<td></td>
<td>47.506</td>
<td>237.528</td>
<td></td>
</tr>
</tbody>
</table>
This assessment also includes the comparison between the costs categories planned vs reported in the FormCs.

The GAM amendments as well as the Requests for Change are the basis for this review.

Not amended ➔ rejected.
5. On-hold amounts under CS2

• In case some costs cannot be validated by the JU (missing documents, operational assessment, financial assessment…) the corresponding amounts receive the status « on-hold »

• As from this year, the JU will limit to the minimum the use of “on-hold” interim validation status.

• Costs will be either accepted/validated or rejected. In case of rejection, a readjustment may be possible the following year.

• No on-hold status for ex-post anymore (limited financial risk due to H2020 GF)
1. H2020 reminders
2. Form of costs and budget categories
3. Submission of Financial reports
4. Financial checks done by FO
   4.1 Form C
   4.2 Use of resources
   4.3 CFS – Quality expectation (mandatory template – findings)
5. Validation process and on-hold amounts
6. GAM extension 2016-2017
6. GAM extension 2016-2017

- Extension 2016-2017 already signed for TE, REG & ENG

- According to the MM:
  - the technical content of the Annex 1 should be in process of finalisation – discussion and approval with the PO
  - GAM + final annexes are provided to the JU end of Jan.
  - GAM signature end of Feb.
### 6. GAM extension 2016-2017: reminder


<table>
<thead>
<tr>
<th>Annex 1 14-15</th>
<th>Annex 1 16-17 with chapter 7 on transferred activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annex 2 2016</td>
</tr>
<tr>
<td></td>
<td>Annex 2 2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annex 2 2014-2015 of transferred activities (negative amounts)</th>
</tr>
</thead>
</table>

#### PF 35% total JU contrib. 2014-2017

- **Annex 1 / 2 GAM 14-15**: Frozen
- **Annex 1 16-17**: Activities incl. transferred activities
- **Annex 2 16-17**: Budget for activities incl. transferred activities
- **Annex 2 of transferred activities**: Negative amount per beneficiary (global amounts only)

![Clean Sky Joint Undertaking Logo](image)
### 6. Practical aspects: Annex 2

**Current GAM with max. JU contribution 14-15:** 100

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>70</td>
</tr>
<tr>
<td>under execution</td>
<td>under execution</td>
</tr>
</tbody>
</table>

**Extended GAM with new max. JU contribution 14-17:** 350

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>70</td>
<td>100 (50 + 50) incl. transferred act.</td>
<td>200 incl. transferred act.</td>
</tr>
</tbody>
</table>

**Annex 2 2014-2015 of transf. act.**

- 50
6. Practical aspects: Annex 1

• Last chapter with list of transferred activities (Deliverables and Milestones)

• Updated section 1.4: « Fill one Annex 2 per year from the Excel template plus one Annex 2 for the transferred activities (see Annex 2014/2015 of transferred activities)

• Mention of 2016-2017 (instead of 2014-2015) in first page, in summary and other applicable sections
6. Reminder on TAs

- The amounts (funding) of TA’s activities need to be reported in the A2 – at beneficiary level, not per cost category
- Dedicated cells are added into the Form C in GMT for this purpose ➔ further details into the GMT section today
IN KIND CONTRIBUTIONS
Each CS2 Leader and Core Partner shall arrange for its affiliated entities to make its respective IKC.

IKC of EUR 2 193 750 000 consisting of:

- IKOP (in kind contribution from operational projects) of EUR 1 228 500 000*
- IKAA (in kind contribution from additional activities) of at least EUR 965 250 000**

* The global achievement of a total of 2.2 bn € in-kind contribution is mandatory, however, the partition into IKAA and IKOP as well as the share to be taken over by each Member and Core Partner is an agreement to be reached amongst the Members (only condition: at least 965m € IKAA). The IKOP figure may decrease if the IKAA increases from 965m € ...

** AAs outside the CSJU Work plan contributing to the objectives of the Clean Sky Joint Technology Initiative.
IKOP procedure and guidance
In-kind contribution - IKOP

Relevant documents
Council Regulation
and
Document set sent out by JU on 4th Dec 2015 – includes:

<table>
<thead>
<tr>
<th>Decision of the Executive Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. 165</td>
</tr>
<tr>
<td>on the</td>
</tr>
<tr>
<td>Processing of In-Kind contributions relating to the Operational Projects</td>
</tr>
<tr>
<td>in the CS2 Programme</td>
</tr>
</tbody>
</table>

1. **Clean Sky 2 Joint Undertaking in-kind contribution procedure - for operational projects (IKOP)**
2. **Guidance for the implementation of the in-kind contribution procedure for operational projects (IKOP)**
3. **Guidance for members and auditors: Certification of the declaration of IKOP-B (IKC related to projects funded by CSJU) for the purpose of valuing the in-kind-contribution**
In the following slides – we cover:

- Timing
- Reporting
- Evaluation
- Certification
- GB Opinion
- Accounting
- Reporting tools
- JU monitoring & reporting
**Timing:**

15\textsuperscript{th} January n+1 estimates for IKOP (together with estimates for eligible costs)
01\textsuperscript{st} March n+1 declarations of IKOP (together with cost claims)
April n+1 GB opinion on IKC

**Evaluation:**

3 options/methods available based on either eligible costs or on total project costs

A: unfunded part of reported eligible costs
B-1: A + unfunded part of total indirect costs
B-2: unfunded part of total project costs

**Certification:**

A: covered by CFS
B: Draft terms of reference for Members’ auditors attached to GB procedure (annex 5)  
(Certification of IKOP will follow same timing as certification of cost claims)
Scope: the auditors certify that declared IKOP is established in accordance with the Council Regulation, the IKC GB procedure and the relevant internal guidance
In case of multi-annual GAMs: Certification process every second year
Certificates on IKOP (CIKOP) take different approach than CFS:

CIKOP is based on an independent opinion - no agreed upon procedures are defined, no standard findings, no exception reporting.

Instead of a detailed description of indicative procedures, the JU provides guidance for the auditors, how the opinion shall be established.

The auditors issue an opinion, which is based on their professional judgment and is carried out

(1) according to the International Standard on Auditing (‘ISA’) 805 Special Considerations, Audit of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statements as promulgated by the IFAC;

(2) in compliance with the Code of Ethics for Professional Accountants issued by the IFAC.
**Scope for the certification:**
Assessment, whether the reported IKOP is based on the usual accounting practice of the entity and in line with applicable national and international standards on accounting and financial reporting.
The certificate will cover the IKOP-B, method 1 (only additional indirect costs) or method 2 (total project costs).
The auditors will certify the contribution, which requires them to conclude on the reported costs and deduct the requested JU contribution according to the CFS. Hence, a certificate on IKOP can be issued only at the same time or after the CFS is established.

**Methodology for the certification:**
The auditors will:
- Identify the cost accounting system used by the entity for calculating the IKOP
- Assess, whether the applied practice is the “usual” one, which the entity also uses for its other business processes
- Provide an opinion regarding the consistency of the reported contribution with the usual accounting practices
- In case, no “usual” accounting practice can be identified and no analytical system exists, guidance is provided to the Members and the auditors how to establish the indirect costs for the purpose of the IKOP calculation following an acceptable basic approach.
Guidance for Members and certifying Auditors:

Provides clarification regarding

1) technical terms, e.g. usual, cost accounting system, accounting standards

2) considerations regarding the “usual cost accounting system”

3) guidance for calculation of indirect cost rate, if no “usual cost accounting” exists

Model Certificate:

In our opinion, and considering the content of the section “Auditor’s Responsibility”, the declaration of IKOP-B is prepared, in all material respects, in accordance with the Clean Sky 2 JU Council Regulation, the CSJU IKC Procedure – for operational projects (IKOP) and the CSJU Guidance for the Implementation of the IKC Procedure – for operational projects (IKOP).

In case the auditors cannot issue the above opinion, the IKOP will not be accepted by the JU. No negative or qualified opinion is foreseen, but the Members are requested to adapt their calculations of the IKOP according to the auditors recommendations and present the Certificate only with the unchanged standard opinion text.

Threshold for CIKOP:

IKOP > Euro 325,000 (suggested by CSJU; not yet accepted by the ECA)
When is a CFS or Certificate for IKOP (CIKOP) needed?

<table>
<thead>
<tr>
<th>Certificate Type</th>
<th>JU contribution less than 325k</th>
<th>JU contribution more than 325k</th>
<th>JU contribution more than 325k</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IKOP less than 325k</td>
<td>IKOP more than 325k</td>
<td>IKOP less than 325k</td>
</tr>
<tr>
<td>CFS</td>
<td>No</td>
<td>Yes*</td>
<td>Yes</td>
</tr>
<tr>
<td>CIKOP</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

*In this case, a CFS would be required although the threshold of 325K is not reached, since the certified value of the JU contribution is needed for the certification of the IKOP.*
Governing Board opinion:

Model text for favorable opinion in IKC GB procedure (annex 1):

The value of the declared In-kind Contribution related to operational activities provided by private members is properly supported by the duly certified cost claims and duly certified IKC declarations of the JU's private members transmitted for the execution of GAMs yyyy-yyyy and validated by the JU's management. Furthermore, the certified actual values adequately contribute to the global commitment of the private Members as set out in the Clean Sky 2 JU Regulation with regard to the private contributions to the funded projects. The observations mentioned in Article 2 do not affect the above conclusion. The certification requirements follow the provisions in the CleanSky 2JU Regulation and rules set in the CSJU IKC GB procedure.

