

CERN

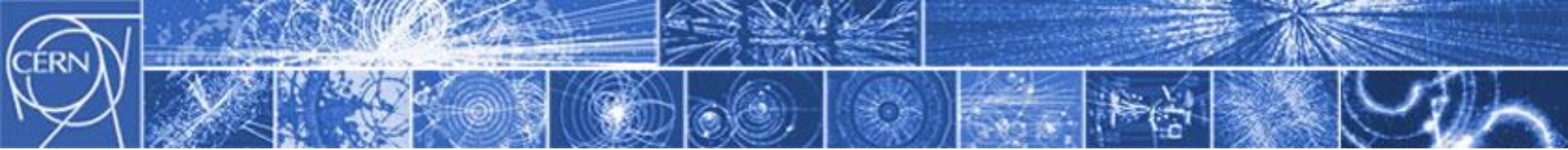
European Organization for Nuclear Research

Organisation Européenne pour la Recherche Nucléaire

# FINANCIAL MANAGEMENT AND BUDGET

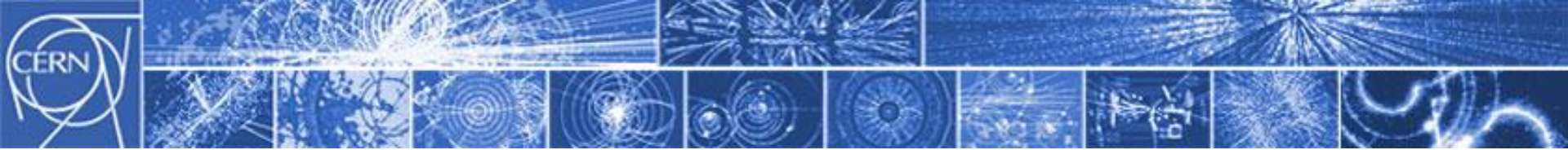
Grégory CAVALLO

CERN – EU Projects Financial Management



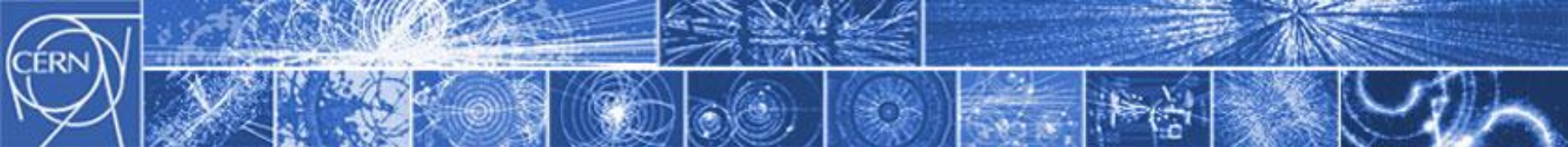
# Prefinancing

Prefinancing announced before Christmas has been paid  
on January 17th  
(confirmed by our bank !)



# Cost Categories

- The EC contribution is distributed in 5 categories of costs:
  - Living allowance
  - Mobility allowance
  - Contribution to training expenses of the eligible researchers and research/transfer of knowledge programme expenses
  - Management activities
  - Contribution to overheads
- Major changes in 2011 Work Programme (formerly 2 groups of expenses divided into 7 categories)



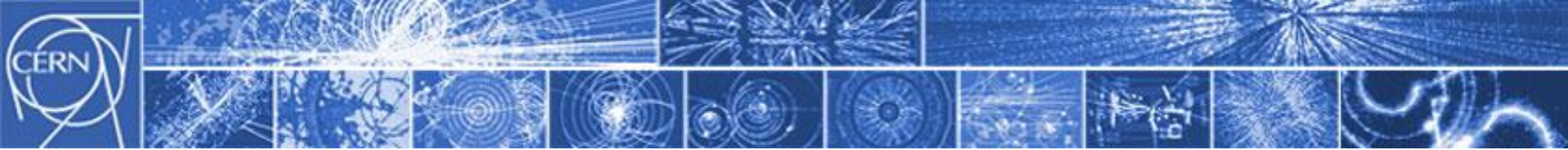
## Monthly living and Mobility allowance

- Monthly living allowance (col. 1)

**Table 3.1: Yearly reference rates for monthly living allowances under employment contracts (Correction Coefficient index 100)<sup>85</sup>**

Researchers Categories	EUR/year
Early-stage researchers	38 000
Experienced researchers (< 10 years experience)	58 500
Experienced researchers (>10 years experience)	87 500

- Monthly mobility allowance (col. 2)
  - 700 € / month or 1000 € for researchers with family
  - Average used on official budget: 820 €
- Paid directly to the researchers (total employer cost)
- Apply correction factor on both monthly *living* and *mobility* allowance (See work programme 2011)
- Minimum value (mandatory): must pay at least these amounts !

