The Implementation of FP7 Projects

Standard Operation Procedures

Version 1.0.

June 2013
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Standard Operation Procedures (SOPs) in the Application and Implementation of EU FP7-Grants (Version 1.0, in force 01.07.2013)

Objective

The objective of these Standard Operating Procedures is first, in a general part, to give an overview on the rules to be complied with when it comes to the eligibility of project costs under FP7- Grant Agreements (GA). Second, they aim at providing guidelines as to the OEAW’s internal procedures and control mechanisms (Specific Part). In order to enable the user to smoothly implement her EU-FP7 project the SOPs are accompanied by a Check list and FAQs.

Scope

Whereas these SOPs address primarily FP7 projects they may also serve as an orientation regarding the OEAW’s internal procedures and control mechanisms in the implementation of other third party funded projects. Version 1.0 will basically focus on time-recording and the eligibility of personnel costs. The SOPs will be up-dated regularly and, in the course of time subsequent versions will shed light on other relevant topics and extend to further European ("People” and “Ideas”) and national funding schemes. However, where appropriate, marginal notes are made on some particularities of Marie Curie Actions and ERC Grants.


1.1. LEGAL FRAMEWORK

The fact that an excellent project proposal is proposed for funding by the European Commission is just the beginning of a multi-faceted process. After concluding successful GA negotiations the real work, namely the implementation of the project starts. The project implementation has to comply with European prerequisites, both at the technical and, at the financial level. In order to make sure that all conditions are met the project leader has to be aware of the content and meaning of the legal framework guiding the implementation of her project. Knowing the rules is essential for ensuring that EU contributions are spent correctly.

These SOPs complement and partially summarize the binding rules of the Grant Agreement and the Guide on Financial Issues and by no means supplement the latter ones.

Standard model Grant Agreement
http://cordis.europa.eu/fp7/calls-grant-agreement_en.html#standard_ga

Reference to Financial Guide
1.2. FINANCIAL ASPECTS

The costs spent on the project are eligible only if the following criteria are met.

Article II.14.1 of the FP7 Grant Agreement describes “Eligible costs of the project”

Costs incurred for the implementation of the project shall meet (ALL) the following conditions in order to be considered eligible:

<table>
<thead>
<tr>
<th>Eligible costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACTUAL INCURRED DURATION of the project ACCOUNTING PRINCIPLES LINK to the project RECORDED in the accounts ANNEX I</td>
</tr>
<tr>
<td>a) They must be actual (no estimated or budgeted)</td>
</tr>
<tr>
<td>b) Incurred by the beneficiary (be careful about third party contributions!)</td>
</tr>
<tr>
<td>c) Incurred during the duration of the project</td>
</tr>
<tr>
<td>d) In accordance with the accounting principles of the beneficiary (when compatible with the other eligibility principles)</td>
</tr>
<tr>
<td>e) Incurred « for or in relation to the project » and in accordance with the principles of economy, efficiency and effectiveness</td>
</tr>
<tr>
<td>f) Recorded in the accounts of the beneficiary</td>
</tr>
<tr>
<td>g) Indicated in the estimated budget (Annex I of the Grant Agreement)</td>
</tr>
</tbody>
</table>

All costs must be spent in order to attain the objectives of the project. Therefore, the costs must be necessary for and linked to the project.

All expenses have to follow the principle of economy, efficiency and effectiveness as a standard of good housekeeping. This means that the costs shall be economic, non-excessive, not reckless, not include any profit (with one exception: subcontracting).
The following costs shall be considered as **non-eligible** and may not be charged to the project:

- Prohibition to make any profit!
- Prohibition of double funding: costs claimed for other EU funded projects are not eligible!
1.2.1. PERSONNEL COSTS

The calculation of personnel costs is based on TIME-RECORDS. Productive hours on the project and total productive hours have to be identified in order to calculate the hourly wage rate.