The favorable opinion leaves room for observations mentioned in the GB decision.

Text for unfavorable opinion will be established according to the needs of the specific situation.
**Accounting:**
Following the rules set by the Accounting Officer of the Commission, recognising the IKOP as operational expense of the JU
Reflecting the certified values in the Net Assets of the JU balance sheet

**Reporting tools:** GMT
A specific data input section for IKOP is developed in GMT in the Form C.
The JU will generate the aggregated tables for the GB opinion
JU monitoring and reporting:

In the JU annual reporting process relating to GAMs, the JU management and the GB monitors the fulfillment of the commitment for the IKOP regarding the total private sector contribution through dedicated accounting policies and through the validation process with the GB.

The accounting for the execution of the operational budget includes also the recognition of the IKOP; CSJU management and GB monitor the progress of the actual IKOP incurred and assess whether it contributes adequately to the minimum level of private contribution as set out in the Clean Sky 2 JU Regulation.
IKOP Examples
IKOP
Examples

• 4 examples depending on the method A, B-1, B-2:
  – All costs validated
  – Cost on hold
  – Costs on hold + rejected
  – Final validation with some costs rejected

• Funding rate: 70%
IKOP A (unfunded part of total eligible costs)  
Example 1: all costs validated

<table>
<thead>
<tr>
<th>FORM C</th>
<th>JU validation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beneficiary declared</td>
</tr>
<tr>
<td>Direct Cost other than subcontracting</td>
<td>300.000,00</td>
</tr>
<tr>
<td>Direct Cost subcontracting</td>
<td>50.000,00</td>
</tr>
<tr>
<td>25% indirect flat rate</td>
<td>75.000,00</td>
</tr>
<tr>
<td>Total cost</td>
<td>425.000,00</td>
</tr>
<tr>
<td>JU contribution (70%)</td>
<td></td>
</tr>
</tbody>
</table>

**VALIDATION OF IKOP (JU)**

<table>
<thead>
<tr>
<th>Declaration method (choose from pop-up)</th>
<th>Cost declared according to usual cost accounting</th>
<th>IKOP A (unfunded eligible costs)</th>
<th>IKOP B (unfunded cost according to usual cost accounting)</th>
<th>Total IKOP (IKOP A+B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Method A (Unfunded cost according to H2020 eligibility criteria)</td>
<td>0,00</td>
<td>127.500,00</td>
<td>0,00</td>
<td>127.500,00</td>
</tr>
</tbody>
</table>

IKOP = unfunded part of total eligible costs (425 K€ X 30%)
**IKOP A (unfunded part of total eligible costs)**
**Example 2: costs on hold**

<table>
<thead>
<tr>
<th>Direct Cost other than subcontracting</th>
<th>Beneficiary declared</th>
<th>JU onhold</th>
<th>JU rejected</th>
<th>JU validated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>300.000,00</td>
<td>100.000,00</td>
<td></td>
<td>200.000,00</td>
</tr>
<tr>
<td>Direct Cost subcontracting</td>
<td>50.000,00</td>
<td></td>
<td></td>
<td>50.000,00</td>
</tr>
<tr>
<td>25% indirect flat rate</td>
<td>75.000,00</td>
<td>25.000,00</td>
<td></td>
<td>50.000,00</td>
</tr>
<tr>
<td>Total cost</td>
<td>425.000,00</td>
<td>125.000,00</td>
<td></td>
<td>300.000,00</td>
</tr>
<tr>
<td>JU contribution (70%)</td>
<td></td>
<td></td>
<td></td>
<td>210.000,00</td>
</tr>
</tbody>
</table>

**VALIDATION OF IKOP (JU)**

<table>
<thead>
<tr>
<th>Declaration method (choose from pop-up)</th>
<th>Cost declared according to usual cost accounting</th>
<th>IKOP A (unfunded eligible costs)</th>
<th>IKOP B (unfunded cost according to usual cost accounting)</th>
<th>Total IKOP (IKOP A+B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Method A (Unfunded cost according to H2020 eligibility criteria)</td>
<td>0,00</td>
<td>90.000,00</td>
<td>0,00</td>
<td>90.000,00</td>
</tr>
</tbody>
</table>

IKOP = unfunded part of validated total eligible costs (300 K€ X 30%)
## IKOP A (unfunded part of total eligible costs)

**Example 3: costs on hold + rejected**

<table>
<thead>
<tr>
<th>FORM C</th>
<th>JU validation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beneficiary declared</td>
</tr>
<tr>
<td>Direct Cost other than subcontracting</td>
<td>300.000,00</td>
</tr>
<tr>
<td>Direct Cost subcontracting</td>
<td>50.000,00</td>
</tr>
<tr>
<td>25% indirect flat rate</td>
<td>75.000,00</td>
</tr>
<tr>
<td>Total cost</td>
<td>425.000,00</td>
</tr>
<tr>
<td>JU contribution (70%)</td>
<td></td>
</tr>
</tbody>
</table>

### VALIDATION OF IKOP (JU)

<table>
<thead>
<tr>
<th>Declaration method (choose from pop-up)</th>
<th>Cost declared according to usual cost accounting</th>
<th>IKOP A (unfunded eligible costs)</th>
<th>IKOP B (unfunded cost according to usual cost accounting)</th>
<th>Total IKOP (IKOP A+B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Method A (Unfunded cost according to H2020 eligibility criteria)</td>
<td>0,00</td>
<td>90.000,00</td>
<td>0,00</td>
<td>90.000,00</td>
</tr>
</tbody>
</table>

IKOP = unfunded part of validated total eligible costs (300 K€ X 30%)
**FORM C**

<table>
<thead>
<tr>
<th></th>
<th>Beneficiary declared</th>
<th>JU onhold</th>
<th>JU rejected</th>
<th>JU validated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Cost other than subcontracting</td>
<td>300.000,00</td>
<td></td>
<td>50.000,00</td>
<td>250.000,00</td>
</tr>
<tr>
<td>Direct Cost subcontracting</td>
<td>50.000,00</td>
<td></td>
<td></td>
<td>50.000,00</td>
</tr>
<tr>
<td>25% indirect flat rate</td>
<td>75.000,00</td>
<td>-</td>
<td>12.500,00</td>
<td>62.500,00</td>
</tr>
<tr>
<td>Total cost</td>
<td>425.000,00</td>
<td>-</td>
<td>62.500,00</td>
<td>362.500,00</td>
</tr>
<tr>
<td>JU contribution (70%)</td>
<td></td>
<td></td>
<td></td>
<td>43.750,00</td>
</tr>
</tbody>
</table>

**VALIDATION OF IKOP (JU)**

<table>
<thead>
<tr>
<th>Declaration method (choose from pop-up)</th>
<th>Cost declared according to usual cost accounting</th>
<th>IKOP A (unfunded cost according to H2020 eligibility criteria)</th>
<th>IKOP B (unfunded cost according to usual cost accounting)</th>
<th>Total IKOP (IKOP A+B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Method A (Unfunded cost according to H2020 eligibility criteria)</td>
<td>0,00</td>
<td>108.750,00</td>
<td>0,00</td>
<td>108.750,00</td>
</tr>
</tbody>
</table>

IKOP = unfunded part of validated total eligible costs (362,5 K€ X 30%)
IKOP B-2 (Total project costs)  
Example 1: all costs validated

### FORM C

<table>
<thead>
<tr>
<th>Direct Cost other than subcontracting</th>
<th>Benefit declared</th>
<th>JU onhold</th>
<th>JU rejected</th>
<th>JU validated</th>
</tr>
</thead>
<tbody>
<tr>
<td>300.000,00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>300.000,00</td>
</tr>
</tbody>
</table>

| Direct Cost subcontracting          | 50.000,00        | -        | -          | 50.000,00   |

| 25% indirect flat rate              | 75.000,00        | -        | -          | 75.000,00   |

| Total cost                          | 425.000,00       | -        | -          | 425.000,00  |

| JU contribution (70%)               | -                | -        | -          | 297.500,00  |

### VALIDATION OF IKOP (JU)

<table>
<thead>
<tr>
<th>Declaration method (choose from pop-up)</th>
<th>Cost declared according to usual cost accounting</th>
<th>IKOP A (unfunded eligible costs)</th>
<th>IKOP B (unfunded cost according to usual cost accounting)</th>
<th>Total IKOP (IKOP A+B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Method B-2 (Total project cost)</td>
<td>515.000,00</td>
<td>0,00</td>
<td>217.500,00</td>
<td>217.500,00</td>
</tr>
</tbody>
</table>

IKOP = difference between total project costs and validated JU contribution (515 K€ - 297,5 K€)
**FORM C**

