

## Clean Sky 2 Financial workshop – 20 & 21/10/2020

### List of Q&As

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#### Financial session:

**1. What is “simplified UoR”?**

It is the Use of Resources in the EC H2020 tool (SyGMA) which asks for aggregated and simplified data with respect to the “extended UoR” (Excel file) that contains a much more detailed level of information. See specific slides on “Reporting in the H2020 tool for interim period”.

**2. You said that all the expenses must be foreseen in the GAM, but how can we do with the expenses strictly related to the project occurring during construction and which were not foreseen?**

Budget overrun should be explained to the Project Officer in order to assess whether it was justified and can be accepted as eligible costs.

**3. No final payment, but would there be intercompany compensation?**

It is the Coordinator who is responsible for the distribution of the funds to the beneficiaries.

**4. In the past GAM we had the rejection of the CFC ToR cost as the invoice arrived close to the SyGMA deadline. What is the right way to receive and claim this 100% eligible cost?**

The CFS costs are eligible costs that can be claimed at the last reporting period even if the costs were incurred after the last period for which the costs were eligible. Nonetheless, you cannot claim those costs if the GAM is closed. Then no possibility to claim it in the next signed GAM.

**5. What about the audit certificates if we opt for a GAM extension?**

In the case of extension of the GAM 2020-2021, the CFS would only be due at the final reporting period. However, the CSJU is envisaging to keep the 2-year certification basis as it was done since the start of the CS2 programme. GAM members will be informed in due time in the course of 2021.

**6. CFS: the limit of 325K is with indirect costs or without them?**

The CFS is required when the claimed amount for the whole signed GAM is above 325K€ JU contribution (excluding the equivalent of JU contribution for the indirect costs).

**7. For the threshold amount for the CFS, do we only have to take into account costs from the GAM 20-21 or also from the previous GAM?**

The threshold amount for CFS covers the full GAM signed, meaning for the GAM 2018-2019: the threshold was for the 2 periods. The same will be applicable for the next GAM (CFS at the last period, if required).

**8. Regarding travel costs, when we have many travels, of many people, in many different places and dates, which is the best level for aggregating the information: by month, by place, by person, by purpose? Sometimes is complicated, would an excel file be needed in order to clarify?**

We recommend to explain it in the UoR per purpose.

**9. Beneficiaries will be able to submit costs via SyGMA without uploading a CFS in Q1 2021 (because it is an interim period)? Correct?**

Beneficiaries will be able to submit without CFS if that CFS is not yet requested - e.g. Q1 - or if the threshold is not reached. If the Grant remains for 2 years, a CFS will have to be submitted at the last period if the threshold is reached.

**10. A CFS report will only be required if the threshold is reached during the GAM 2020-2021, it does not include the costs in 2019 because that is the previous GAM, is that correct?**

The costs of a previous closed GAM (i.e. 2018-2019) are not eligible in the newly signed GAM. The GAM 2018-2019 is a separate project from the GAM 2020-2021 and therefore the costs cannot be added for calculating the CFS threshold.

**11. Case of rejection of costs: how beneficiaries are informed and when?**

Beneficiaries are informed through the payment letter and also via the EC H2020 SyGMA tool.

**12. Link to H2020 online manual isn't available**

This is the link for the reference documents in the Funding & Tenders portal (= previous Participant portal):

<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/how-to-participate/reference-documents;programCode=H2020>

**13. CFS Last Version rev.5 is on the portal in the indicated link. This last revision is valid from which period? From January 2020?**

The current version for the CFS is the V.5 (since –18.10.2017 ). It is recommended, when having to provide a CFS, to always check for the last version. To do so, please go to the Funding & Tenders Portal and look for the “Model Grant Agreement” link:

<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/how-to-participate/reference-documents;programCode=H2020>

**14. I would like to know if PhD Students are eligible to the Grant?**

As far as the PHD students are working on the project - NOT for training purposes - the costs are eligible provided all the other criteria are met (please see slide on the *eligibility of personnel costs – special case: students*).

**15. Are these rules for personnel costs different for research entities, like Universities, in quality of beneficiary?**

No, the rules are the same for everyone.

**16. Even if we don't make best value for money about these PhD Students?**

There is no best value to be made for personnel costs. However, please note that best value for money is required for staff provided by a temporary agency. In that case, the costs should be submitted as ODC.