Reference to Financial Guide:

In order to be in compliance with the Financial Guide please make sure the

**TIME-RECORDING** addresses the following points:

- Time-recording on a daily basis*
- throughout the whole duration of the project
- Name and signature of the employee
- Project number
- Time-recording must be reliable and correct: all hours claimed must be verified in a reliable manner
- Time recording must be reconcilable with absences
- Time records have to be authorized by superior/project manager

The following direct costs may be considered eligible (this list is not exhaustive):

*(a) The cost of personnel assigned to the project*

- The personnel must be directly hired by the beneficiary in accordance with its national legislation.
- The personnel must work under the sole technical supervision and responsibility of the beneficiary.
- As there is no distinction between cost models, any beneficiary may include in its personnel costs "permanent employees", who have permanent working contracts with the beneficiary or "temporary employees", who have temporary working contracts with the beneficiary.
- Personnel costs should reflect the total remuneration: salaries plus social security charges (holiday pay, pension contribution, health insurance, etc.) and other statutory costs included in the remuneration.
- Personnel must be remunerated in accordance with the normal practices of the beneficiary.

Only the costs of the actual hours worked by the persons directly carrying out work under the project may be charged. Working time is the total number of hours, excluding holidays, personal time, sick leave, or other allowances.

*(a.1) Time recording system: general conditions*

Only the hours worked on the project can be charged. Working time to be charged must be recorded throughout the duration of the project by timesheets, adequately supported by evidence of their reality and reliability. In the absence of timesheets, the beneficiary must substantiate the cost claimed by reasonable means (alternative evidence) giving an equivalent level of assurance, to be assessed by the auditor. Employees have to record their time on a daily* basis using a paper or a computer-based system.

The time-records have to be authorised by the project manager or other superior.

Where it is the usual practice of the beneficiary to consider certain types of personnel (such as administrative or support personnel) as indirect costs, the costs of this personnel cannot be charged as direct eligible costs, but only as indirect costs.

* The OEAW internal rules demand that time recording is made on a daily basis.
1.2.1.1. Timesheets

**TIMESHEETS** to record working hours must meet at least the **basic requirements** indicated below:

- full name of beneficiary as indicated in the ECGA;
- full name and signature of the employee directly contributing to RTD project;
- title of RTD project as indicated in the ECGA;
- project account number must be indicated;
- periodicity of filling in (for instance on daily*, weekly, monthly basis) according to the beneficiary's normal practice;
- amount of hours claimed on the RTD project. All hours claimed must be able to be verified in a reliable manner;
- full name and a signature of a supervisor (person in charge of the project).
- the timesheets must be reconcilable with the absences for holidays, illness, travels or others.

It is also highly advisable that the time recording system meets the following additional criteria:

- the time records disclose the hours worked on a daily basis;
- a reference to the tasks or **WP** included in the Description of Work, allowing an easy reconciliation of the work done with the work assigned;
- a reference to the type of **activity** (RTD, management, other…) to which the work has been attributed;
- a description of the actions carried out by the staff, allowing to understand the work done and substantiate it, in particular in the case of a technical audit.

* The OEAW internal rules demand that time recording is made on a daily basis.

In cases where personnel work on several projects during the same period the time recording system must enable **complete reconciliation of total hours per person, listing all activities** (EU projects, internally funded research, administration, absences etc.).

It is important to remember that an effective time-recording system (a system which certifies the reality of the hours worked) is a requisite for the eligibility of the costs. A contract, as a document signed before the work is actually performed, would not be sufficient. It is worth mentioning that the above elements are the basic ones, thus there are no obstacles to running the timesheets in a more detailed way.
1.2.1.2. Ineligible personnel costs

**NOT ELIGIBLE**

Please bear in mind that NO BONUS solely for EU projects is permissible!

Only personnel classified as “researcher” or “scientist” is ELIGIBLE

Administrative staff and technicians are NOT ELIGIBLE

NO self-employed (Freie Dienstnehmer), NO service contract (Werkvertrag)

As a matter of fact ESTIMATED COSTS resulting from subjective cost-drivers **can not be considered** actual costs

- *I think that…*  =
- *It should be around…*  =
- *My experience tells me that…*  =

= Subjective -> Non-Actual -> **Not eligible**

To be objective, the cost-driver must be based on measurable (and measured) facts!