<table>
<thead>
<tr>
<th>Benefit declared</th>
<th>JU onhold</th>
<th>JU rejected</th>
<th>JU validated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Cost other than subcontracting</td>
<td>300.000,00</td>
<td>100.000,00</td>
<td>200.000,00</td>
</tr>
<tr>
<td>Direct Cost subcontracting</td>
<td>50.000,00</td>
<td>-</td>
<td>50.000,00</td>
</tr>
<tr>
<td>25% indirect flat rate</td>
<td>75.000,00</td>
<td>25.000,00</td>
<td>-</td>
</tr>
<tr>
<td>Total cost</td>
<td>425.000,00</td>
<td>125.000,00</td>
<td>-</td>
</tr>
<tr>
<td>JU contribution (70%)</td>
<td>87.500,00</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**VALIDATION OF IKOP (JU)**

<table>
<thead>
<tr>
<th>Declaration method (choose from pop-up)</th>
<th>Cost declared according to usual cost accounting</th>
<th>IKOP A (unfunded eligible costs)</th>
<th>IKOP B (unfunded cost according to usual cost accounting)</th>
<th>Total IKOP (IKOP A+B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Method B-2 (Total project cost)</td>
<td>515.000,00</td>
<td>0,00</td>
<td>217.500,00</td>
<td>217.500,00</td>
</tr>
</tbody>
</table>

IKOP = difference between total project costs and (validated JU contribution + on hold amount) (515 K€ - (210 K€ + 87,5 K€))
Example 3: costs on hold + rejected

Ikop = difference between total project costs and (validated JU contribution + on hold amount)
(515 K€ - (210 K€ + 43,75 K€))
**FORM C**

<table>
<thead>
<tr>
<th></th>
<th>Beneficiary declared</th>
<th>JU onhold</th>
<th>JU rejected</th>
<th>JU validated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Cost other than subcontracting</td>
<td>300.000,00</td>
<td></td>
<td>50.000,00</td>
<td>250.000,00</td>
</tr>
<tr>
<td>Direct Cost subcontracting</td>
<td>50.000,00</td>
<td></td>
<td></td>
<td>50.000,00</td>
</tr>
<tr>
<td>25% indirect flat rate</td>
<td>75.000,00</td>
<td>-</td>
<td>12.500,00</td>
<td>62.500,00</td>
</tr>
<tr>
<td>Total cost</td>
<td>425.000,00</td>
<td>-</td>
<td>62.500,00</td>
<td>362.500,00</td>
</tr>
<tr>
<td>JU contribution (70%)</td>
<td>-</td>
<td></td>
<td>43.750,00</td>
<td>253.750,00</td>
</tr>
</tbody>
</table>

**VALIDATION OF IKOP (JU)**

<table>
<thead>
<tr>
<th>Declaration method (choose from pop-up)</th>
<th>Cost declared according to usual cost accounting</th>
<th>IKOP A (unfunded eligible costs)</th>
<th>IKOP B (unfunded cost according to usual cost accounting)</th>
<th>Total IKOP (IKOP A+B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Method B-2 (Total project cost)</td>
<td>515.000,00</td>
<td>0,00</td>
<td>261.250,00</td>
<td>261.250,00</td>
</tr>
</tbody>
</table>

IKOP = difference between total project costs and validated JU contribution (515 K€ - 253,75 K€)
IKOP B-1 (Total indirect costs)
Example 1: all costs validated

<table>
<thead>
<tr>
<th>FORM C</th>
<th>JU validation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beneficiary declared</td>
</tr>
<tr>
<td>Direct Cost other than subcontracting</td>
<td>300.000,00</td>
</tr>
<tr>
<td>Direct Cost subcontracting</td>
<td>50.000,00</td>
</tr>
<tr>
<td>25% indirect flat rate</td>
<td>75.000,00</td>
</tr>
<tr>
<td>Total cost</td>
<td>425.000,00</td>
</tr>
<tr>
<td>JU contribution (70%)</td>
<td>-</td>
</tr>
</tbody>
</table>

VALIDATION OF IKOP (JU)

<table>
<thead>
<tr>
<th>Declaration method (choose from pop-up)</th>
<th>Cost declared according to usual cost accounting</th>
<th>IKOP A (unfunded eligible costs)</th>
<th>IKOP B (unfunded cost according to usual cost accounting)</th>
<th>Total IKOP (IKOP A+B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Method B-1 (Total indirect cost)</td>
<td>140.000,00</td>
<td>127.500,00</td>
<td>65.000,00</td>
<td>192.500,00</td>
</tr>
</tbody>
</table>

IKOP = unfunded part of total eligible costs (425 K€ X 30%) + difference between the actual IC and the validated 25% flat rate IC (140 K€ - 75 K€)
IKOP B-1 (Total indirect costs)
Example 2: costs on hold

<table>
<thead>
<tr>
<th>FORM C</th>
<th>JU validation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beneficiary declared</td>
</tr>
<tr>
<td>Direct Cost other than subcontracting</td>
<td>300.000,00</td>
</tr>
<tr>
<td>Direct Cost subcontracting</td>
<td>50.000,00</td>
</tr>
<tr>
<td>25% indirect flat rate</td>
<td>75.000,00</td>
</tr>
<tr>
<td>Total cost</td>
<td>425.000,00</td>
</tr>
<tr>
<td>JU contribution (70%)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VALIDATION OF IKOP (JU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Declaration method (choose from pop-up)</td>
</tr>
<tr>
<td>Method B-1 (Total indirect cost)</td>
</tr>
</tbody>
</table>

IKOP = unfunded part of total eligible costs (300K€ X 30%) + difference between the actual IC and the validated 25% flat rate IC (140 K€ - 50 K€)
IKOP B-1 (Total indirect costs)  
Example 3: costs on hold + rejected

<table>
<thead>
<tr>
<th>FORM C</th>
<th>JU validation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beneficiary declared</td>
</tr>
<tr>
<td>Direct Cost other than subcontracting</td>
<td>300.000,00</td>
</tr>
<tr>
<td>Direct Cost subcontracting</td>
<td>50.000,00</td>
</tr>
<tr>
<td>25% indirect flat rate</td>
<td>75.000,00</td>
</tr>
<tr>
<td>Total cost</td>
<td>425.000,00</td>
</tr>
<tr>
<td>JU contribution (70%)</td>
<td></td>
</tr>
</tbody>
</table>

**VALIDATION OF IKOP (JU)**

<table>
<thead>
<tr>
<th>Declaration method (choose from pop-up)</th>
<th>Cost declared according to usual cost accounting</th>
<th>IKOP A (unfunded eligible costs)</th>
<th>IKOP B (unfunded cost according to usual cost accounting)</th>
<th>Total IKOP (IKOP A+B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Method B-1 (Total indirect cost)</td>
<td>140.000,00</td>
<td>90.000,00</td>
<td>90.000,00</td>
<td>180.000,00</td>
</tr>
</tbody>
</table>

IKOP = unfunded part of total eligible costs (300K€ X 30%) + difference between the actual IC and the validated 25% flat rate IC (140 K€ - 50 K€)
IKOP B-1 (Total indirect costs)
Example 4: final validation with costs rejected

<table>
<thead>
<tr>
<th>FORM C</th>
<th>JU validation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beneficiary declared</td>
</tr>
<tr>
<td>Direct Cost other than subcontracting</td>
<td>300.000,00</td>
</tr>
<tr>
<td>Direct Cost subcontracting</td>
<td>50.000,00</td>
</tr>
<tr>
<td>25% indirect flat rate</td>
<td>75.000,00</td>
</tr>
<tr>
<td>Total cost</td>
<td>425.000,00</td>
</tr>
<tr>
<td>JU contribution (70%)</td>
<td>-</td>
</tr>
</tbody>
</table>

VALIDATION OF IKOP (JU)

<table>
<thead>
<tr>
<th>Declaration method (choose from pop-up)</th>
<th>Cost declared according to usual cost accounting</th>
<th>IKOP A (unfunded eligible costs)</th>
<th>IKOP B (unfunded cost according to usual cost accounting)</th>
<th>Total IKOP (IKOP A+B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Method B-1 (Total indirect cost)</td>
<td>140.000,00</td>
<td>108.750,00</td>
<td>77.500,00</td>
<td>186.250,00</td>
</tr>
</tbody>
</table>

IKOP = unfunded part of total eligible costs (362.5K€ X 30%) + difference between the actual IC and the validated 25% flat rate IC (140 K€ - 62.5 K€)
Relevant documents

Council Regulation, mainly Art. 4 and Statutes Art. 8 and Statutes Art. 8 and Statutes Art. 8 and

Document set sent out by JU on 17 Dec 2015 (not yet finalised) – includes:

1. Draft CSJU in-kind contribution procedure - for Additional Activities (IKAA)
2. Guidance for the implementation of the in-kind contribution procedure - for Additional Activities

The Guide for Members and auditors for the Certification of IKAA will follow soon
Timing of planning and reporting:

1\textsuperscript{st} November n-1 planned activities are submitted by Members to JU (via GMT)

- December n-1 approval of AA plan by GB
- Year n subsequent amendments if necessary
- 15th January n+1 declaration of best estimates
- 1\textsuperscript{st} March n+1 declarations of AA and certificates*
- April n+1 GB opinion on IKC

*expected annually but can be accepted bi-annually, i.e. 2016, 2018 etc. (keep same rhythm as GAM)
## ANNEX 2: IKAA plan/reporting template

<table>
<thead>
<tr>
<th>Plan:</th>
<th>Report</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Preliminary</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Member Name: legal name of organisation</th>
<th>Project Period: xx/yy/zzzz to xx/yy/zzzz</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Value of Additional activities (excluding Union funding)</th>
<th>XXX €</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Is this an adjustment of a previous plan for this period?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

Established at (date):  
Signature of legal representative:

---

Please report by financial year only, i.e. 2016, 2017 etc

---

 habe JU\70-Additional Activities\10-Reference docs\10 - IKC re-working after sherpas\05 - Docs comments integrated\IKAA\Annex 2 _IKAA plan_reporting_template.docx
Content of reporting for planning and actuals:
Template in Annex 2 of IKAA procedure provides for several levels of detail depending on recipient of information – discussed at length with Sherpas

Evaluation:
total project or investment costs as per Member’s usual accounting practice

GB decision planned AAs for 2016 to -- level of detail => see next slide - - >>
Additional Activities Plan 2016

In accordance with Article 8.2 (i) of the Statutes annexed to the Clean Sky 2 Joint Undertaking Council Regulation no.558/2014 of 6 May 2014, the Governing Board of Clean Sky 2 Joint Undertaking approves hereby the following Additional Activities Plan for the year 2016, as referred to in point (b) of Article 4(2) of this Regulation. The plan is approved on the basis of a proposal from the private members.

