



EUROPEAN  
COMMISSION

Community Research

# GEMS Year 1 review

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New

## Collective responsibility of the contractors

- Mechanism by which a contractor may be held **liable**, technically and/or financially, fully or partially, for the action of **another contractor**.
- Consequence of FP6 principle of « **autonomy of the consortium** » : if the money is granted to the consortium, which decides on its allocation, then consortium as a whole is held liable.





# Changes after contract signature

## ● Re-allocation of budget and tasks

- ➔ **Partners are free to re-distribute budget and activities between themselves, without any formal contract amendment or EC prior agreement.**
- ➔ **Justification is to be provided a posteriori in the periodic management report.**
- ➔ **However, if the EC find that the changes are not justified, the relevant costs will not be reimbursed.**

## ● Modification of the work

- ➔ **Substantial changes in the definition of the work must be approved by EC and needs contract amendment.**





# Reports to be submitted for each reporting periods

● Within 45 days of the end of **each reporting period**:

7.1

➔ a periodic activity report

11.7.2

➔ a periodic management report **on that period**

➔ a report on the distribution between contractors of the **Community financial contribution made during that period.**

➔ all technical deliverables (reports) **defined in Annex I issued (or modified) during the period.**

➔ **Proposed** work description for next 18 months.





# Reports submission

11.1

- Reports will be submitted to the EC Project Officer (see address in contract article 11.1) by **registered mail** with advice of delivery.
- The mail will include:
  - **One original** of all reports and audit certificates due according to articles 7 and II.7,
  - **a CD-ROM** containing a copy of these reports and all technical deliverables due according to annex I.

II.7.5

- The layout and content of the reports shall conform to the instructions and **guidance notes** established by the Commission.





# Financial reporting – Form C and the audit certificates

- An **audit certificate** shall be provided by **each contractor**:

7.2

- ➔ **at the end of the each period (covering each 12 month period)**
- ➔ **at the end of the project (covering the last period)**

11.7.3

- The audit certificate shall be produced by:
  - ➔ **an independent, qualified external auditor (can be the auditor of the company)**
  - ➔ **or, for public bodies, a competent public officer.**

11.26





# Audit certificate certifies:

That the cost reported are complying with the contract conditions such as:

- they are **actual** and answer to the contractor's economic environment;
- they are determined in accordance with the **usual accounting principles** of the contractor;
- they have been incurred **during the periods** covered by the Financial Statement(s);
- they are **recorded in the contractor's accounts** at the date of the establishment of this audit certificate
- they are **exclusive of any non-eligible** costs ;
- they are determined according to the **relevant cost reporting model** for which contractor is eligible (example FCF,AC etc);
- they fulfil the definition of **eligible costs**,
- note: verification by the European Commission Scientific Officer that the costs are necessary for the contractor (as this presupposes scientific/technical skills which auditors are not expected to have).

Order the auditor in time!





# 71 participants statistics

Missing audit cert	6
AC different to Form C	6
AC ok	16
Major deviation from template	7
Labour costs based on average, to be corrected at next stage	3
Cost category uncertified	5
Receipts > zero quoted (not foreseen in DoW or negotiation)	4
Copy or unstapled/unsigned parts of certificate	16
No receipt figure given	9
3rd party resources not indicated	20
Wrong contract number/name	2
Factual errors in choice of options in template	8
Period not specified/wrong	4





# Statistics of state of Form C (71 total) continued:

No receipt figure given	14
3rd party resources not indicated	21
EC contribution wrong	2
Other mistakes	21

i.e. 58 out of 71 not acceptable !



# Form C : Third Parties?

<b>1- Resources (Third party(ies))</b>			
Are there any resources made available on the basis of a prior agreement with third parties identified in Annex I of the contract? (Yes / No)			
If Yes, please provide the following information			
Third Party 1 (Y1)	Legal name		Cost model used
Third Party 2 (Y2)	Legal name		Cost model used
Third Party 3 (Y3)	Legal name		Cost model used
Third Party 4 (Y4)	Legal name		Cost model used
If necessary add another Form C			

- Example would be an Association as contractor, with members doing the work; or UMR in France



