List of Q&As

1. **Q:** slide 30: is it the coordinator’s responsibility to recover amounts from beneficiaries of the consortium? If yes, in case of difficulties with a beneficiary, can the coordinator have support from the JU?
   
   **R:** Any amount overdue should be recovered by the coordinator. The JU could provide support to the coordinator to recover these funds. But important to remember, the responsibility remains with the coordinator.

2. **Q:** slide 34/35: if the 430k€ threshold is met before the end of the project, do we have to provide a CFS as soon as the threshold is reached, or only for final report?
   
   **R:** No, the CFS is only required at the end of the project (final reporting period).

3. **Q:** Does the 430k CFS threshold include indirect costs?
   
   **R:** 430k€ refers to the total claimed JU contribution.

4. **Q:** slide 42: do affiliates concern 3rd party to a beneficiary?
   
   **R:** Affiliated entities (former ‘linked third parties” under H2020) are entities with a legal link to the beneficiaries which implement parts of the action and are allowed to charge costs directly to the grant. They do not become party to the Grant Agreement (do not sign the GA) but they are part of the consortium and often play an important role. They are therefore de facto treated like beneficiaries (have their own financial statement, must provide their own CFS, must contribute to the technical report, must submit deliverables, etc).

5. **Q:** Must the final certification consider the entire project period or only the final reporting period?
   
   **R:** The CFS should cover the full duration of the project.

6. **Q:** Does the 430 k€ threshold for the CFS certificate apply to the joint funding of a beneficiary plus its affiliates or does it apply at the entity level?
   
   **R:** Individually. Both beneficiary and affiliate must provide a CFS if the threshold is reached.

7. **Q:** For each payment, we (our tax advisor) need proof or payment. Is it expected that we will receive such a document?
   
   **R:** Once the JU will have assessed Reporting Period 1, you will be notified via the portal about the amount validated. The JU will pay directly to the coordinator the total amount validated at project level (not beneficiary level). The amount related to your costs will be paid to you by the coordinator. Therefore, you should liaise with the coordinator to get such a proof of payment.
8. Q: In Germany, we need a funding commitment or proof of payment for each payment. Is it expected that we will receive such a document? When? Our tax advisor needs such a document.

R: All payments of the JU are made directly to the coordinator at project level (not beneficiary level). After that, the coordinator should redistribute the individual payments to each beneficiary without delay. Therefore, if needed, such a document should be requested directly to the project coordinator.

9. Q: In Clean Aviation, do all total EU contribution costs need to be explained in the Use of Resources via a spreadsheet sent to the co-ordinator as in CS2?

R: Yes, the declared costs need to be explained in the detailed Use of Resources excel file (in addition to the information reported via the UoR of the SyGMA portal).

10. Q: Regarding the deviations we have to indicate in the technical report, is there a particular form to use, in order to declare them?

R: Besides the information provided in the technical core report, deviations must be explained in the detailed Use of Resources (UoR) – template excel sheet will be provided.

11. Q: With reference to the eligible Internally invoiced claimed costs - do not these attract the 25% indirect costs?

R: In Horizon Europe, you will be able to declare the actual indirect costs instead of the flat rate of 25%. For details, please refer to the HE annotated grant agreement. 


12. Q: Can we apply the 25% flat rate of indirect costs for the subcontracting costs? In the past, it was just for other costs.

R: No, subcontracting costs have no indirect costs.

13. Q: Are time recording systems generally tracking hours?

R: Yes, indeed. And it should be signed at least every month by the hierarchy.

14. Q: how to convert the time worked in hours into day equivalents? Simply dividing the hours by 8?

R: Please refer to the presentation slides on personnel costs.

15. Q: Question about D.2 other cost categories: ‘internally invoiced goods’ means if we use some materials of our stock? Then no flat rate (25%) applies

R: This budget category covers the costs for goods and services that the beneficiary itself produced or provided for the action. They may include (non-exhaustive list):
• self-produced consumables (e.g. electronic wafers, chemicals)
• use of specific devices or facilities needed for the action (e.g. clean room, wind tunnel, supercomputer facilities, electronic microscope, animal house, greenhouse, aquarium)
• standardised testing or research and development processes (e.g. genomic test, mass spectrometry analysis)
• hosting services for visiting project team members participating in the action (e.g. housing, canteen).

For details, please refer to the [Annotated Grant Agreement](#).