<table>
<thead>
<tr>
<th>Member name</th>
<th>Type of activity</th>
<th>Activity title</th>
<th>Link with Clean Sky JTI (High level objectives) - relevance and leverage effects</th>
<th>Estimated AA Value excluding Union Funding (M €)</th>
</tr>
</thead>
</table>
|             | □ Upstream activity enabling and/or underpinning CS2 actions | **Exemplary list of titles for absorption in summaries/tables:**
  - Aeromechanics of tilt-rotors (aerodynamics, aeroelasticity);
  - Technologies for advanced prop-rotors architectures;
  - Systems and equipment (landing gear, actuation systems, etc.);
  - Avionics and flight control systems (including Fly-By-Wire and associated algorithms);
  - Advanced energy management;
  - Research for new materials and advanced manufacturing processes | To be taken from Regulation and aligned with H2020 EC decision |
|             | □ Parallel research activity focusing on non-CS / non-CS2 alternative areas of investigation and/or amplifying CS / CS2 actions | | |
|             | □ Supporting infrastructure and capacities [e.g. use of a/c] | | |
|             | □ Downstream innovation activity [going beyond CS / CS2 actions towards exploitation] | | |
|             | □ Other | | |

xx M
GB approval of AA plan:

The approval decision of the GB is based on an assessment of:

1. the link of the planned activities to the global objectives of the overall CS JTI; as a support for the decision, the operational unit of the JU will assess this link and report the outcome to the members of the GB;
2. the adequateness of the contribution achievable through the planned activities to the commitment of the private members in line with the Declaration by Industry to Clean Sky JU on Additional Activities and the CSJU Regulation.

Assessment of the link between planned AAs and the broader JTI and its objectives:

JU verifies the relevance to the high –level objectives (potential for a leverage effect)  
JU staff involved are project officers and management  
Verification is based on the information provided by Members in reporting template (in GMT), level for internal use only 
JU may request further clarification form the Members  
All information remains confidential between JU officers and concerned Members
Reporting and certification of AA

The GB opinion is based on:

(1) Approval of the AAs in the AA plan

(2) the adequateness of the contribution achieved through the reported activities to the commitment of the private members in line with the Declaration by Industry to Clean Sky JU on Additional Activities and the CSJU Regulation

Model text for favorable opinion in IKAA GB procedure (annex 2):

The declared Additional Activities as attached in Annex I are overall compliant with the Additional Activities Plan approved by the GB with Decision No. XY in terms of technical content and for the values certified below. As such these activities are contributing to the commitment made by the private members in the Declaration by Industry to Clean Sky JU on Additional Activities and by signing the CSJU Regulation.

The observations mentioned in Article 2 do not affect the above conclusion.

The favorable opinion leaves room for observations mentioned in the GB decision.

Text for unfavorable opinion will be established according to the needs of the specific situation.
IKAA Certification

Certification:

Guidance terms for the Members’ certifying auditors are attached in annex XX of the IKAA procedure.

Usage of the Guidance terms by Members and auditors will enable the JU to accept the valuation, without further verification (refer to Art. 4.4 Clean Sky 2 JU Regulation)

Certification of IKAA should be done annually, but Members can opt to follow same timing as certification of cost claims and IKOP.

Scope of the certification: the auditors certify that declared IKAA is established in accordance with the Council Regulation, the IKAA procedure and the relevant internal guidance.

More precisely, the task of the auditors is understood as confirming the reported value of the AAs to be established according to the entity’s usual cost accounting practice and to applicable national and international accounting and financial reporting standards. The auditors do not validate the link of the AAs to the CS objectives (this is done by the JU management).
Details regarding the certification:

Model Certificate:

In our opinion, and considering the content of the section “Auditor’s Responsibility”, the annual Declaration of Additional Activities is prepared in all material aspects in accordance with the Clean Sky 2 JU Council Regulation, the CSJU IKC GB Procedure and the CSJU Guidance for the Implementation of the IKC GB Procedure.

We would like to point out that this opinion is limited in its scope to the assessment of the value of the Additional Activities as described in the section “Auditor’s responsibility” for the purpose of valuing the Additional Activities without providing any certainty for other purposes (such as funding under Horizon 2020).

Guidance for Members and certifying Auditors:

The document will be drafted beginning of February. It will comprise of the sections:

- Clarification of technical terms, e.g. usual, cost accounting practice, applicable accounting standards, applicable financial reporting standards
- Considerations regarding the “usual cost accounting practice”
- Guidance on specific issues of AAs
Confidentiality of information transmitted to the JU

Level and type of information in template has been adapted to meet request for de-sensitising information provided - see Annex 2 of the IKAA procedure = template for plan and reporting from individual Members.

3 levels:

1. Member vis-à-vis Project officer level (JU/Member internal use only - no info to other members): detailed enough for link to be established/bilateral discussion/planning & reporting

2. GB level – taking broad details (Activity title and relevance for the Programme) from level 1 and de-sensitising this for ‘common’ reading

3. External reporting level – Further consolidation of JU members total contributions and general list of activities associated with these values (generic list…. Will not change much over the years…)
Timing for all certification: option for CFS, CIKOP and CIKAA all at the same time – one visit of the members’ auditor covering the same period… once every 2 years. Annual certification is also possible for IKAA where the Member prefers this option.

By analogy to the certification threshold applied for the IKOP, a Certificate for the IKAA (CIKAA) will be required for values exceeding Euro 325,000.

If AA are not planned, they may not be reported and will be rejected by the JU; a subsequent integration of activities in planning and reporting stemming from a previous period is possible but is exceptional. Late SUBMISSION to the JU of planned or reported AAs will not be taken into account when submitting to the GB, but will have to wait until next GB approval date.

In all cases, only once the CIKAA is accepted by the JU, can the values of the IKAA be reported to the GB for official recording of the fulfillment of this obligation; Commission will monitor this; European Parliament is already asking for annual reporting on the IKC of members of the JU; (2 requests already received in the context of the discharge to the JU)
Project management
Project management
Content

- CS2 Progress monitoring and reporting
  1. Quarterly reporting
  2. Mid Year Assessment
  3. Annual Report

- Request for change to the CS2 GAM

=> Detailed information to be found in the Clean Sky Management Manual (CSMM)
Project management
Quarterly Report

• Reporting on status of execution versus plan for
  – Resources (man months)
  – Deliverables
  – Milestones
  – At the level of WP level 1
• Quarter = 3 months
  – Q1 = Jan-Mar; Q2 = Apr-Jun; Q3 = Jul-Sep; Q4 = Oct-Dec
• Deadline for submission of results:
  – 4 weeks after the end of the quarter

• Ref: CSMM chap 6.5.1
Reporting done in GMT2 once planning data have been created in the tool
  – Planning module is now deployed in GMT 2
  – Results of Q1 2016 should be reported via GMT 2
  – Planning data 2016 should be filled in in the tool for Q1 2016

Results communicated to the GB and may have an impact on future requests for funding, i.e. JU is analysing requested funding vs performance/implementation
### Project management
#### Quarterly Report – Results Q3 2015 (for info)

<table>
<thead>
<tr>
<th>RESOURCES</th>
<th>Q3-15 (Cumul)</th>
<th>2015 Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CONSUMED (MM)</td>
<td>PLANNED (MM)</td>
</tr>
<tr>
<td>ITD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LPA</td>
<td>700</td>
<td>945</td>
</tr>
<tr>
<td>REG</td>
<td>299</td>
<td>418</td>
</tr>
<tr>
<td>FRC</td>
<td>521</td>
<td>1.128</td>
</tr>
<tr>
<td>AIR</td>
<td>973</td>
<td>1.337</td>
</tr>
<tr>
<td>ENG</td>
<td>922</td>
<td>1.407</td>
</tr>
<tr>
<td>SYS</td>
<td>577</td>
<td>691</td>
</tr>
<tr>
<td>TE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ECO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>3.991</td>
<td>5.926</td>
</tr>
</tbody>
</table>