# Form C: Costs overall

	Type of Activity											
	Research and Technological Development / Innovation		Demonstration		Training		Management of the Consortium		Other Specific Activities		Total	
	(A)	(B)	(C)	(D)	(E)	(F) = (A)+(B)+(C)+(D)+(E)						
	Contractor	Third Party(ies)	Contractor	Third Party(ies)	Contractor	Third Party(ies)	Contractor	Third Party(ies)	Contractor	Third Party(ies)	Contractor	Third Party(ies)
Direct costs												
<i>Of which subcontracting</i>												
Indirect costs												
Adjustments to previous period(s)												
<b>Total costs</b>												



# Form C: EC contrib., Audit cert. detail

<b>5- Request of FP6 Financial Contribution (in €)</b>			
<i>For this period, the FP6 Community financial contribution resuested is equal to ( amount in €)</i>			
<b>6- Audit certificates</b>			
<i>According to the contract, does this Financial Statement need an audit certificate (or several in case of Third party(ies)) delivered by independent auditor(s)? (Yes / No)</i>			
<i>If Yes, does this(those) audit certificate(s) cover only this Financial Statement per Activity? (Yes / No)</i>			
<i>If No, what are the periods covered by this(those) audit certificate(s) ?</i>		From -to	
<i>What is the total cost of this(those) audit certificate(s) (in €) per independent auditor(s) ?</i>			

- Need some details on EC calculation
- Note detail of audit certificate for several periods



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AUDIT CERTIFICATE WORKING NOTES  
6<sup>TH</sup> FRAMEWORK PROGRAMME

WORKING NOTES FOR CONTRACTORS AND CERTIFYING  
ENTITIES

MATERIALS PREPARED BY  
INTERDEPARTMENTAL AUDIT CERTIFICATE WORKING GROUP

VERSION 1 APPROVED JUNE 2005



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## Project reporting in FP6

Guidance notes for Integrated Projects, Networks of Excellence,  
Specific Targeted Research or Innovation Projects, Coordination Actions,  
Specific Support Actions, Co-operative Research Projects and  
Collective Research Projects<sup>1</sup>

October 2004

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<sup>1</sup> Reporting guidance notes for other types of projects will be available separately



# The periodic activity report

II.7.2a

<b>1. Completeness of periodic activity reports</b>	
Publishable executive summary	
Overview of the activities and major achievements	
Description of progress toward the objectives (overview of the actions carried out in the reporting period, based on WP which were active or planned to be active during the period, including deviations from the project work programme, if any)	
List of deliverables ( <i>table 1 of the guidelines</i> )	
List of milestones ( <i>table 2 of the guidelines</i> )	
Overview of consortium management issues (status of the project, description of problems encountered, changes in responsibilities, changes to consortium) and project timetable ( <i>table 5 of the guidelines</i> )	
Updated plan for using and disseminating the knowledge (exploitable knowledge and its use, dissemination of knowledge and publishable results)	



# The periodic management report

II.7.2b

<b>2. Completeness of periodic management reports</b>	
Justification of the major costs incurred and resources deployed by each contractor, linking them to activities implemented & meetings held, explaining their necessity and justifying any major deviations from the initial plan	
Cost budget follow-up table <i>(table 3 of the guidelines)</i>	
Person-months status table <i>(table 4 of the guidelines)</i>	
Form C (financial statements) per activity for the contractual period (one per each contractor)	
Summary financial report consolidating the claimed costs of the contractors	





# Additional report sections

3. Other requested periodic reports	
Periodic report on the distribution of the EC contribution between contractors - signed <i>(appendix 12 of the guidelines)</i>	
Draft planning for the next 18 months (only for IPs and NoEs)	
Interim science and society reporting questionnaire (for all projects) <sup>2</sup>	
Interim reporting on the implementation of the gender action plan (only for IPs and NoEs) <sup>2</sup>	
Interim reporting questionnaire on workforce statistics (for all projects except IPs and NoEs) <sup>2</sup>	
Interim socio-economic reporting questionnaire (for all projects) <sup>2</sup>	
Supplementary reports, if any, as specified in the annexes to the contract	



# Reports to be submitted at the end of the project

● In addition to the previous reports, the following ones will be submitted within 45 days of the end of the project:

- a **final activity report** covering all the work, objectives, results and conclusions, and the final *plan for using and disseminating the knowledge*;
- a **final management report** covering the full duration of the project including:
  - ✗ a **summary financial report** consolidating the claimed costs of all the *contractors* in an aggregate form covering the entire duration of the *project*, based on the information provided in Form C by each *contractor*;
- 60 days after receipt of the final instalment of the Community financial contribution, a report on the **distribution between contractors** of the total Community financial contribution.

11.7.4