**Example:**

Working hours of academics are a measurable fact, however, without a reliable time-recording system and thus “not measured” the cost driver will not be objective as it would be based on estimations.
1.2.1.3. Common ERRORS related to personnel costs

(1) TS signed globally at the end of the year or even at the end of the reporting period.
(2) TS authorized by the project leader before signature by the researcher.
(3) TS not signed by the researcher.
(4) (Project leader's) TS not authorised by her superior.
(5)* TS antedated (date of signature is earlier than the date of printing)
(6) TS filled in and printed before the end of the month, but they contain the full information for all the days of the month.
(7)* TS signed by the researcher and/or the project leader when she/he was absent.
(8) Productive hours not in line with TS.
(9) Charged hours not in line with absences tables (Le Salaire).
(10) Sometimes the “Forschungsvorhaben” has been indicated on the TS as “Absence” which reduces the “working hours” and, as a consequence, increases the “hourly rates”.
(11)* Was travelling for other purposes not related to the project/not charged to the project.
(12) Charged hours when she was on unpaid “Forschungsvorhaben”.
(13) Personnel assigned simultaneously to RES0000 and to EUP-Project.
(14) Salary is paid out of resources remaining from other research contracts (RES0000)
(15) General data incomplete (name, month, project title, EUP-No, contract no.,…)
(16) Wrong calculation of productive hours (break, holiday, compensation time, illness etc)
(17) Inconsistencies (date in footer, automatic date, name of the signatory)
(18) People not directly employed or paid by the beneficiary (FDV, WV)
(19) Unpaid overtime charged.

*These errors may be considered as irregularities.
1.2.2. EMPLOYMENT CONTRACT

SPECIFIC CRITERIA

The GA may constitute specific criteria regarding employment contracts!
This applies to a) Marie Curie Actions and b) ERC.

a) Marie Curie Actions:

Specific rules apply to

Initial Training Network: multi-beneficiary (Annex III Article III.4)

Intra-European Fellowship (Annex III Article III.3)

Reintegration Grant (Annex III Article III.3)

International Incoming Fellowship (Annex III Article III.3)

International Incoming Fellowship return phase

International Outgoing Fellowship

b) ERC


Please mind the Supplementary Agreement between the OEAW and the Principle Investigator.
1.2.3. OTHER DIRECT COSTS

The eligibility criteria of the Financial Guide Article II. 14 apply with regard to all costs including travels, purchases attributable to the project, consumables etc.

EQUIPMENT

As to equipment only the depreciation (during the duration of the project) can be reimbursed as of the moment of bringing it into service. Original costs > € 400 (net price)/service life (in months).

The depreciation period for
- computer hardware and software: 36 months
- other scientific equipment: 60 months

SUB-CONTRACTING


- no core elements of the contract may be sub-contracted
- RTD may not be sub-contracted
- must be included in Annex I
- Profit allowed
- No overhead
- Best price – quality ratio
- Minor sub-contracting (e.g. catering etc)

1.2.4. INDIRECT COSTS


An overhead rate (which is adjusted every year) per Institute plus overhead of the Central Administration is applied. The actual overhead rate of your institute is made available upon request by FIB.

FLAT RATES apply to
- ERC (up to 20%),
- Coordination and Support Actions (up to 7%)
2. Specific Part

Procedure

The SOPs describe the interaction of the research institutes with the central administration and lay down procedures to be followed when implementing EU projects and responsibilities within the Austrian Academy of Sciences.

FIB is to be understood as a **ONE-STOP-SHOP**. Contacting FIB will ensure you to be provided with all services relating to the administration of third party funding. This will make communication easier, result in quicker solutions and optimise administrative tasks.