Q3= Jan-Sep 15 cumulated
## DELIVERABLES

<table>
<thead>
<tr>
<th>DELIVERABLES</th>
<th>Q3-15 (Cumul)</th>
<th>2015 Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACHIEVED</td>
<td>PLANNED</td>
</tr>
<tr>
<td>ITD LPA</td>
<td>23</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>REG</td>
<td>9</td>
<td>16</td>
</tr>
<tr>
<td>FRC</td>
<td>15</td>
<td>29</td>
</tr>
<tr>
<td>AIR</td>
<td>19</td>
<td>27</td>
</tr>
<tr>
<td>ENG</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>SYS</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>TE</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>ECO</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>SAT</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>76</td>
<td>123</td>
</tr>
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</table>

Q3 = Jan-Sep 15 cumulated
## MILESTONES

<table>
<thead>
<tr>
<th>ITD</th>
<th>ACHIEVED</th>
<th>PLANNED</th>
<th>ACHIEVED vs. PLANNED (%)</th>
<th>PLANNED (GAM)</th>
<th>REPLANNED (MYA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LPA</td>
<td>18</td>
<td>27</td>
<td>67%</td>
<td>19</td>
<td>47</td>
</tr>
<tr>
<td>REG</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>FRC</td>
<td>6</td>
<td>10</td>
<td>60%</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>AIR</td>
<td>17</td>
<td>24</td>
<td>71%</td>
<td>78</td>
<td>71</td>
</tr>
<tr>
<td>ENG</td>
<td>27</td>
<td>34</td>
<td>79%</td>
<td>59</td>
<td>74</td>
</tr>
<tr>
<td>SYS</td>
<td>6</td>
<td>5</td>
<td>120%</td>
<td></td>
<td>31</td>
</tr>
<tr>
<td>TE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0%</td>
</tr>
<tr>
<td>ECO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0%</td>
</tr>
<tr>
<td>SAT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>74</strong></td>
<td><strong>100</strong></td>
<td><strong>74%</strong></td>
<td><strong>179</strong></td>
<td><strong>246</strong></td>
</tr>
</tbody>
</table>

Q3 = Jan-Sep 15 cumulated
Objective:
- update the annual requested JU contribution at SPD level, if needed
- Allow potential reallocation of budget between SPDs
- Reallocation initiated by the CSJU + approved by the GB
- Keep in mind for future requests of funding….MYA will be analysed vs actual end of year costs finally claimed

MYA report is prepared by the CSJU Project Officers on the basis of the following:
- Achievements and forecasts of SPDs for the first two Quarters + any other information collected through meetings and reviews at SPD level
- Deadline: September Year N
- Reported to GB in October year N

Ref: CSMM chap 6.5.2.2
Project management
SPD Annual Report

• To be prepared by SPD Coordinator as part of the annual reporting of costs claims

• Necessary for the validation of the CSJU PO of the activities carried out and their associated costs

• Deadline: Final Report to be provided to the CSJU PO
  – 2 months after the end of the reporting period = 01/03/2016
Project management
SPD Annual Report

• New template for 2015 SPD Annual Report
  – Based on the applicable H2020 periodic report template
  – Template for be finalised by CSJU for next week and communicated to SPD coordinators

• Content (indicative):
  – Part A
    • Publishable summary, deliverables, milestones, dissemination and communication activities, IPR, risks, H2020 cross cutting issues
  – Part B
    • Narrative part including explanations on the work carried out by the beneficiaries at WP level during the reporting period

• Ref: CSMM chap 6.5.3
Project management
Request for Change to the CS2 GAM

• Rules:
  – A Request for Change shall be submitted where the changes are major implying a change above 10% of the total JU annual funding per beneficiary in one GAM
  – OR a change above 10% of the annual funding planned in the category Personnel or Subcontracting per beneficiary in one GAM.
  – For additional subcontracting not foreseen in the Annexes

• Prior approval of the JU (PO, FO, LO)

• RfC to be submitted via GMT using the RfC template

• Ref: CSMM chap 6.10.2
Project management
Request for Change to the CS2 GAM

• When:
  – At any time during the year
  – Entire process can take up to 2 months, therefore
  – Last RfC should be processed by **Mid November (latest)**
  – It is highly recommended to initiate the process in **early September**

• Reminders:
  – Procedure is mandatory and the non-compliance or late compliance may have an impact on the eligibility of the costs claimed and at the level of ex post audit findings
  – Where there is a change to the JU contribution at SPD level, in all cases, this requires an amendment to the GAM. This requires significant up-stream and early notification to the PO and JU Financial controller.
Ex-post audits
Ex-post audits for H2020 grants

New process with CAS  (1/2)

- Audits of H2020 grants will start in second half of the year 2016 for CCs 2014-2015

- Audit FWC of DG RTD for external audit firms will be used; to be launched soon. Until then audits for CSJU will be carried out by the ex-post audit unit of DG RTD.

- Audits will be centrally managed by the Common Audit Service of DG RTD (CAS). The JU involvement in the quality check of the audit work will be very limited. The preliminary audit findings as stated in the draft audit report will be discussed if necessary with CSJU Project Officers before sending the DAR to the Members. Hence, if the Members need the JU as mediator in controversial audit findings they need to actively inform the JU well in time from their side.
Ex-post audits for H2020 grants
New process with CAS (2/2)

- Close cooperation needed between beneficiaries and JU to achieve appropriate audit results.

- Challenge for the JU will be implementation of adjustments. Due to the centralisation even of the implementation, the JU may not be able to recover the detected errors and the financial effects of the systematic effect on unaudited cost claims (extension of audit findings) before the closure of the annual accounts in May each year (=condition of the Court of auditors for accepting the audit results and the error rate calculation of the JUs).
Ex-post audits for H2020 grants

New process with CAS

Preliminary planning of EPA in H2020:

Coverage of expenditure (value) : approx. 20%
Coverage of beneficiaries (numbers) : max. 7%

To achieve the above, we estimate the following individual coverage in order to minimise the number of audits:

<table>
<thead>
<tr>
<th></th>
<th>Leaders GAMs</th>
<th>Core partners GAMs</th>
<th>Partners GAPs</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>coverage achieved in op exp (%)</td>
<td>34%</td>
<td>14%</td>
<td>5%</td>
<td>20%</td>
</tr>
<tr>
<td>coverage achieved in beneficiaries (numbers)</td>
<td>7%</td>
<td>5%</td>
<td>5%</td>
<td>7%</td>
</tr>
</tbody>
</table>
Legal aspects
Members participation in the GAM

• Core Partners selected by the JU and approved by the Board accede as new beneficiary Members to the existing GAM(s) following the negotiation and grant preparation phase

• They acceded to cover their activities and (at later stage) to the amended GAM which will cover 2016-2017

• This is done via a contractual amendment of the GAMs 2014-2015 in line with the multi-annual commitment financial rules of the JU

• Annexes I and II of the GAM are duly revised by the ITD/IADP to include and consolidate Core Partners activities and estimated budget
Accession to the Grant Agreement for Members

• The CS2 Model GAM is structured in way to include all Members and participating affiliates in the meaning if the CSJU Regulation performing activities in the same ITD/IADP

• The JU grants is awarded to support “actions” which develop over the time and implement the overall CS2 Programme (the Joint Technical Programme)

• Based on the Work Plan 2015-2017 adopted by the Board and following updates, the GAMs are extended via amendments to prolonge their activities in line with the Work Plan and its timeframe

• According to JU financial rules, the Work Plan is the financing decision for the JU to award grants. Therefore Members activities including participating affiliates shall be described therein as well
Chapter 1: General
- Single article: subject of the agreement

Chapter 2: Action implementing the Programme
- Action, duration and budget

Chapter 3: Grant
- Amount, reimbursement rates, eligible costs

Chapter 4: Rights and obligations
- To implement the action: resources, in-kind contributions, subcontracts
- Grant administration: reporting, payments, audits
- Background and results: access rights, protection of results, exploitation, dissemination
- Others: gender equality, ethics, confidentiality

Chapter 5: Division of roles
- Roles and responsibilities, ITD/IADP internal arrangements

Chapter 6: Rejection, reduction, penalties, termination, etc
- Rejection, reduction, recovery and penalties
- Suspension and termination of the action, reduction of grant amount

Chapter 7: Final provisions
- Accession, entry into force, amendments, applicable law

Disclaimer: Information not legally binding
Clean Sky 2 model Grant Agreement: Annexes to the grant

- Annex 1: Description of the action
- Annex 2: Estimated budget
- Annex 3: Accession Forms
  - Annex 3a: Declaration on joint and several liabilities of linked third parties (if applicable)
- Annex 4: Financial statements (Form C)
- Annex 5: Certificate on the financial statements
- Annex 6: Certificate on the methodology

Disclaimer: Information not legally binding
1. Beneficiaries and linked third parties (Core Partners listed in the preamble, any affiliated entity under Article 14)