16. Q: Can we also use hourly rate (not daily rate) multiplied by the number of hours?

R: No, it is always a daily rate multiplied by the number of days worked on the project.

17. Q: What rounding criteria should be used?

R: Rounded to the nearest half-day equivalent.

18. Q: Do we have to use the actual salary of every employee, or can we also charge daily rate per department?

R: It depends whether your usual accounting system is using unit costs or not. In that case, it could be per department, then it will be an average or the sum of real salaries.

19. Q:

1. The last version (01/04/2023) of the Annotated Grant Agreement contains a clause (footnote number 6) stating that it is possible to use the calculation of personnel costs separately per financial year. Does this apply to Clean Aviation JU?

R.: The calculation may be done separately for each calendar year within the reporting period if this is consistently applied. In that case, the ‘number of months within the reporting period’ referred to in the formulas is to be understood as the number of months of the respective calendar year that are within the reporting period.

2. The daily rate should be based on the full remuneration of the year divided by 215 - Individual remuneration?

R.: Please refer to the presentation slides on Personnel Costs.

3. For the 1st reporting period (ending 30/6), shall we use as a equivalent 215/2 days for the calculation?

R: 215/12*6 months. This is the maximum (full time basis). Please refer to the examples provided in the slides.

4. How to calculate the daily rate for a calendar year that is not yet finished?

R: You have to calculate a daily rate per person for the reporting period. For calculating a daily rate for any possible situation (irrespective of full-time, part-time, partial hire etc.), you have to use the following formula:
(actual personnel costs during the months within the reporting period) divided by (maximum declarable day-equivalents)

The actual personnel costs for the person are those eligible costs recorded in accordance with your usual cost accounting practice in your (statutory) accounts until the end of the reporting period for which you are calculating the daily rate.

Example: For a reporting period running from 01/01/2022 until 31/03/2023, to calculate the daily rate (which you will apply to days worked in the action from 01/01/2022 until 31/03/2023) you will take into account the total personnel costs of the person recorded in your statutory accounts for the 12 months in 2022 and the 3 months in 2023 (January, February and March).

Please refer as well to the presentation slides on Personnel Costs.

20. Q:
1. If the time recording system is based on hours (per week), can we convert it to "worked days"? (hours/7.5)
2. What if we have a standard of 8h/day in the project management tool? can we use it?

R: yes, if you record the time worked in hours rather than in days, for example, because that is your usual management practice, you must convert the total hours worked into day-equivalents to calculate the personnel costs for the grant (i.e. number of days x daily rate).

You must do this conversion each time that you calculate a daily rate. To make this conversion, and so to calculate the number of day-equivalents, you simply have to divide the number of hours worked by the person on the action during the reporting period by the number of hours of a day-equivalent. The resulting figure must be rounded up or down to the nearest half-day (for example: 17,79 = 18 days; 17,64 = 17,5 days). The number of hours of a day equivalent is one of the following:

1. The average number of hours that the person must work per working day according to the contract. For example, if the contract says that the person must work 37,5 hours per week distributed in 5 working days, a day equivalent for the person is 7,5 hours (37,5 / 5). You cannot use this option if the contract does not allow you to determine the average number of hours that the person must work per working day.

2. If you have a usual cost accounting practice determining the standard number of annual productive hours of a full-time employee, you may determine the value of a day-equivalent as follows:
   
   {The higher between the standard number of annual productive hours of a full-time employee according to your usual practice and 90 % of the standard annual workable hours of a full-time employee divided by 215}

   The option chosen must be applied consistently; using the same option at least per group of personnel employed under similar conditions (e.g. same type of contract, same cost centre).

3. A conversion based on a fixed number of hours (e.g. for beneficiaries with no reference in their contracts nor standard annual productive hours): 1 day-equivalent = 8 hours

If you keep both sets of documents (time sheets and monthly declarations), they must be consistent. In case of discrepancies, only the set of documents recording the lower number of days will be accepted.
21. Q: Why is the signature of the time sheets needed if electronic time records are available?

R: If the time recording system is computer-based, the signatures may be electronic (i.e. linking the electronic identity data, e.g. a password and user name, to the electronic validation data), with a documented and secure process for managing user rights and an auditable log of all electronic transactions.