**17. What about non-tariff employees who don't clock in and out at all? Their attendance times are not recorded. We have time sheets but cannot be matched against attendance ties as they are generally not recorded**

For persons who do NOT work exclusively for the action, the beneficiaries must:—show the actual hours worked, with reliable time records(i.e. time-sheets) either on paper or in a computer-based time recording system. If time records are not reliable, the Commission/Agency may exceptionally accept alternative evidence if it proves the number of hours worked on the action with a similar (or at least satisfactory) level of assurance (assessed against generally-accepted audit standards).

**18. In case of several projects in the same year there is an official template of time-sheet to use?**

The Annotated Model Grant Agreement provides a template for time-sheet indicating the minimum requirements (please see page 53 of the slides: *Personnel costs – Time recording system*). This template is not mandatory; beneficiaries may use their own model, provided that it fulfils the minimum conditions and it contains at least the information detailed above.

**19. What about electronic timesheets? Some of the 7 minimum requirements may not be met due to system generation of timesheet restrictions, like e.g. project logo**

See previous reply.

**20. Should it be possible to substitute the signature of each person by the user and password used for hour control system?**

Yes, replacing the signature of each person by the user and password used for hour control system, is acceptable.

**21. If the time sheets contain the minimum requirements, on a similar format, could be kept for the 2020, or we should change them with the model provided?**

See question n°18.

**22. SUBCONTRACTING: if a subcontracting is declared in the GAM and the activity to be done is unique (e.g. tools development directly from the software developer), and national law admits direct assignment to "unique" supplier (based on unicity demonstration), how to demonstrate best value for money in this case?**

Any subcontracting which you consider to be "unique" should be duly documented and the analysis should be provided to the auditor. In addition, it is recommended to discuss about this subcontracting well in advance with the Project Officer.

**23. SUBCONTRACTING COSTS : If beneficiaries claimed more subcontracting costs that foreseen in Annex 1 (+20-30% for instance), will these costs be automatically rejected?**

The H2020 rules for subcontracting advise to amend the grant before the subcontracting takes place. Nonetheless, the PO can exceptionally accept it afterwards (at the beneficiary's own risk). Therefore, it is highly recommended to get the advice/approval of the PO well in advance. Please also note that the total budget per beneficiary should match the budget forecast for the specific year.

**24. Which cost category within ODC has to be used for the costs of agency workers? D1, D2, D3?**

These costs should be declared as Other goods & services under D.3.

**25. Based on the last Subcontracting question but more generally with regard to the GAM Amendment slide saying that no amendment is needed e.g. in case of budget transfer between benef. or between cost categories: How can be ensured that the cost will be accepted when reporting against the GAM and by also taking into account the 10% rules of the management handbook?**

Amendment is not needed in case of transfer of budget from one category to another one for the same beneficiary. In case of transfer of budget and related task to another beneficiary an amendment is compulsory. If no tasks have been transferred but only "a saving" made on a task duly executed, that saving can be transferred. The beneficiary who transfers and the one receiving that "saving" should clearly explain it in the UoR.

Nonetheless, within one beneficiary budget, in case of a transfer to a subcontracting not foreseen in the GAM, the GAM should be amended. If the beneficiary proceeds without amending the grant, this is at its own risk (see question n°23).

**26. Calculation of Personnel Costs: Last year, the financial year was adjusted to the calendar year, so that our financial year only had 11 months. Instead of the 1,720 hours for 12 months, do I only take the 11-month portion for the calculation in 2020?**

Normally the total number of 1720 hours (option 1) is to be considered for a full financial year of 12 months. For this specific transitional year, we would advise to use the option 3 ('standard annual productive hours') applied in accordance with your usual cost accounting practices. On this basis you could decide to apply 11/12 of 1720 hours as your standard for this period of transition. Please note that you should use the same option for the full financial year and for all personnel working on H2020 actions.

**27. By "special absence" does this include the UK furlough? Can we claim the 20% not funded by UK government?**

Special absences correspond to the mandatory confinement period set out by national or regional authorities during which teleworking was not possible. These hours can be removed from the calculation of the annual productive hours (option 2 only). However, the related costs not funded by UK government are eligible if paid from your own resources.

**28. What should be done if, due to Covid-19 restrictions, less travel and consumable costs were incurred this year than originally planned? Can the budget be reallocated in 2021, e.g. to personnel costs, because there will be a lot of work to be caught up on then?**

See question n°25.