2. Duration (extended over the time)

3. Start date = stated in the accession form and in the amendment

4. Reporting periods (1 reporting x year starting from the date of accession)

5. Reimbursement rates (IA = 70%, 100% for not-for-profit) (Article 5.2)

6. Eligible costs rules (Article 6)

7. Max grant amount of the action (Article 5.1) increased or decreased over the time

8. Estimated budget/grant amount breakdown per Member/beneficiary i set in Annex II increased or decreased over time

9. Pre-financing (a specific one in case of batch of new Core Partners to provide them cash to start their activities)

10. Guarantee fund retention from the pre-financing

11. Accession to ITD/IADP consortium agreement

12. Clauses specific to Members
1. List of beneficiaries and linked third parties

**List of beneficiaries**

- Coordinator + beneficiary Members (Leaders + Core Partners)
- Appears in the preamble of the GA (before the articles)

**Linked third parties (Affiliates and other entities “linked” to a Core Partner falling within Article 14 definition)**

- Will appear in Article 14
- Option: to require joint and several liability

*Who is a linked third party and when to ask for joint and several liability?*

Disclaimer: Information not legally binding
1. Third Parties: carrying out work in the action

- Equivalent to JU Special Clause 1 to GAM
- Must be identified in the GAM
- Same cost eligibility criteria than beneficiaries
- **NEW**: JU may request them to accept joint and several liability for their JU contribution
- **Article 14** MGA

**Beneficiary**

- Linked third parties
  - Affiliated entities
  - Third parties with a legal link
- Subcontractors

Disclaimer: Information not legally binding
1. Third Parties: carrying out work in the action

**Beneficiary**

- **Linked third parties**
  - Affiliated entities
  - Third parties with a legal link
  - Subcontractors

- **Ensure best value for money and avoid any conflict of interests**

- **Estimated costs and tasks must be identified** in the budget and Annex 1

- **NEW**: if not identified in Annex 1, according to GAM, the JU may still approve them on an exceptional basis, JU will interpret this strictly (!) beneficiary bears the risk of rejection of costs

- **Article 13 MGA**

Disclaimer: Information not legally binding
1. Third Parties: others

- Contracts necessary for the implementation
  - For the purchase of goods, works or services
  - Ensure best value for money and avoid any conflict of interests
  - Article 10 MGA

- Contributions in kind brought by third parties such as staff, facilities, laboratories etc
  - Free of charge or against payment are eligible costs if they meet the eligibility conditions
  - Must be set out in Annex 1
  - NEW: if not identified in Annex 1, they may be approved on exceptional basis by the JU with the periodic technical report JU will interpret this strictly (!)

- Articles 11 & 12 MGA

Disclaimer: Information not legally binding
The subcontracting costs should be

1) clearly specified in Annex I and II in terms of nature and amount
or
2) approved by the JU via an amendment or request for change to the grant agreement after its signature with the description of the activities and costs (see chapter on project management)
or
3) approved, **on an exceptional basis**, by the JU on the basis of justification from the beneficiary in the technical annual reports (dedicated section).

Conditional to:
• no major substantial changes affecting the selection process / equal treatment
• not affecting the key operational capacity

*In all cases, the JU provides (or not) an approval based on clear information as regards the nature of the subcontracting services, the respective estimated amounts and the circumstances that required the use of subcontracting.*
Subcontracting
Rules and Eligibility of costs

1) The costs are justified on technical aspects

2) The costs are limited to only part of the action

3) The costs are reasonable, economic, efficient and not reckless
   => Beneficiary should ensure and document:
      • Technical justification
      • Best value for money = competitive process or proof that service or goods are priced at market value
      • No Conflict of interest (CoI)
### Articles 10 & 13

**Contracts and subcontracts**

- The beneficiaries have a contractual link with contractors or subcontractors having as their object the purchase goods, works or services or the implementation of specific action tasks.

- The eligible costs are the prices charged to the beneficiary by the contractors or subcontractors (usually containing a profit margin for the contractors or subcontractors but not for the beneficiary).

- The beneficiary must award the contracts and subcontracts on the basis of best value-for-money (or lowest price) and absence of conflict of interests.

### Article 14

**Implementation by linked third parties**

- The beneficiaries have a legal link with the linked third parties not limited to the action and not based on a contract for the purchase goods, works or services or the implementation of specific action tasks.

- The eligible costs are only the costs of the linked third party, no profit is allowed (neither for the linked third party nor for the beneficiary).

- The linked third parties have to be affiliates to a beneficiary or must have a legal link (as explained in Article 14) with the beneficiary.
Subcontracting

Specific cases

1) Subcontracting provided by beneficiary of the same GAM => forbidden

Exception on case by case approach

2) Subcontracting provided by members / affiliates of another GAM:
   1. Should first consider adding the participant Member to the GAM
   2. If not viable for technical reasons, H2020 S/C rules will apply with \textit{a prior approval} of the CSJU through amendment / RfC
      \begin{itemize}
      \item Technical justification
      \item Limited to only part of the action
      \end{itemize}
   3. Beneficiary should ensure and document:
      \begin{itemize}
      \item Best value for money = competitive process or proof that service is priced at market value
      \item No Coi => declaration to be made by the beneficiary wrt membership structure, governance, ITD / IADP programme management ...
      \item Framework contract with the affiliated company already exists or the affiliate is the beneficiary’s ‘usual’ provider for this item (to be proven)
      \end{itemize}

Eligible costs are only the costs incurred by the affiliate excluding any profit margin – see overview in next slide....

3) Subcontracting outside Europe = duly justified and prior approved by the CSJU

4) Subcontracting from a member to its affiliated entity = duly justified and prior approved
Subcontracting
Request for Change / amendment

• Make use of the request for change where possible (a simplified process)
• Agree with the SPD coordinator the modalities and timing how to include a substantial S/C in the amendment or a request for change where appropriate
• See specific section on Project management / Request for Change

• Ref: CS Management manual chap 5.3.2.3
Amendments to the GAM
GAM accession

The selected Core Partners - once approved by the Board - (Membership approval - 1st step of CP selection) accede to the grant after negotiation by signing the relevant GAM (grant accession – 2nd step)

They become grant beneficiaries and are bound by its terms and conditions

Beneficiaries must:

• carry out the action (and the research work) as detailed in Annex 1 (‘technical implementation’)

• comply with all other provisions of the GAM and applicable provisions of EU, international and national law.

• must keep their beneficiary data up-to-date at all times, in case of changes, the ‘LEAR’ of the beneficiary must introduce a change request directly in the Participant Portal and inform the coordinator
GAMs amendments

- Upon request by the ITD/IAP coordinator or upon JU initiative (changes needed following a technical review or to correct an error)
- Amendments to the GAM, if any, will be signed by the coordinator on their behalf with the agreement of the consortium
- Legal changes of beneficiaries (transfer of rights, legal name, mergers/adquisitions etc) with supporting docs and other requests (addition of affiliate etc) shall be notified by the beneficiary or CP coordinator to the ITD/IADP coordinator including the updated A2 forms)
- Suspension, Termination of a beneficiary participation or of a Third Party
- Addition of a new Member to the GAM (a Leaders or a CP) – Annex III (Accession Form)
- Revisions/updates of Annex I and Annex II shall be discussed in the ITD/IADP according to its management structure and be approved by the Streering Committee according to each ITD/IADP practice
- Make use of package amendments grouping several changes
GAM amendments

GAM amendments will apply to:

✓ Extend duration of the GAM over Word Plan duration
✓ Increase of JU and TEC amounts
✓ Update and revise the Annex I and II as extended

Management and deadlines for requesting the amendment are set in the CSJU management manual
CS2 GAM amendments - deadlines

• Ref: CSMM: chap. 5.3.2.1

• 15/12/N-1: GAM draft Annexes 1 and 2 approved by SPDs Steering Committees and sent to CSJU + preliminary amendment request

• End Jan N: Final GAM amendment request + Annex 1 and 2 provided to the CSJU

• End Feb N: signature of the GAM (latest) by the CSJU

• Non compliance with the deadlines may result in the decrease of the pre-financing rate and/or affect the eligibility date of costs
Running costs
The Funding Agreement determines the modalities and conditions applicable to the payment of the administrative costs by the private Members of the CSJU participating in the Clean Sky 2 Programme.