EU-Project implementation in the OEAW

FIB-CITS: **CONSULTING INFORMATION TRAINING SUPPORT**
2.1. TIME-RECORDING


FAQs: [http://www.oeaw.ac.at/fileadmin/service/forschungsservice/intern/cits/FAQsTimeRecording.pdf](http://www.oeaw.ac.at/fileadmin/service/forschungsservice/intern/cits/FAQsTimeRecording.pdf)

Internal procedure and control:

- Timesheets have to be saved as TS_Name_04_2013.pdf
- FIB reminds of submission between 10th - 13th of each month referring to checklist
- Timesheet-submission (original print and scan) to FIB until the 15th of the subsequent month

Exceptions (field studies, research leave, trips) have to be announced to FIB in advance indicating the expected date of timesheet submission


Formal plausibility random checks (no constant consistency checks) of timesheets as to documentation of total hours (incl. other projects), reference to tasks/WP and type of activity (RTD, management, …), sum of total hours and productive hours, compliance with absence table;

- Identified mistakes have to be corrected instantly!
Should the corrected timesheet still not be in compliance there will be a quarterly warning to the Director (cc to DFA/HR) who has to inform the employees concerned indicating the consequences:

*no correct and reliable timesheet* means *no eligible personnel costs* which causes damage to OEAW and will enhance negative implications.

**AVOIDING MISTAKES PREVENTS THE ACADEMY AND ALL PERSONS INVOLVED IN EU-PROJECTS FROM UNWANTED LEGAL CONSEQUENCES!**
2.2. CONSULTING and INFORMATION

FIB is a ONE-STOP-SHOP for researchers and project managers involved in the implementation of third party funded projects.

**FIB-Services** include

- Advice in legal and financial matters
- Project management support
- Setting-up tailor-made project portfolios
- Services for incoming fellows (establishment, carrier & family)
- Dissemination of information/events/workshops as to
  - Horizon 2020: What's New?
  - Funding schemes and requirements
  - Initial Training for project leaders: SOP
- Counselling in the application for, negotiation and implementation of grants
  - Guidance notes
  - Project planning and calculation of costs
  - Feedback to the grant proposal
  - Grant Agreement, Partnership and Consortium Agreement
  - Initial Training
  - Guidelines regarding the grant implementation (SOP, Checklists)
  - Financial Statements
  - (SLC-) Audits
- Lobbying your field of research on the European, international and domestic level
- Collection of LINKS informing about research programs, open calls, news and events
Research Programs:

EU-FP7

http://cordis.europa.eu/fp7/what_en.html#funding
http://ec.europa.eu/research/participants/portal/page/call_FP7#wlp_call_FP7

EU-Marie Curie

http://ec.europa.eu/research/mariecurieactions/index_en.htm
http://ec.europa.eu/research/participants/portal/page/funding

ERC (Frontier Research)

http://ec.europa.eu/research/fp7/index_en.cfm?page=ideas
http://ec.europa.eu/research/participants/portal/page/funding

Participant Portal

http://ec.europa.eu/research/participants/portal/page/funding

FWF

http://www.fwf.ac.at/de/projects/ausschreibungsuebersicht.html
News  http://www.fwf.ac.at/de/aktuelles.asp

FFG

http://www.ffg.at/ausschreibungen
http://rp7.ffg.at/ausschreibungen

WWTF

http://www.wwtf.at/programmes/

ÖNB

http://www.oenb.at/

WIFO

http://www.wifo.ac.at/
OEAD
http://www.oead.at/oead_infos_services/information_beratung/forschende/
http://www.oead.at/willkommen_in_oesterreich/stipendien_foerderungen/

UNESCO
Recent developments on the EU Research & Innovation
http://ec.europa.eu/research/index.cfm
Horizon 2020

OPEN CALLS
http://www.cost.eu/participate/open_call
http://ec.europa.eu/research/participants/portal/page/call_FP7#wlp_call_FP7

NEWS AND EVENTS
Academy http://rp7.ffg.at/ffg_eip_akademie
Events http://rp7.ffg.at/veranstaltungen
News http://www.ffg.at/news
FIB as a **ONE-STOP-SHOP** supports as to