**29. Is there a threshold for transfers of costs between budget categories without the need for amendment, for example can we move 5 % of staff costs to ODC ? is there a rule?**

Amendment is not needed in case of transfer of budget from one category to another one for the same beneficiary. There is no minimum/maximum as far as the transfer is not for Subcontracting. Subcontracting increase should lead to an amendment (or if you proceed without amendment, you must bear the full risk of non-approval and rejection by the PO).

**30. What is the best formula to calculate the hourly rate?**

The option never contested by the auditors is Option one, meaning 1720 fixed hours/year. In this case, you just need to divide the annual personnel costs by 1720 hours.

**31. The so called "cassa integrazione" how can be considered in the personnel cost calculation when used the actual methodology (cassa integrazione = obligatory absence from work, hours partially payed and by the State)?**

See question n°27.

As a reminder – during the period of confinement measures due to the COVID-19 pandemic:

- ✓ Option 2 only: beneficiary can remove the absence due to the period of confinement from the calculation of the annual productive hours;
- ✓ Salary costs paid by beneficiary from its own resources, even if unworked time, are eligible;
- ✓ Any amount (partially or totally) reimbursed from other sources (e.g. short-time work scheme, social security or public schemes) are not eligible.

**32. Which are the advantages for a company to go into a TPC certification process, for getting a higher IKOP?**

The more IKOP is declared, the more we will meet the obligations set in the CS2 regulation with regard to in-kind contribution from the Members.

**33. Must a CIKAA be submitted on 1<sup>st</sup> March 2021 related to 2020 IKAA activities? In GMT tool?**

Yes. Please see the slide on “IKAA in-kind contribution on additional activities”.

1st March 2021: declarations of AA and certificates => to be submitted to JU in GMT2 only with *certificate and signed declaration (including signed originals by post)*

**34. Can the IKAA plan 2021 be submitted and adjusted later? What would be the consequence if IKAA reporting values are different than those in the plan? It seems to me IKAA should be amended in that case a posteriori to be aligned with IKAA reporting.**

IKAA plan is approved each year by the Governing Board with possibility of amendment if needed (material changes only). The reporting of IKAA can be of different value since the final value cannot be known when elaborating the plan. In case of major difference between the planned and actual values, the member could be requested to provide justification to the CSJU.

**35. Never performed IKAA reporting before: to which level of detail have these to be submitted? the same used for reporting periods? which are the documents to be retained in the company to justify them? are IKAA subjected to auditing procedures by JU?**

No details should be provided but only the total amount corresponding to the additional activities, which should be certified by your auditor. Additional activities must be defined at the level of GAMs / Work packages and contributing to the high level objectives of CS2 programme.

For more details please go the CS2 JU website under Key documents where you can find the “In-Kind Contribution Procedure -for Additional Activities (IKAA) – and guidance (December 2016):

<https://www.cleansky.eu/key-documents>

**36. At the beginning of the project it has been provided an IKAA amount for each beneficiary. What happens if a beneficiary fails to reach this IKAA amount?**

See question n°34. In addition, it is a collective commitment of CS2 members to bring the minimum amount of IKAA set in the CS2 regulation.

**37. What about the acceptance of national granting authorities? I think there was an initiative of some industry partners to avoid a lot of additional effort as these activities are already checked on a national basis**

The proposed approach by some JU members is based on IKAA values certified by national granting authorities. Up to now the provided documentation (Zuwendungsbescheid) do not deliver values certified by independent auditors but only estimates accepted on a provisional basis by the national granting authorities. Therefore, the JU does not consider these acceptable as certified in the sense of the CS2JU Council regulation. Therefore, it would be necessary for the approach suggested, to wait until the finally approved and eventually audited final cost statements are available.

**38. Is IKAA reporting 2020 or 2019 to be submitted in March 2021?**

Yes. By 01/03/2021:

- IKAA reporting 2019 to be submitted in GMT2
- Certification on IKAA to be submitted covering 2020 (and any other years not yet certified)

**39. We can't login to GMT2 with 2 different browsers - is it a general issue or rather our internal IT restrictions?**

You should be able to connect from any browser. Probably your login is not the correct one. If you need to update your access rights, please send an email to [Romain.Borgat@cleansky.eu](mailto:Romain.Borgat@cleansky.eu) (and Financial Officer in cc).