22. Q: Do we have to use the actual salary of every employee or can we also charge daily rate per department?

R: If the beneficiary uses average personnel costs (unit cost according to usual cost accounting practices), the personnel costs must fulfil the general eligibility conditions for such unit costs and the daily rate must be calculated:

- using the actual personnel costs recorded in the beneficiary’s accounts and excluding any costs which are ineligible or already included in other budget categories; the actual personnel costs may be adjusted on the basis of budgeted or estimated elements if they are relevant for calculating the personnel costs, reasonable and correspond to objective and verifiable information

and

- according to usual cost accounting practices which are applied in a consistent manner, based on objective criteria, regardless of the source of funding. This does not mean that cost accounting practices must be the same for all your employees, departments or cost centres. If, for example, your usual cost accounting practices include different calculation methods for permanent personnel and temporary personnel, this is acceptable. However, you cannot use different methods for specific actions, projects or persons on an ad-hoc basis.

23. Q: The daily rate is only one per company or one per company and employee category?

R: The daily rate, if actual costs are used, is per employee. If average costs are used— see previous question/reply.

24. Q: In H2020, we calculated just one rate for the year (all projects). Now we have to calculate different rates per period (for each project? maybe several times per year). When a reporting period covers two different years, must two daily rates for the two years be calculated and applied?

R: Yes, the daily rate should be calculated per period based on a calendar year approach. If the reporting period is across two years, you will have to calculate two different rates. Please bear in mind that while calculating several daily rates, you cannot declare more than the total actual personnel costs incurred during the year.

25. Q: Is it mandatory to have the Time records in days? Could we have it in hours, although we change to daily rate for the official reports?

R: It could be in hours to be converted into day equivalents. See previous question/reply.
26. Q: What if a person works 10 hours a day on the action even if the contracts say 8 hours?

R: You need first to determine the day equivalents according to the 3 methods mentioned in the Annotated Grant agreement (see question above). Then, the actual number of hours worked will be converted into day equivalents according to the method you selected. In any case, you cannot declare more than 215 days equivalent per year (full-time based).

27. Q: Is 1720 hours checked on calendar year basis?

R: 1720 hours represent 215 days per year * 8 hours a day. This corresponds to one of the possible options to determine the number of day equivalents.

28. Q: 1) How to calculate the daily rate for a calendar year that is not yet finished?
   2) Thus the limit is not the 215 per year at the end of the year? If there is a reporting in between the limit can be 6 months (215/2)?
   3) In the case of partially worked months, how can we calculate the pro-rata?

R: \[\text{\(((215 / 12) \times \text{number of months [during which the person is employed] within the reporting period}) \times \text{working time factor [e.g. 1 for full-time, 0.5 for 50% part-time etc.]}}\]

Example: Part-time case: The person is a 50% part-time permanent employee hired in 2020 (full year). The maximum number of day-equivalents to be used in the daily rate formula would be: \[\text{\(((215 / 12) \times 6) \times 0.5 \text{ (for 50% part-time)} = 54}\]

29. Q: We are hiring a PhD to perform some of the work on a work package. Is the educational cost for the PhD eligible cost? E.g. hours spent on courses related to the PhD

R: Cost for exemptions from academic fees (HE) — The fees (or the fee exemption) are eligible as personnel cost, if the student’s contract includes the amount of waived fees as part of their remuneration. The other conditions set out in Article 6 have to be fulfilled as well (e.g. the full remuneration, included the value of the waived fees, must be recorded in the university’s accounts).

However:

Costs for students, PhDs and other researchers under scholarship, internship or similar agreements (not employees) (HE) — Costs of students that work for the beneficiary can be accepted, if the agreement is work-oriented (not training-oriented: i.e. not aimed at helping the student to acquire professional skills).

PhD agreements are considered work-oriented. However, time for training, if any, may NOT be charged to the action.

30. Q: An adjustment for RP1 will be necessary once the full year personnel data are available - so including Christmas pay for example

R: No adjustment in that case. You need to consider the real costs incurred or booked during the reporting period.
31. Q: Our company works on a 7.5 hrs shift per work contract, so 1720 hrs (215 days) is not achievable, should we still use 215 days to calculate daily rate?

R: To calculate the daily rate, you need to use the 215 days as denominator (on full year and full-time basis). If you have a usual cost accounting practice determining the standard number of annual productive hours of a full-time employee, you may determine the value of a day-equivalent as follows:

{The higher between the standard number of annual productive hours of a full-time employee according to your usual practice and 90 % of the standard annual workable hours of a full-time employee divided by 215}.