- **Tips for a successful grant application:**
  
  *budget break down*
  
  http://www.oeaw.ac.at/fileadmin/service/forschungsservice/intern/eu/EU_Info_Budgetkalkulation_und_Finanzplanung__EU_Projekt.pdf
  
  content, structure of an application, funding conditions, timeframe

- Development of individual **project portfolios** for institutes and researchers

- **Preparation and negotiation of Grant Agreements:** FIB carries out **formal check** of the documents → clearance → refers the documents to the legal representative for signature

- **Advises on legal issues** Consortium Agreements, Partnership Agreements and Supplementary Agreements

  Grant Agreement
  
  http://cordis.europa.eu/fp7/calls-grant-agreement_en.html

  Consortium Agreement
  
  http://www.desca-fp7.eu/

  Non-disclosure agreement
  
  http://www.iprhelpdesk.eu/node/971

  Ethical issues
  

  Partnership Agreement (Marie Curie)
  

- **Financial issues:**
  - FIB initiates the EUP account: signed GA is a prerequisite
  - FIB identifies eligible costs (personnel, travel, purchase, equipment, sub-contracting, third party, overhead)

- **Personnel** related questions: EMPLOYMENT + TIME-RECORDING
2.4. TRAINING

FIB provides training and disseminates information about training opportunities elsewhere

Initial training for all project leaders compulsory

Information on the up-dated SOPs

Individual Training

Introduction to Horizon 2020

Info about FFG seminars:
   See http://rp7.ffg.at/veranstaltungen

Information about FFG trainings:
   See http://rp7.ffg.at/ffg_eip_akademie_trainings_7rp

Recommendation to implement seminars on Project Management, Grant Writing etc. according to the “OEAW’s Further Training” catalogue (offered internally or by external providers).

**Initial trainings** for project leaders and project managers will be held by FIB twice a year and on demand. They aim at making sure that all project leaders and project managers are informed about the actual external and internal rules governing the implementation of EU-projects. In order to get their project successfully started and completed they will be requested to disseminate the information about the SOPs to all (future) team members.

FIB keeps a tracking list on attended trainings (training in Version 1.0 at FIB)

FIB keeps a document history: Up-dating of SOP (Version 2.0, in force …)
2.5. EMPLOYMENT

What kind of personnel is (co-)financed by the EU? (see above 1.2.1.)

- Personnel classified as “researcher” or “scientist” only
- No administrative staff, no technicians!
- No self-employed (Freie Dienstnehmer), no service contract (Werkvertrag)

Real costs incurred during the project need to be foreseen in Annex I

**Calculation of personnel costs**

gross-monthly income (including all taxes)

- MINUS severance pay
- MINUS extra pay
- MINUS one-time payment for birth, marriage …

As an orientation please see:
http://www.oeaw.ac.at/fileadmin/service/personal/intern/kostenrechner/index.html

For the calculation of salaries
See: http://www.oeaw.ac.at/fileadmin/service/forschungsservice/intern/cits/Gehaltstabelle_01042013.pdf

For the remuneration funded by Marie Curie Actions:

See Financial Guide for Marie Curie Actions (allowances)

You want to employ personnel for the realization of the project?

- Application for employment/ NEUANSTELLUNG

  See: http://www.oeaw.ac.at/fileadmin/service/personal/intern/formulare/Anstellungsunterlagen.pdf

- Sample Contract:

- MARIE CURIE: FIB checks the compliance with Annex III (See SOP 1.2.2)
- Announcement of starting date to EC via FIB.
- Declaration of conformity via FIB.

- Absences:

The employer has to be informed immediately about any absence. Please inform your institute which reports the absence to HR. After returning please do not forget to fill in the absence form and send it to: abwesenheiten@oeaw.ac.at

- Infrastructure:

In order to realize your project you may need additional offices, labs etc

For questions regarding room planning please consult bauref@oeaw.ac.at and see: http://www.oeaw.ac.at/bauref/intern/fm_programm/index.html
2.6. FUNDING

Please always make sure to consult forschungsservice@oeaw.ac.at while planning a project proposal!

