

AIDA Governing Board meeting

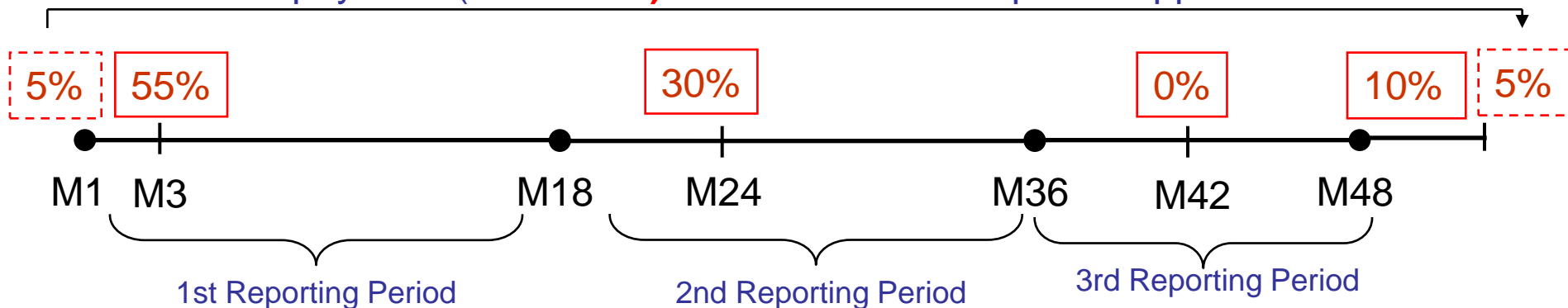
30 March 2012, DESY

Use of resources in Y1 and distribution of EC pre-financing (2nd installment)

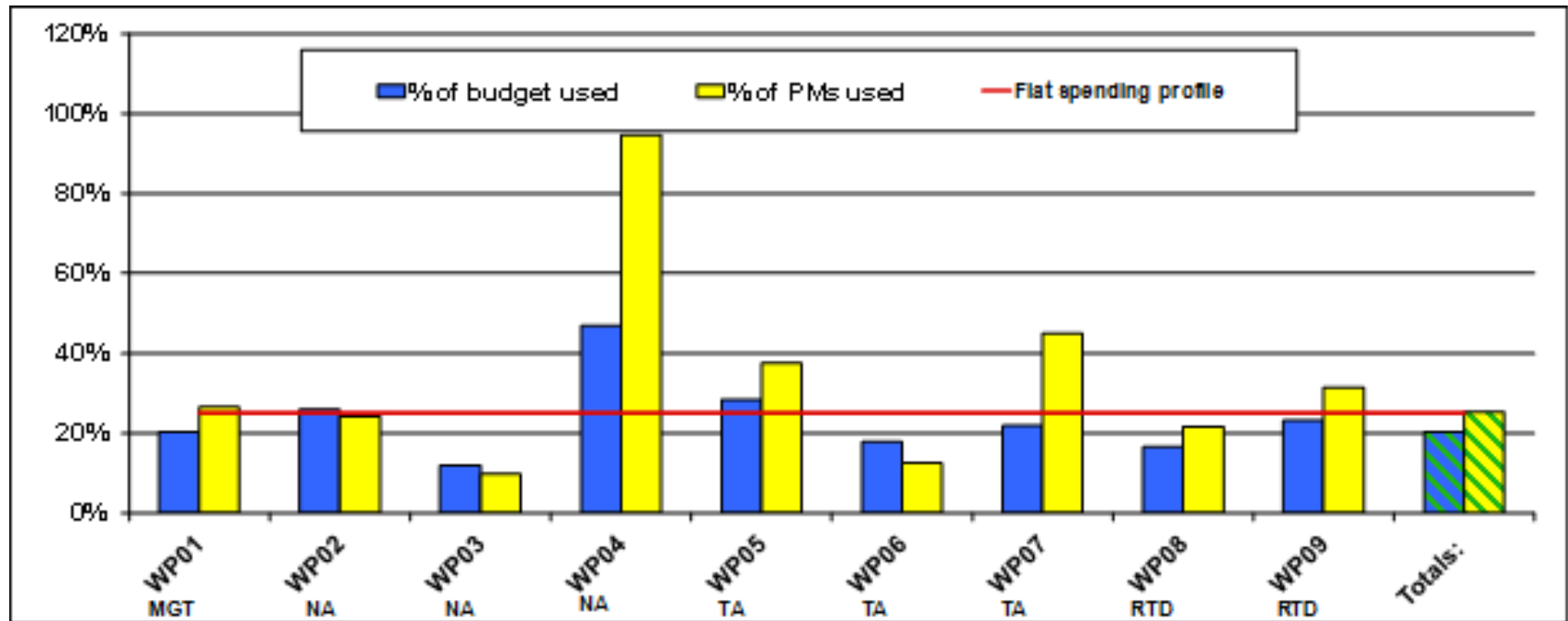
*S. Stavrev, CERN
Administrative Manager*