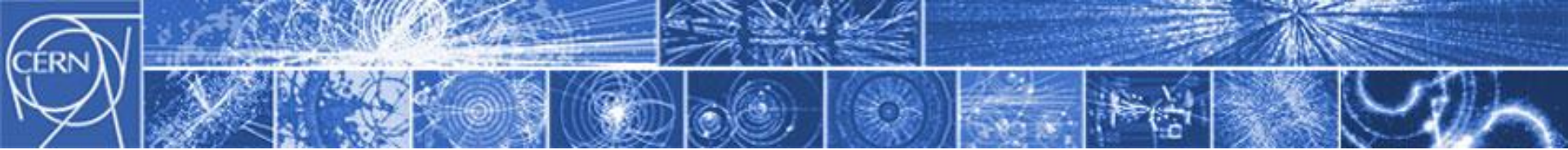


## Contribution to training expenses of the eligible researchers and research/transfer of knowledge programme expenses

*“Contribution managed by the host organisations to contribute for expenses related to the participation of researchers to training activities; expenses related to research costs; execution of the training/partnership project and contribution to the expenses related to the co-ordination between participants.”*

**Fixed contribution: 1800 EUR per researcher-month**

Keep in mind that auditors would request for evidence that the activities supported by this fixed contribution have actually taken place

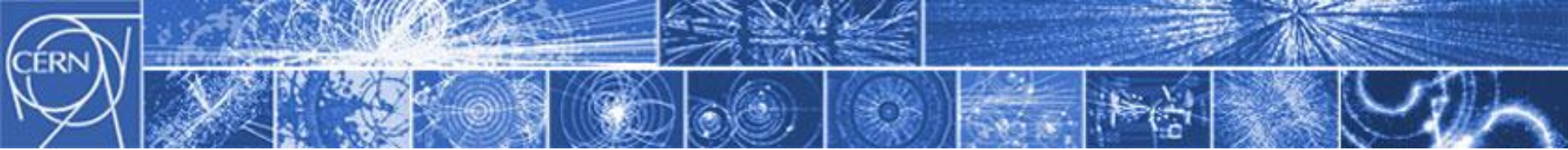


## Contribution to training expenses of the eligible researchers and research/transfer of knowledge programme expenses

- Example: what we do at Cern

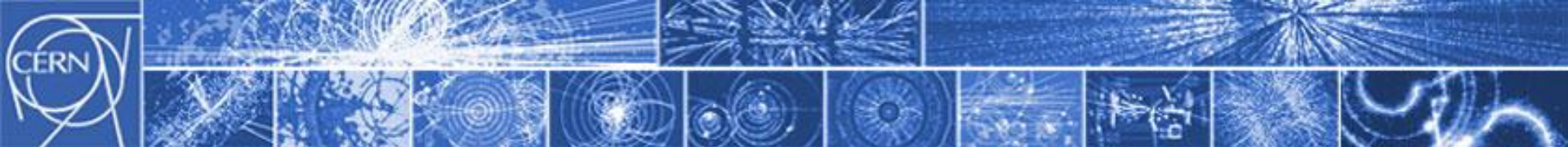
*The 1,800 EUR contribution is split between:*

- a) expenses related to the participation of researchers to training activities: 600 EUR per researcher/month*
- b) expenses related to research costs, execution of the training/partnership project and contribution to the expenses related to the co-ordination between participants: 1,200 EUR*



## Management activities and overheads

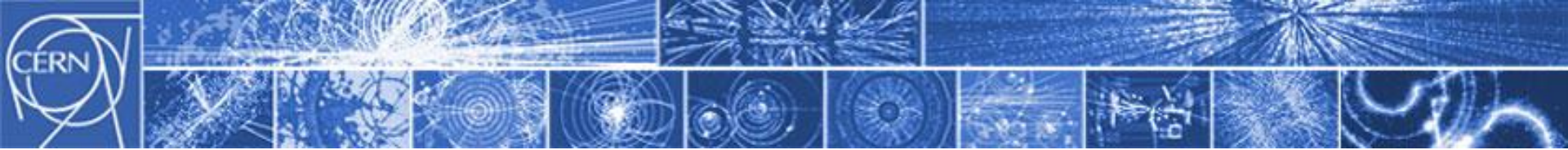
- Management activities (col. 4)
  - Maximum 10% of total Contribution
  - Real costs (not a flat rate)
  - Used to cover costs for managing the project (coordinator)
  - 3000 EUR granted per Certificate on the Financial Statement (all beneficiaries)
  