**40. Is there flexibility on the CIKAA deadline as it has been the case in previous years?**

Deadline for reporting your IKAA (including certificate) is 01/03/2021. In case of any difficulties to meet this deadline, please contact the CS2 JU ([CS2Finance@cleansky.eu](mailto:CS2Finance@cleansky.eu)).

**41. Is IKAA contribution evaluated by GAM or globally for the complete program?**

IKAA are reported by each member at global level but can cover activities linked to different GAMs / work packages / demonstrators.

**42. Do we have to provide a IKOP certificate or only a TPC certificate?**

Beneficiaries need to provide a certificate on Total Project Costs (CTPC), and not the value of IKOP.

**43. IKOP: is it just an amount on an Excel doc?**

The certificate on total Project Costs (CTPC) should certify the value of Total Project costs following the certificate templates (incl. Terms of reference) provided by the CSJU in its "In-Kind Contribution Procedure -for Additional Activities (IKAA) – and guidance (December 2016).

**44. In case of findings in favour of the beneficiary with regard to an ex-post audit for the period 2015 -2017, is there still the chance to get it reimbursed due to GAM closure? Is there any budget left for such cases?**

In case of closed project (GAM 2014-2017), the audit results must be requested as complementary payment through the coordinator within 60 days from the receipt of the audit letter of conclusions (LoC). Please note that you must also inform the Coordinator as soon as possible in order to check that the Max Grant Amount for the project was not reached and include the request in the agenda of the next Steering Committee (SC) meeting so as to assess the impact of the Costs to Completion (CTC) of

the concerned beneficiary until the end of the programme (indeed, this could become problematic at the end of the H2020 programme in case almost all the funds have been used);

**45. What is the impact of ex-post audits on the contribution to the running costs? May the consequences give a positive balance (over payment of running costs) to be balance proquota in the GAM?**

At the closure of the CS2 programme the CSJU will carry out the final calculation of the running costs due by CS2 members on the basis of the actual funding received including the results of ex-post audits. The CSJU will adjust the amounts due by members based on the result of the final review (under or over-payment).

**46. May we add a task in an amendment of the GAM? Globally speaking what kind of information may we modify, add or cancel in a GAM amendment?**

With regard to the ongoing GAM 2020-2021, as agreed in the last PCC (Programme Coordination Committee), GAM amendments will be limited to the following aspects:

- (1) abandon or addition of tasks and/or deliverables in alignment with the revised CS2DP;
- (2) transfers of tasks among beneficiaries;
- (3) transfer of rights and obligations under one of the CS2JU GAMs from a beneficiary/ a linked third party to another legal entity;
- (4) inclusion of new beneficiaries where required;
- (5) inclusion of linked third parties activities/costs if necessary;
- (6) inclusion of subcontracting activities/costs if necessary.

For more details see specific guidance note sent by the JU to PCC members.

**47. Are you going to send the slides?**

The slides will be published on the CS2 website.

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### **Ex-post audit session:**

- 1. If we have not received a letter of Announcement for an ex post audit for 2018-2019 GAM by this time of this year 2020 (October), does it mean that we will not receive it?**

Ex-post audits are launched in batches during the year so the Letter of Announcement can arrive at any point during the year, even in Q4. The main limitation for audits is the rule established for the H2020 audits that a cost claim is not auditable once 2 years after final payment have elapsed.

- 2. In the context of the COVID-19 crisis, are the ex-post audits currently performed remotely or at beneficiary premises by local Auditors?**

Part of the audit field-work might be done remotely depending on travel restrictions. Both, the audit programme of the auditors and the audit obligations for the beneficiary remain the same.

- 3. Is it reasonable to expect that the main errors detected in an ex-post audit are similar to the exceptions found in the course of the CFS?**

Yes. There are the same rules for the assessment of the eligibility of costs, which are applicable for CFS and ex-post audits. Therefore, the main errors detected are similar.

However, since the ex-post audits entail a deeper review of the financial statements with a wider scope as compared to the CFS and provide an audit opinion on the eligibility of the costs, there are often errors detected by the ex-post auditors, which have not been seen by the CFS auditors.