- Flow and payments of EC funding to the Consortium
- Use of resources in Y1 per Work Package
- Use of resources in Y1 per beneficiary
- Partners that have spent very little / no resources in Y1
- Distribution of EC pre-financing – 2nd installment:
proposal to the Governing Board

- Pre-financing = **60 %**, of which 5% withheld (for FP7 Guarantee Fund, to be reimbursed at the end)
- Effective pre-financing = **55%** of the 8 M€ of which 60% (**33%** of the total EC funding) was paid to each participant (pro-rata to project share) at the start and the other 40% should be distributed after the 1st Annual GB meeting
- Second EC payment: at M18 + 2 + 3 (reimbursement of costs for the first Reporting Period) ~ **30%** assuming uniform spending profile, (limited by 85% of the 8 M€)
- Third EC payment (limited by 85% of the 8 M€): at M36 + 2 + 3 ~ **0%**
- Final EC payment (**10% + 5%**) – after the Final Report is approved

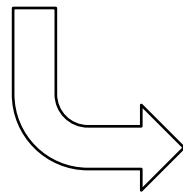
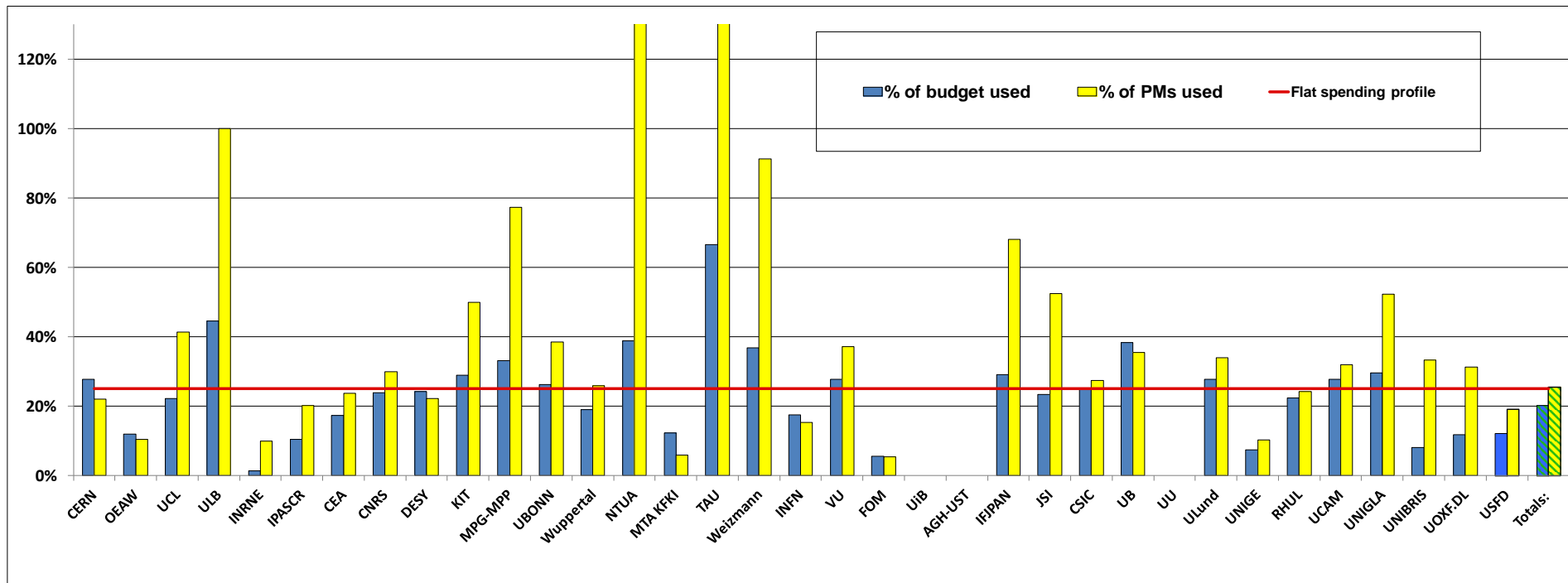