- Overheads (col. 5)
  - 10% of the direct eligible costs (except subcontracting)
  - Can be used by each beneficiary according to its policy
  - No justification requested by auditors



# Financial reporting to EC

- When ?
  - December 2013 and December 2015 (deadline will be communicated by CERN).
- Where ?
  - Log-in on <http://ec.europa.eu/research/participants/portal/appmanager/participants/portal>
  - Use existing ECAS account to log-in or
  - Create account by clicking on « sign up to ECAS » (do not forget to change the domain for « *external* »)
  - Create a form C, save and submit to the coordinator
  - A Certificate on the Financial Statement (Audit certificate) is required only for beneficiaries claiming for more than 375,000 EUR

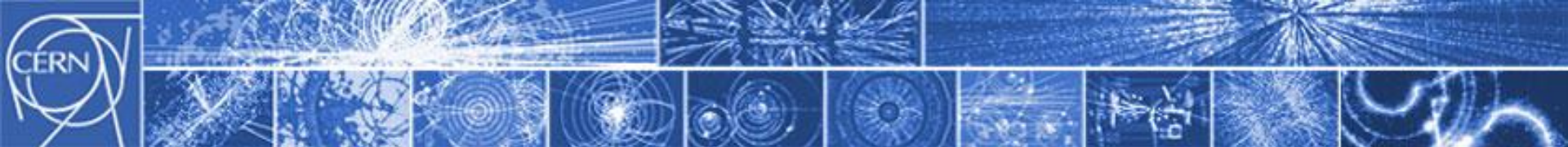




# Financial reporting to EC

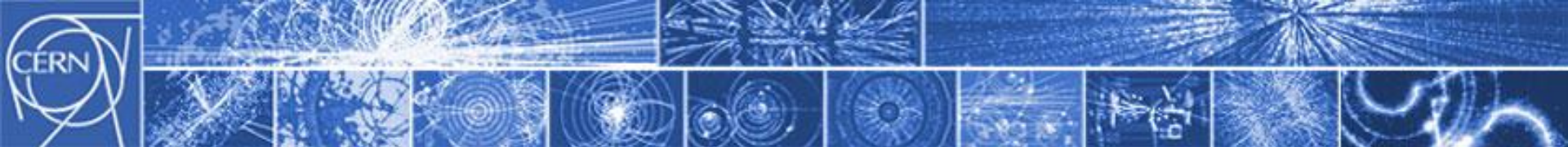
- How ?
  - Use EC's flat rates !
    - Column 1 & 2: flat rate x correction factor x nb of man/month
      - Higher amounts are allowed; lower are disallowed (unless duly justified and paid on subsequent period – inform coordinator !)
      - Reminder: paid to the researchers (minus employer costs)
    - Column 3 : 1,800 EUR x nb of man/month ONLY
    - Column 4:
      - Cost for Audit Certificate will be claimed on Period 2
      - Normally 0 EUR on 1st reporting period for all beneficiaries except coordinator
    - Column 5: 10% of the above, except subcontracting (if any)

More information on [http://cordis.europa.eu/fp7/mariecurieactions/itn-manage\\_en.html](http://cordis.europa.eu/fp7/mariecurieactions/itn-manage_en.html)