- 4. What is the scope of an ex-post audit? What are the differences with the CFS scope?**

The CFS auditors only perform the defined audit procedures and report exceptions on these procedures. Ex-post auditors issue an opinion on the eligibility of the entire costs. Therefore, ex-post auditors carry out their work according to an audit programme using professional judgement. They establish audit samples according to the risks, which they see regarding the projects and entities. When the ex-post auditors detect a certain control weakness during a specific audit, they may perform additional audit steps until they are able to conclude with reasonable assurance.

The ex-post audit programme applicable for the H2020 audits can be found at:

[https://ec.europa.eu/research/participants/data/ref/h2020/other/gm/audit/h2020-iap\\_en.pdf](https://ec.europa.eu/research/participants/data/ref/h2020/other/gm/audit/h2020-iap_en.pdf)

- 5. In the first option for calculating annual productive hours (1720 hours), how do I take into account partial unemployment?**

When using the option of 1720 hours as annual productive hours (option 1), partial unemployment needs to be reflected by using the pro-rata share of the 1720 hours. The approach is comparable to the one applied for employees working part-time or working only part of the year for the beneficiary. Examples have been provided on this issue in the presentation of the financial unit on productive hours.

- 6. If a company has a specific working calendar of X hours, is it better to use individual annual productive hours option (option 2)?**

It depends on the individual circumstances of the company. It is always the most simple solution, which would not be challenged by the auditors, to use the fixed number (1720). If the beneficiary chooses individual or standard productive hours, the company needs to keep the evidence for the related supporting calculations.

## **7. Where can we find the Annotated Model Grant Agreement?**

[https://ec.europa.eu/research/participants/data/ref/h2020/grants\\_manual/amga/h2020-amga\\_en.pdf](https://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf)

Other useful link to the particular issues list per country:

[https://ec.europa.eu/research/participants/data/ref/h2020/grants\\_manual/amga/h2020-issues-list-countries\\_en.pdf](https://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-issues-list-countries_en.pdf)

## **8. If timesheets are submitted at the end of December for work done in December but they will not be processed or paid until January, should they be claimed in December or in January?**

If the reporting period includes December, the salaries for December should be claimed in this reporting period, regardless when they are paid.

## **9. Regarding the subcontracting costs, do I always have to ask for 3 offers? Is there a specific minimum limit in the amount?**

In Art 10.1 it is indicated regarding the Rules for purchasing goods, works or services that *“The beneficiary must make such purchases ensuring the best value for money or, if appropriate, the lowest price...”* Requesting 3 offers from different suppliers is an example of good practice to show best value for money, which many beneficiaries have incorporated to their own company policy.

The auditors will check, if the best value principle was applied and, on that aim, they will check as a first step, if the beneficiary’s procurement policy, and the related thresholds/limits indicated in that policy, were respected. Any non-compliance with the entity’s policy needs to be justified. There are no standard threshold or limits, but of course there are common best practices.

## **10. A machine has been purchased by the beneficiary and will be used for the action only (not for different activities) - can we claim the full cost?**

Yes, the beneficiary can consider the full costs of a machine, but has to calculate when claiming the costs the related depreciation applicable for the reporting period.

Also, the beneficiary needs to demonstrate that the machine was only used for the action and no residual value was realised after the end of the usage for the project.

According to the provisions of the grant (article 6.2.D.2), *“the depreciation costs of equipment, infrastructure or other assets (new or second-hand) as recorded in the beneficiary’s accounts are eligible, if they were purchased in accordance with Article 10.1.1 and written off in accordance with international accounting standards and the beneficiary’s usual accounting practices.”*

## **11. Having used Option 1 (1720) for the annual productive hours calculation, for the 2018-19 GAM, can we now change to method 3 (standard productive hours) according to our usual accounting practices, for the 2020-21 GAM?**

Yes. Note that the beneficiary must keep the same option(s) during the full financial year. It can change its option(s) for the next financial year.

Option 3 can be used if:

- the number of standard annual productive hours is calculated in accordance with the beneficiary’s usual cost accounting practices

- this calculation method is consistently applied (per group of personnel under similar conditions)
- the number of standard annual productive hours is at least 90 % of '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.
- number of standard annual productive hours is higher than 90 %

**12. Do we need the best value demonstration also for the equipment?**

Yes, art 10.1 of the Grant Agreement indicates regarding the Rules for purchasing goods, works or services, that *"...The beneficiary must make such purchases ensuring the best value for money or, if appropriate, the lowest price."*

**13. There may be time constraints when services, equipment or goods (e.g. for a test facility) are being acquired. In this case one may use a "known supplier" (e.g. who has made previous installations for the test facility). In this case will it be sufficient to go without competing offers and just inform the Project Officer of the JU of the planned acquisition?**

The rules for purchasing goods, works or services are always applicable, also under time constraints.