You have to fill in the project application form? Here you may find data on the OEAW: http://www.oeaw.ac.at/fileadmin/service/forschungsservice/intern/cits/Host_Institution_Data.pdf

![Attention]

- no retroactive booking
- no double funding
- no profit

- don’t forget to mention all receipts

All grant applications – irrespective of the source of funding – have to be reported to forschungsservice@oeaw.ac.at upon application at the latest providing the following information (Grant Application form http://www.oeaw.ac.at/deutsch/service/eu-angelegenheiten/funding.html).
2.7. TRAVEL

Mission order
http://www.oeaw.ac.at/fileadmin/service/forschungsservice/intern/cits/TRAVEL_ORDER.pdf

Travel directives/Reiserichtlinien
http://www.oeaw.ac.at/deutsch/service/verwaltung/rechnungswesen/intern/richtlinien/dienstreisen.html

http://www.oeaw.ac.at/deutsch/service/verwaltung/rechnungswesen/intern/richtlinien/bonusmeilen.html

Make sure the **sole** purpose of the travel is achieving the objectives of the project and its expected results.

Make sure that all your travel documentation (conference programme, agenda, minutes of meetings, participant list, presentations, poster, ….) is collected and preserved.
2.8. PURCHASE


2.9. EQUIPMENT

Only the depreciation for equipment over € 400,- is reimbursed.

Depreciation period: computing hardware and software: 36 months
all other scientific equipment it is 60 months.

DEPRECIATION:

https://www.bmf.gv.at/steuern/selbststaendige-unternehmer/betriebsausgaben/betriebsausgaben.html
2.10. SUB-CONTRACTING


- no core elements of the contract may be sub-contracted
- RTD may not be sub-contracted
- must be included in Annex I
- profit is allowed
- no overhead
- best price – quality ratio
- minor sub-contracting (e.g. catering etc)

Minor sub-contracting must not necessarily be mentioned in Annex I.

2.11. THIRD PARTY


Please make sure to contact forschungsservice@oeaw.ac.at before considering the involvement of third parties.

- Making available resources to the beneficiary (joint labs, common infrastructures)
- Carrying out part of the work -> Special clause 10

⇒ Must be foreseen in Annex I
**2.12. RESPONSIBILITIES OF THE INSTITUTE**

**Director of the Institute:**

appoints the project leader explicitly or implicitly, issues purchase order, travel order, procurement, investments, delegation of authority

**PROJECT LEADER or deputy:**

responsible for the technical project implementation

**PROJECT MANAGER:**

know-how about financial rules and responsible for their correct application

**TEAM MEMBER:**

INITIAL TRAINING

**TEAM MEMBER:**

CORRECT TIME RECORDING

**TEAM MEMBER:**

TRAVEL documentation

**Director of the Institute:**

appoints the project leader explicitly or implicitly, issues purchase order, travel order, procurement, investments, delegation of authority

**Project leader or deleguee/deputy:**

Project start: Introductory training is obligatory – attendance certificate incl. duty to disseminate info to all (future) project staff

FIB keeps a tracking list!

The Project Leader acts as contact person, has the responsibility for the implementation of the GA; principle of economy, effectiveness and transparency. Make sure that sufficient financial means exist in order to implement the project incl. potential follow-up costs

Must keep a reliable and correct time recording
**Project Member:**

Project staff has to sign that initial training took place - certificate „Read, understood and signed AND RETURN to FIB“ by each project member

→ tracking list at FIB!

Project members have to maintain a reliable and correct time recording.

**Project Manager:**

She/he needs to

know how to apply the financial rules for FP7 projects

how to bring these EU rules in line with the national taxation and internal accounting principles;

know about the (in-)eligibility of costs,

prepare cost statements;

control the reliability and correctness of time-recording

master the calculation of personnel costs;

master the allocation of travel costs (incl. collection of travel documentation), equipment, other direct costs; indirect costs; subcontracting and third parties;

allocation of costs to activity (RTD, CSA, Mgt, Demo)