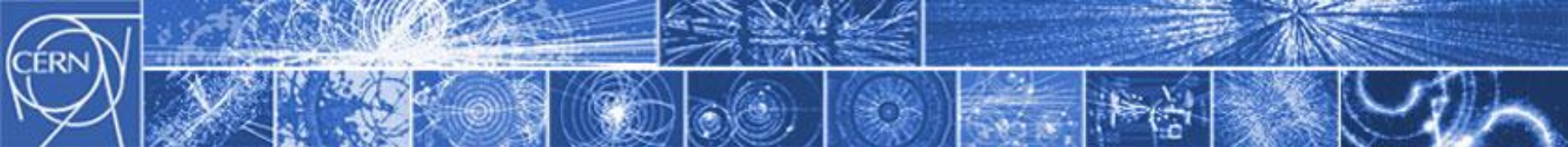
# Consortium's budget

	1	2	3	4	5	GRAND
	Living Allowance	Mobility Allowance	Research and Training	Mgt Costs	Overhead	TOTAL EUROS
CERN	504,441.00	118,954.00	237,600.00	548,966.23	140,996.12	1,550,957.35
TU Delft	249,204.00	64,530.00	129,600.00	3,000.00	44,633.40	490,967.40
DESY	224,352.00	58,095.00	129,600.00	3,000.00	41,504.70	456,551.70
Fibercryst	132,012.00	34,184.00	64,800.00	0.00	23,099.60	254,095.60
UHEI	454,608.00	96,824.00	216,000.00	6,000.00	77,343.20	850,775.20
KLOE	267,498.00	56,973.00	108,000.00	3,000.00	43,547.10	479,018.10
LIP	200,184.00	51,836.00	129,600.00	3,000.00	38,462.00	423,082.00
UNIMIB	252,168.00	65,297.00	129,600.00	3,000.00	45,006.50	495,071.50
TUM	112,176.00	29,047.00	64,800.00	0.00	20,602.30	226,625.30
ST-I	126,084.00	32,649.00	64,800.00	0.00	22,353.30	245,886.30
SurgicEye	112,176.00	29,047.00	64,800.00	0.00	20,602.30	226,625.30
<b>Total</b>	<b>2,634,903.00</b>	<b>637,436.00</b>	<b>1,339,200.00</b>	<b>569,966.23</b>	<b>518,150.52</b>	<b>5,699,655.75</b>



# EC's payments

- Prefinancing paid by the Commission to CERN within 45 days after signature of the GA
  - Distributed when accession forms (Annex IV - form A) received and
  - Bank coordinates received
- Interim payment: after validation of the 1st periodic report (i.e. January 2014)
  - Up to 85% of total contribution (Prefinancing + interim)
- Final payment and guarantee fund after validation of the final report (i.e. January 2016)
  - At least 15% of total contribution



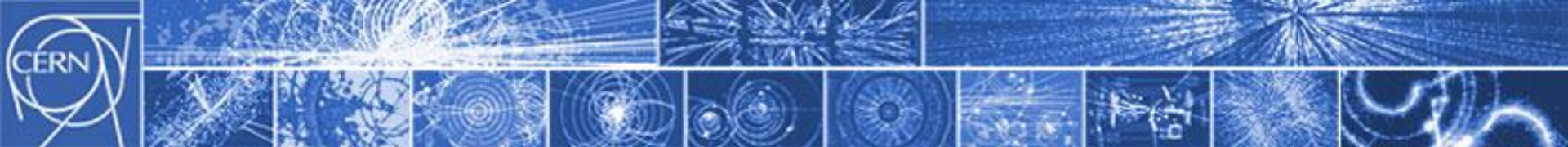
# Prefinancing

Max contrib	<b>5,699,655.75</b>
Prefin	3,704,781.90
Guarantee fund	284,983.22
<b>Paid to coord.</b>	<b>3,419,798.68</b>

All values in EUR

Ref: PicoSec

	Max	Prefinancing
	contribution	Distribution
CERN	1,550,957.35	<b>930,575.83</b>
TU Delft	490,967.40	<b>294,580.89</b>
DESY	456,551.70	<b>273,931.44</b>
Fibercryst	254,095.60	<b>152,457.59</b>
UHEI	850,775.20	<b>510,465.90</b>
KLOE	479,018.10	<b>287,411.30</b>
LIP	423,082.00	<b>253,849.59</b>
UNIMIB	495,071.50	<b>297,043.35</b>
TUM	226,625.30	<b>135,975.39</b>
ST-I	245,886.30	<b>147,532.01</b>
SurgicEye	226,625.30	<b>135,975.39</b>
	<b>5,699,655.75</b>	<b>3,419,798.68</b>



# Question on Finance

- Cordis
  - Find a document:
    - [http://cordis.europa.eu/fp7/find-doc\\_en.html](http://cordis.europa.eu/fp7/find-doc_en.html)
  - Marie Curie 2011 Work Programme:
    - [ftp://ftp.cordis.europa.eu/pub/fp7/docs/wp/people/revised-m-wp-201101\\_en.pdf](ftp://ftp.cordis.europa.eu/pub/fp7/docs/wp/people/revised-m-wp-201101_en.pdf)
- Marie Curie Actions website:
  - <http://ec.europa.eu/research/mariecurieactions/manage.htm>
- CERN:
  - EU projects financial management:
    - [Gregory.cavallo@cern.ch](mailto:Gregory.cavallo@cern.ch)
  - Disclaimer: CERN provides information based on their understanding of current EC's rules and own experience. Each beneficiary remains responsible for its own cost statement.