There are different best practices to apply best value for money. There may be technical reasons/constraints and specific circumstances for the beneficiary to decide to use for example an already existing framework contract of a known supplier. Or, a previous selection, which was done recently for similar services/goods is used, instead of opening a new tender. But for such considerations a proper justification needs to be kept for the potential review of auditors. It is always a good practice to consult the Project Officer.

In any case, if a beneficiary deviates from its own procurement policy, an internal deviation note with related justification would need to be filed and kept for potential audits.

**14. If a CFS covers a period for the action, does the JU consider this period as "audited" to be excluded from the systemic audit findings extension scope?**

No, audited period means covered by an Ex-post audit. The CFS does not result in an exemption of an action period from the systemic audit extension. However, even though all unaudited cost claims are included in the initial extension scope, the beneficiary has the opportunity during the extension process to justify in its reply, that the systemic error did not apply to specific unaudited periods.

**15. How far back in our assessment of the extension of audit findings do we need to consider the unaudited periods when a systemic error has been found?**

Back to the very beginning of the H2020 programme. Note that beneficiaries must not only assess Clean Sky JU unaudited cost claims but all unaudited H2020 cost claims submitted by the beneficiary in the context of on-going or closed H2020 EU or Euratom grants.

**16. In the context of the Covid-19 crisis, if part of the audit field-work took place remotely, what shall we do with confidential documents that cannot be sent out by the entity according to national rules during a remote audit? E.g: Payrolls, working contracts.**

During the Covid-19 crisis the audit obligations for H2020 participants remain unchanged. In particular, according to the Article 22.1.3 of the Grant Agreement the Beneficiary concerned must provide any information (including complete accounts, individual salary statements or other personal data) to verify compliance with the Agreement. The JU or the Commission may request beneficiaries to provide such information to it directly. Full cooperation is a prerequisite for a successful audit. Lack of cooperation could be considered as a breach of your contractual obligations and may lead to cost rejections and/or grant reductions.

When a beneficiary finds a constraint to comply with the above obligation, the best solution is to contact the auditors and find an alternative solution (via alternative evidence or safe ways of transmitting confidential information/documents. If a solution cannot be found, please contact Clean Sky so we can act as mediator.

**17. If during an audit, systemic findings were detected, how is the beneficiary informed about this fact? Would a letter to the LEAR be sent by auditors?**

In the preliminary audit report, audit results including the systemic nature of audit findings are presented. As part of the contradictory procedure, the beneficiary has the possibility to raise comments/objections to the audit conclusion. This information on systemic findings is included under section 1.2. of the audit report.

When the audit is closed, the Final Audit report (FAR) is sent by CAS together with a Letter of Conclusion (LOC). The LOC will include a request for extension, if systemic findings as presented in the FAR represent 2% or more of the audited value. The request for a reply of the beneficiary on the extension of systemic findings is part of the Letter of Conclusion addressed to the LEAR.

**18. In case of findings in favour of the beneficiary with regard to an ex-post audit for the period 2015 - 2017, is there still the chance to get it reimbursed due to GAM closure? Is there any budget left for such cases?**

We refer here to the extensive description of the audit implementation process in the slides of the Financial part of the Workshop (see question n°44 of the financial session).

**19. What is the impact of ex-post audits on the contribution to the running costs? May the consequences give a positive balance (over payment of running costs) to be balanced proquota in the GAM?**

See question n°45 of the financial session.

**20. Can you please briefly explain the communication process between the CAS and JU before and right after the announcement letter has been sent?**

When a cost claim is subject to audit, it may have been selected by Clean Sky2 JU or by the Common Audit Service (CAS) of DG R&I.

As a preparation for the audit, CS2 JU prepares the so called audit input files, in which all relevant information available in the EC systems and in the files of the JU is provided to the CAS and external auditors.

The CAS provides then for the planning and organisation of the field work, in which the JU is normally not involved. Sometimes, in case beneficiaries are asking for a significant delay of the audit work, the JU is informally consulted by the auditors for advise.