2014-2015: Private Members and participating affiliates = Leaders

The Funding Agreement is in the process of amendment.
• Annex I—List of Private Members and participating affiliates will incorporate the new Core-Partners of which Acceptance of Membership was approved by the GB in June and September 2015 (Wave01)

• Timing for amended Funding Agreement: March 2016
Modalities of Members contribution to the JU Running costs

• Annex II

« From 2016 onwards a new breakdown will be applied [...] to the members on the basis of their participation in the GAM for each year, expressed in percentage of the budget allocated to the Leaders and Core-Partners compared to the total allocated GAM budget for the current year. »

• Same principle as for 2014 & 2015 running costs contribution BUT with Core-Partners
1. Contribution from Members approved budget (GB) for the year 2016

<table>
<thead>
<tr>
<th>Title Chapter</th>
<th>Heading</th>
<th>Financial year 2016*</th>
<th>Financial year 2016*</th>
<th>Financial year 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Commitment Appropriations</td>
<td>Payment Appropriations</td>
<td>Commitment Appropriation</td>
</tr>
<tr>
<td>10</td>
<td>SUBSIDY FROM THE COMMISSION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>CONTRIBUTION FROM MEMBERS (NON-EC)</td>
<td>2.697.469</td>
<td>2.697.469</td>
<td>3.12</td>
</tr>
<tr>
<td>30</td>
<td>CARRY OVER FROM PREVIOUS YEAR (executed and estimated)</td>
<td>14.727.901</td>
<td>2.000.000</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>FINANCIAL REVENUES (BANK INTEREST)</td>
<td>50.000</td>
<td>50.000</td>
<td></td>
</tr>
<tr>
<td>TOTAL EC (operational and running costs) and Non-EC Members (running costs) SUBSIDY</td>
<td></td>
<td>220.263.815</td>
<td>189.587.202</td>
<td>203.821</td>
</tr>
</tbody>
</table>

Amount to be paid (shared) by the Private Members to the JU for 2016
Calculation Method

2. GAM Annex 2: « The participation rate of the private Members will be identified based on the state of play at the end of March of the current year. »

- **Participation rate** = Leaders/Core-Partners share expressed in %

- **State of play** = total Max JU Contribution allocated to each private Member in 2016
## Calculation Method

### 3. Reconciliation and final status: example

<table>
<thead>
<tr>
<th>Leaders</th>
<th>Sum of CSJU Running costs contribution 2015</th>
<th>Sum of Max JU Contribution Annex II 2015</th>
<th>Sum of Proportion Max JU Contribution 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>AgustaWestland Ltd.</td>
<td>38.371,28</td>
<td>1.144.286,00</td>
<td>1,58%</td>
</tr>
<tr>
<td>AgustaWestland S.p.A.</td>
<td>54.131,26</td>
<td>1.614.271,00</td>
<td>2,23%</td>
</tr>
<tr>
<td>Airbus Defense &amp; Space - SA</td>
<td>123.356,70</td>
<td>3.678.672,00</td>
<td>5,08%</td>
</tr>
<tr>
<td>Airbus Helicopters S.A.S.</td>
<td>315.945,42</td>
<td>9.421.941,00</td>
<td>13,00%</td>
</tr>
<tr>
<td>Airbus SAS</td>
<td>592.263,59</td>
<td>17.662.141,00</td>
<td>24,37%</td>
</tr>
<tr>
<td>Alenia Aermacchi</td>
<td>105.981,74</td>
<td>3.160.526,00</td>
<td>4,36%</td>
</tr>
<tr>
<td>Dassault Aviation</td>
<td>72.352,76</td>
<td>2.157.662,00</td>
<td>2,98%</td>
</tr>
<tr>
<td>Evektor</td>
<td>32.658,67</td>
<td>973.928,00</td>
<td>1,34%</td>
</tr>
<tr>
<td>Fraunhofer</td>
<td>125.242,29</td>
<td>3.734.903,00</td>
<td>5,15%</td>
</tr>
<tr>
<td>Liebherr Aerospace Lindenberg</td>
<td>171.931,39</td>
<td>5.127.238,00</td>
<td>7,08%</td>
</tr>
<tr>
<td>MTU Aero Engines AG</td>
<td>79.573,68</td>
<td>2.373.000,00</td>
<td>3,27%</td>
</tr>
<tr>
<td>Piaggio Aero</td>
<td>25.915,77</td>
<td>772.845,00</td>
<td>1,07%</td>
</tr>
<tr>
<td>Rolls-Royce plc</td>
<td>162.804,15</td>
<td>4.855.051,00</td>
<td>6,70%</td>
</tr>
<tr>
<td>Saab</td>
<td>25.496,91</td>
<td>760.354,00</td>
<td>1,05%</td>
</tr>
<tr>
<td>Safran S.A.</td>
<td>321.223,71</td>
<td>9.579.347,00</td>
<td>13,22%</td>
</tr>
<tr>
<td>Thales Avionics</td>
<td>182.703,68</td>
<td>5.448.483,00</td>
<td>7,52%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2.429.953,00</strong></td>
<td><strong>72.464.648,00</strong></td>
<td><strong>100,00%</strong></td>
</tr>
</tbody>
</table>

To be adapted to 2016 voted contribution €2.697.469

Total year Maximum JU Contribution (A2) Private Member and their affiliates
Which Private Members are contributing to CSJU running costs?

JU’s invoices are sent to Leaders and Core-Partners.

In accordance with the total Max JU contribution allocated to Members and participating affiliates.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Legal Address</th>
<th>Participating affiliates of Leaders whose administrative costs to the CSJU are paid by the respective Leader organisation</th>
</tr>
</thead>
</table>
| Rolls-Royce Plc   | 65, Buckingham Gate SW1E 6AT London, United Kingdom | • Rolls-Royce for Profit Corporation PIC: 951103334  
• Rolls-Royce Deutschland LTD & CO KG PIC: 999919554  
• Rolls-Royce Controls and Data Services Limited PIC: 974544451 |
| PIC: 999945356    |                                                   |                                                                                                                  |
| Saab Aktiebolag   | 58188 Linköping Sweden                           |                                                                                                                  |
| PIC: 999959615    |                                                   |                                                                                                                  |
| Safran            | 2 Boulevard du Gal Martial Valin 75015 Paris France | • Microturbo SA PIC: 997722989  
• Sagem Defense Securite SA PIC: 999954668  
• Labinal Power Systems PIC: 999955444  
• Turbomeca SA PIC: 999957772 |
| PIC: 999964659    |                                                   |                                                                                                                  |
Contribution to CSJU running costs: Clusters / Consortium

- Core Partners rules for submission and ITD/IADP Consortium Agreement (chapter 5) require Core Partners taking the form of a Cluster (single entity) or of Consortia of beneficiaries to appoint a "Cluster/Consortium Leader" authorised to act as single point of contact vis-à-vis the CSJU and the Leaders.

- For Core Partners / Clusters:

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Legal Address</th>
<th>Participating affiliates of Leaders whose administrative costs to the CSJU are paid by the respective Leader organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>AgustaWestland SPA</td>
<td>4, Piazza Monte Grappa, 00195 Rome, Italy</td>
<td>Wytwornia Sprzetu Komunikacyjnego PZL-Swidnik Spolka Akcyjna PIC: 999446970</td>
</tr>
<tr>
<td>PIC: 999808489</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cluster/Consortium Leader ➔
centralize and execute a single payment of the running costs to the CSJU for the Cluster/Consortium as a whole
Clusters / Consortium management

**Legal basis:**
- Core Partners rules for submission
- Consortium Agreement (chapter 5) with appointment of a "Cluster/Consortium Leader" authorised to act as single point of contact vis-à-vis the CSJU and the Leaders

**Cluster/Consortium Leader responsibilities:**
- Manage all operational aspects within the cluster/consortium related to the implementation of the action;
- Ensure central coordination of technical and financial reports and deliverables;
- Specific payment modalities by the ITD/IADP coordinator to the Consortium Leader for the whole consortium may apply (see at ITDs/IADPs CA level if optional clause “Clusters” under Chapter 5 applies)
- Centralize and execute a single payment of the running costs to the CSJU for the Cluster/Consortium as a whole
Important comment

• A review of the actual participation will be performed in September 2018 based on the actual validated costs for the year 2014/2015/2016.

• Adjustment will be performed accordingly
Lunch & Coffee break
13.30 - 14.30
<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>09:30 - 09:45</td>
<td><strong>Registration and welcome coffee</strong></td>
</tr>
<tr>
<td>09:45 - 10:45</td>
<td><strong>Part I</strong></td>
</tr>
<tr>
<td>09:45 - 10:45</td>
<td>Financial Management</td>
</tr>
<tr>
<td>10:45 - 11:30</td>
<td>In Kind Contribution including Additional activities</td>
</tr>
<tr>
<td>11:30 - 12:15</td>
<td>Project management</td>
</tr>
<tr>
<td>12:15 - 12:45</td>
<td>Ex-post audits</td>
</tr>
<tr>
<td>12:45 - 13:15</td>
<td>Legal aspects</td>
</tr>
<tr>
<td>13:15 - 13:30</td>
<td>Running costs</td>
</tr>
<tr>
<td>13:30 - 14:30</td>
<td><strong>Lunch &amp; Coffee break</strong></td>
</tr>
<tr>
<td>14:30 - 15:00</td>
<td><strong>Part II</strong></td>
</tr>
<tr>
<td>14:30 - 15:00</td>
<td>Intro GMT2 for Core -Partners</td>
</tr>
<tr>
<td>15:00 - 15:30</td>
<td>Planning Module</td>
</tr>
<tr>
<td>15:30 - 16:30</td>
<td>Reporting Module</td>
</tr>
<tr>
<td>16:30 - 17:00</td>
<td>Next actions/deadlines</td>
</tr>
<tr>
<td>17.00 - 18.00</td>
<td>Q &amp; A Session</td>
</tr>
<tr>
<td>18.00 - 19.00</td>
<td>Networking cocktail</td>
</tr>
</tbody>
</table>
PART II
Internet access Wifi

NETWORK: CLEANSKY-WIFI

LOGON ID: CLEANSKY-VISITORS

PW: #CLEANPROTECTEDACCESS#
GMT 2 demo
Join.me – Screen sharing

https://www.join.me/

https://join.me/netsas-support
Introduction to GMT 2
Content

1. GMT 2 state of play
2. Next developments
3. Connection to GMT 2
   • Access and Users
   • Presentation of different menus
4. Planning module
   • Different sub menus
   • Reporting with / without planning data
5. Reporting of costs claims
   • Submission process
   • Form C + IKOP + TA + UoR
   • Adjustments Form C
   • Validation workflow
   • Comments
   • Request for Change
   • Documents
1st reporting done last year for the 2014 costs claims