Normalized full costs (including matching funds and overheads)



- **WP3 (under-spending)**, where the first year was focused on the definition of the programme of work, and most activities will start as of Y2;
- **WP4 (over-spending)**, where more man-power than foreseen will be used;
- **WP7 (over-spending)**, where more local staff has been necessary.

Normalized full costs (including matching funds and overheads)



Due EC funding Y1 = full costs Y1 * funding rate



- The Y1 internal reporting exercise is based on **estimated full costs**, i.e. any costs covered either by the EC contribution or by the own / matching funds should be included. For example, travel and participation to WP meetings, man-power and salary costs of professors supervising AIDA students (even without time sheets), etc.
- All partners have already received **33%** of the EC funding, except for the partners with small contribution (< 50 k€ EC) that have received the full pre-financing, i.e. **55%**.
- Based on the full costs reported in the IRUS annual reports, the EC funding corresponding to the costs incurred in Y1 has been calculated = **full costs Y1 * funding rate**.
- A number of partners have used very little (or no) resources in Y1, hence the corresponding due EC funding is very low (or zero).



Example: OEAW

- Total budget 380 k€
 - EC contribution 103 k€; funding rate = 27%
 - Pre-financing already received = 33% = **34 k€**
 - Full costs incurred in Y1 = 46 k€ (12%)
 - EC contribution based on Y1 full costs = **12.5 k€**
 - “Effective funding ratio” = ratio of pre-financing received to the EC contribution based on Y1 full costs = **2.75**
- ⇒ Arguably in the next 6 months OEAW does not need additional EC funding.



Partners under-spending significantly in Y1

List of partners with effective funding ratio > 2

Beneficiary	Pre-financing received	EC funding due for Y1	Comments	Effect of postponed 2 nd pre-financing
OEAW	34.0 k€	12.4 k€	2 nd pre-financing can be withheld	Negative
INRNE	12.8 k€	1.0 k€	Full pre-financing already paid	-
IPASCR	23.4 k€	11.0 k€	2 nd pre-financing can be withheld	Negative
KFKI	7.8 k€	2.8 k€	Full pre-financing already paid	-
FOM	50.1 k€	8.3 k€	2 nd pre-financing can be withheld	No issues



Partners under-spending significantly in Y1

List of partners with effective funding ratio > 2

Beneficiary	Pre-financing received	EC funding due for Y1	Comments	Effect of postponed 2 nd pre-financing
UiB	21.4 k€	0 k€ (no costs reported)	2 nd pre-financing can be withheld	No issues
AGH	34.6 k€	0 k€ (no costs reported)	2 nd pre-financing can be withheld	No issues
UU	16.5 k€	0 k€ (no costs reported)	Full pre-financing already paid	-
UNIGE	123 k€	30 k€	2 nd pre-financing can be withheld	No issues

List of partners that have not submitted their financial summaries for Y1
(effective breach of the Consortium Agreement)

Beneficiary	Pre-financing received	EC funding due for Y1	Comments
STFC	132 k€	n.a. <u>(report not submitted)</u>	2 nd pre-financing can be withheld
UNILIV	15.4 k€	n.a. <u>(report not submitted)</u>	Full pre-financing already paid

Proposal to the Governing Board (subject to “electronic” voting)

- For FOM, UiB, AGH and UNIGE, to **withhold the payment of the 2nd EC pre-financing** until the submission of the M18 IRUS report.
Reason: very low (or zero) use of resources in Y1.
- For STFC, to **withhold the payment of the 2nd EC pre-financing** until the submission of the M18 IRUS report.
Reason: no financial summary report submitted in Y1.
- Following the submission of the M18 IRUS reports, the **Coordinator (CERN) to pay the due pre-financing to these partners in September / October unless they continue to seriously under-spend.**
- For all other partners, considering the overall progress of the project and the use of resources in Y1, **the Coordinator to proceed a.s.a.p. with the transfer of the 2nd EC pre-financing.**