When the Letter of Announcement is sent to the beneficiary, the JU is normally in copy of this communication.

**21. When converting other direct costs to Euros, we understand that the exchange rate used must be the average daily rate across the whole claim period. Where goods or expenses have been charged in Euros and converted to Pounds Sterling to reimburse the costs, do we:**

- 1. use the original Euro figure?**
- 2. or do we pick up the Pounds Sterling figures from our accounts along with all our other expenses and convert at the average daily rate across the whole claim period?**

The conversion of costs recorded should be calculated over the corresponding reporting period.

*According to AGA\_Art. 20.6 "Beneficiaries [and linked third parties] with accounting established in a currency other than the euro must convert the costs recorded in their accounts into euro, at the average of the daily exchange rates published in the C series of the Official Journal of the European Union, calculated over the corresponding reporting period.*

*If no daily euro exchange rate is published in the Official Journal of the European Union for the currency in question, they must be converted at the average of the monthly accounting rates published on the Commission's website, calculated over the corresponding reporting period.*

*Beneficiaries [and linked third parties] with accounting established in euro must convert costs incurred in another currency into euro according to its usual accounting practices."*

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## **Legal session:**

### **1. What does "minor" mean precisely? (Question related to minor budget transfers between beneficiaries or from one budget category to another that do not require amendments).**

In accordance with the applicable legal framework as long as the technical tasks foreseen by Annex 1B stay with the same beneficiaries, there can be a budget transfers without an amendment:

- Beneficiaries transfer budget among themselves,
- Beneficiaries transfer budget to linked third parties,
- Transfer between budget categories.

In reality it means, that the declared costs at the time of reporting will be different from the estimated budget. Nevertheless, as foreseen by the legislator they will be eligible for funding providing that they refer to the same technical tasks initially described in Annex 1.

In case of reallocation of the technical tasks between the beneficiaries, the amendment will be mandatory due to a significant change in Annex 1.

### **2. What do we have to do when we intend to transfer budget from one year to the next year of the same GAM?**

Transfer of budget from one year to the next year of the same GAM (for example GAM-SYS-2020 when transfer concerns years 2020-2021) will not require an amendment.

### **3. What is LoE of the JU status? A Letter of Engagement?**

LoE of the JU status means letter of endorsement of the Clean Sky 2 Joint Undertaking Status (Annex I to the Council Regulation no 558/2014).

### **4. In case of PTRO from one beneficiary A to beneficiary B in the same ITD, I suppose in the amendment we need to terminate beneficiary A, and update data in annexes 1, 2 for beneficiary B. In that case, accession form is not needed and LoE either?**

Yes, the logic is correct.

### **5. When is it possible to present an amendment with (for instance) a new subcontractor / affiliated entity? Two months before end of the budgeted period, or natural year?**

It is recommended that request for amendments merge as much as possible all the modifications needed in the grant agreement by all the members of the consortium.

The objective is to avoid too many individual requests. So, taking into account this aspect and eligibility of costs, the beneficiaries should ensure that the changes are reflected in the grant agreement at the latest before the nearest approaching reporting period.

### **6. Is it possible to include, via amendment, a new subcontractor that is the unique one for a specific supplying, and is an affiliated company?**

When placing a subcontracting, beneficiary must ensure that provisions of Article 13 of the grant agreement have been met (no conflict of interest, best-value for money or the lowest price award method).

In accordance with H2020 applicable rules, the subcontracting from a Member to its affiliated entity is forbidden. The affiliate shall be added to a GAM as a linked third party to carry out part of the action. Exceptionally it could be approved only in duly justified cases and with prior approval by the PO of the CSJU.

If approved, only eligible costs incurred by the affiliate excluding any profit margin (no financial mark-ups) will be accepted.

**7. Could you please provide the link to the REA services?**

As explained during the legal presentation the only own contact point, which has possibility to contact REA (central validation service of the EC) is the LEAR (legal entity appointed representative). The LEAR will have to access Funding & Tender Opportunities Portal and use the communication channel foreseen for this purpose.

For more information, please follow the link below:

[https://ec.europa.eu/research/participants/docs/h2020-funding-guide/grants/applying-for-funding/register-an-organisation/data-update\\_en.htm](https://ec.europa.eu/research/participants/docs/h2020-funding-guide/grants/applying-for-funding/register-an-organisation/data-update_en.htm)

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