2015 reporting includes now Core partners Wave 01
- 78 new companies (total: > 125 companies)
- GMT users have been created (> 500 users)
- Some Form Cs already created

Main functionalities:
- Reporting of costs and IKOP declaration
- Planning of costs + GAM Annexes data (D, M, efforts ...) => NEW
- Request for change => NEW
- Reports and Documents
GMT 2 – Next Developments

- IKAA Reporting + Workflow
- Manage Amendments
- New Reports and exports
- Form C Workflow
  - [BENEF] -> [SPDCO] -> [BENEF] -> [CSJU]
    - CFS
    - Upload Signed Form C
Dear benef user,

An request was made to reset the password with the following username:
benef

Please [click here](http://gmt2.netsas.com/igotit.void?u=orars%7C9f5c93a044f3a36c245971d138290c5e1f71d5ea83429112e341e21e1d0b671a) to reset your password

or copy the following link and paste it into your web browser address:

http://gmt2.netsas.com/igotit.void?u=orars%7C9f5c93a044f3a36c245971d138290c5e1f71d5ea83429112e341e21e1d0b671a

Best regards

"Clean Sky" Support Team
GMT 2 – Login

https://gmt2.cleansky.eu/
GMT 2 – Menus

- **Dashboard**
  - Welcome page with general info about Form C’s;

- **Administration**
  - Manage Users, Roles, Companies, ITDs…

- **Planning**

- **Grant**
  - Manage GAMs, RfC, Amendments

- **Financial**
  - Manage Form c’s and Adjustments Form C’s
GMT 2 – Menus

- **Documents**
  - Manage Documents
    - View, Upload and Download

- **Accounting**
  - SFR’s and Payment Orders

- **Reports**
  - Planning
    - AWP | Annex B2 | AWP vs Annex B1
  - Financial
    - Form C state of play
    - Form C Validated
    - UoR state of Play
    - Contribution Company
GMT 2 – Menus

- Edit User Profile
- Logout User
- Role Selector (if user have more than one Role assigned to him)
- Online User Manual
GMT 2 – Menus
Planning Process
GMT 2 – Planning Process

• Planning data managed at two levels
  – High level = Annual Work Plan
  – Detailed level = GAM Annexes

• Planning module: 5 different sections developed in GMT 2
  – Annual Work Plan
  – Planning process (ex B0)
  – Work Package Definition (ex B0)
  – My Annex B1 (WP content: tasks, deliverables, milestones ...)
  – Annex B2 (as a report; based on the data in Annex B1)
  – Annex 2 (Total Budget)

• Reporting of planning data contained in the GAM
  = replacement of Excel templates B0, B1, B2, Annex 2
• Report WITHOUT Planning Data
  – UoR Planned data needs to be imputed on Cost Claim;
  – WP structure needs to be created;

• Report With Planning Data
  – UoR Planned data is automatically filled
  – WP Structure is already in place
  – Deliverables are already available in the Upload documents module;

• The CSJU strongly encourage to go for the second option asap
  (more effort at the beginning but efforts saved later + consistency)
GMT 2 – Planning Process Module

- Starts AWP for a given Year / SPD
- SPDCo
  - Validates the Requested JU Contribution for the SPD
  - Validates the Requested JU Contribution for the WP
- CSJU
- Members
  - Reports the Requested JU Contribution
- WP Leader
  - Approve / Close the AWP
  - Or Creates a new version for the AWP

Annual Work Plan

- Creates the 1st level WP structure
  - Assign Members and Leaders
Evaluates the accuracy of all WP; Validate the PP;

1. Planning Process Module

2. Planning Process

3. Planning Process

4. Planning Process

5. Planning Process

6. Planning Process

Evaluates the accuracy of the Annexes B1; Validates each WP as complete

Starts the Process; Selects the members of the; Defines the structure of WP; Defines the WP Leaders

Assign members to the WP; Defines the level of risk; Defines T/D/M/O/S/I/O

Specify the effort and costs per cost category;

Should Validate all data; Reopen PP or Approve PP

CSJU

SPDCo

WP Leader

Beneficiary

(Import WP (L1) from AWP)
GMT 2 – Planning Process
Reporting Cost Claims
GMT 2 – Cost Claims

- Only one Form C per Year / Company / SPD
- As many Adjustment Form C as needed
- Form C Workflow
    - CFS
    - Upload Signed Form C
- Validation of costs: accepted, rejected, on hold
- Profile to report (Beneficiary)
 GMT 2 – Cost Claims

• Form C
  – List of all Form C’s of your company

• Create Form C
  – Overview
  – Declaration of IKOP
  – Reporting of Costs
    • Reminder: Do not forget to fill in the requested JU contribution
    • Reporting of Transverse Activities
  – Declarations
  – Final

• Use of Resources
  – Manage Work Packages
  – Special attentions to Subcontracting
GMT 2 – Form C + UoR
GMT 2 – Cost Claims

• Adjustment Form C
  – Always based on a existing Form C
  – Reported as Delta to the initial Form C
    – List of all Adjustment Form C’s of your company

• Create Adjustment Form C
  – Adjustment (Type and Reason)
  – Reporting of Costs
  – Declarations
  – Final
GMT 2 – Adjustment Form C
• Validation Workflow
  – Status of Form C
  – View of Validation Results / Details

• Export Form C as PDF (Sign)

• Upload Signed Form C

• Export UoR
GMT 2 – Validation
GMT 2 – Cost Claims

• Comments
  – Public
    • Initiated By FO/PO
    • “Replayabel” by the Beneficiary
  – CSJU
    • For internal use of CSJU
    • Communication between FO’s and PO’s
  – Notes
    • Private annotations for CSJU users
    • Only visible by the user that created it
GMT 2 – Comments
Request for Change (Only for SPD Coordinators)
- Based on Cost Claim Deltas (JU Contribution will be calculated automatically)
- After approved by CSJU will affect the Total Budget of the companies involved;

Approval workflow
- Minor Changes
  • Will affect the Budget immediately
- Major Changes
  • Will affect the budget after the upload of the Amendment by LO
GMT 2 – Request for Change
GMT 2 – Documents

• Categories:
  – Deliverables
  – Planning
  – Monitoring
  – Negotiation

• Type of Permission
  – Beneficiary
  – ITD Coordinator
  – PO
## GMT 2 – Documents

<table>
<thead>
<tr>
<th>User Role</th>
<th>PO</th>
<th>BENEF</th>
<th>ITDCo</th>
<th>PO</th>
<th>BENEF</th>
<th>ITDCo</th>
<th>PO</th>
<th>BENEF</th>
<th>ITDCo</th>
</tr>
</thead>
<tbody>
<tr>
<td>View Document</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Own</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
GMT 2 – Documents
• Form C State of Play
  – View of created Form C’s for a given ITD / Year;

• UoR State of Play
  – View of UoR by ITD / Year aggregated by WP;

• GAM State of Play
  – View of the Budget for a given ITD / Year affected by approved RfC;

• Additional Report / Menu Accounting
  – SFR for closing
GMT 2 – Reports
GMT 2 – User manual videos

• User manual on videos with explanation text
GMT v1.5 – User manual videos
In case of problems, please contact the CSJU:

Romain Borgat

romain.borgat@cleansky.eu
Thank you for your attention

Questions?
Next actions/deadlines
# Next deadlines/actions

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Financial/Administrative Milestones</th>
<th>Expected from</th>
<th>Submitted to the JU by</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Annual IKC (IKOP and IKAA) final declarations, together with the certificates (CIKOP &amp; CIKAA) for the year 2014-2015</td>
<td>CS2 GAM beneficiaries (Leaders and CP); to be submitted: IKOP through Coord. in GMT; IKAA individually by e-mail to functional mailbox: <a href="mailto:IKAA_reporting@cleansky.eu">IKAA_reporting@cleansky.eu</a> [and later through GMT]</td>
<td>01/03/2016</td>
</tr>
<tr>
<td>2</td>
<td>Cost statements (Form Cs) and the related CFS</td>
<td>CS1 &amp; CS2 GAM beneficiaries (Leaders, Associates and CP) through GMT + originals by post</td>
<td>01/03/2016</td>
</tr>
<tr>
<td>3</td>
<td>(Annual) Technical Report of the ITD/IADP including information on the use and dissemination of foreground as per art. 4 of the CS1 GAM and 20.4 of CS2 GAM model</td>
<td>CS1 and CS2 ITD/IADP coordinators through GMT</td>
<td>01/03/2016</td>
</tr>
<tr>
<td>4</td>
<td>Amendment of AA PLAN 2016 indicating the estimated value of these contributions (if applicable)</td>
<td>CS2 GAM beneficiaries (Leaders and CP) through GMT</td>
<td>01/09/2016</td>
</tr>
<tr>
<td>5</td>
<td>AA Plan 2017 indicating the estimated value of these contributions</td>
<td>CS2 GAM beneficiaries (Leaders and CP) through GMT</td>
<td>01/11/2016</td>
</tr>
</tbody>
</table>
Networking cocktail
Thank you for your attention