The option chosen must be applied consistently; using the same option at least per group of personnel employed under similar conditions (e.g. same type of contract, same cost-centre).

32. Q: If timesheets are used, is it possible to report partial days? for example 0.5 if the person worked 4 hours in one day?

R: yes, partial days can be reported following the conversion rule chosen for the day equivalent. The resulting figure must be rounded up or down to the nearest half-day (for example 17,79 = 18 days; 17,64 = 17,5 days).

33. Q: Calculating actual personnel costs for an individual person creates a data-privacy problem because only HR department is supposed to know the salary of the individual person. We used to calculate on cost centre basis. How can we solve that problem?

R: If your usual accounting practices are to calculate average personnel costs per department/cost centre, the average of actual costs could be used to determine the daily rate provided that:

- The daily rate is calculated using the actual personnel costs recorded in your accounts, excluding any ineligible cost or costs already included in other budget categories (no double funding of the same costs);
- You apply your cost accounting practices in a consistent manner, based on objective criteria that must be verifiable if there is a check, review, audit or investigation. You must do this no matter who is funding the action.

34. Q: If one person working on several tasks will overrun the limit of 1720 hours, how to make the reduction in the claim?

R: The maximum is 215 days/equivalent to 8 hours maximum per day.

35. Q:

1) If a person leaves the company before the year is closed, should we make the calculation of the pro rata for this person to calculate the daily rate? E.g. 215/12*9 if he leaves in September 2022

2) How can we calculate the number of days equivalent for a certain period of contract, e.g. from 23/01/2023 to 30/6/2023 (first month not complete)?

R: Yes. On a pro rata basis of the months/weeks worked during the reporting period.
36. Q:
1) In gross salary considered for the H2020 program, there were Italian taxes that could not be considered eligible. Is this the same for Horizon Europe?
R: You will find below the list of country specific issues in EU grants under Horizon Europe. https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/aga_list-country-specific-issues_en.pdf

2) Daily rate: our personnel involved in the projects has not a contract. But we have always used the conventional way of 1720 hours to calculate hourly rate. Which way do we have to choose to calculate daily rate?
R: It seems that the best option would be to use either:
   - A conversion based on the usual standard annual productive hours of the beneficiary (according to usual cost accounting practice), if it is at least 90% of the workable time (i.e. continuity with H2020)
   - A conversion based on a fixed number of hours (e.g. for beneficiaries with no reference in their contracts nor standard annual productive hours): 1 day-equivalent = 8 hours

37. Q: In UK we are reporting finances via UKRI Innovate UK - do we use the personnel costs methodology you have presented or do we revert to standard UKRI Innovate UK methodology?
R: The personnel cost calculation presented here is the one for beneficiaries currently funded by the EC. You should apply for the UKRI conditions.

38. Q: Can we use for every month an actual average personnel cost per department to charge to daily rate? e. g. 200.000 (salaries of department X in April)/215/12 = daily rate of April for department X => Next month new daily rate depending on the average actual personnel costs of this department in this month.
R: The daily rate should be calculated per calendar year, except for the months running from the end of the last calendar year until the end of the reporting period. For those months, you must calculate a separate partial daily rate as follows: {actual personnel costs of the person incurred over those months divided by {215 / 12 (months) x number of months from the January until the end of the reporting period}}.

The daily rate should be defined per calendar year but each department (in the case of average costs) could have a different rate.

39. Q: Are Certificates on the methodology of Unit Costs (CoMUC) accepted in the audits?
R: According to Article 24.3 of the Model Grant Agreement for Horizon Europe, the certificate on the compliance of usual cost accounting practices (CoMUC) is not applicable for Horizon Europe and a CoMUC for H2020 is not valid for Horizon Europe either. Approval by the Commission of a Certificate on the methodology (CoMUC) for H2020 is not valid for Horizon Europe and therefore, it is not automatically equivalent to having the usual costs accounting practices or documentation formally approved in the sense of Article 24.4 of the HE MGA.

40. Q: The actual costs include employer costs? Premiums and taxes? Not only the gross salary paid to the employee?
They must be limited to salaries, social security contributions, taxes and other costs linked to the remuneration if they arise from national law or the employment contract (or equivalent appointing act).

The personnel costs may also include supplementary payments for personnel assigned to the action (including payments on the basis of supplementary contracts regardless of their nature), if:

- it is part of the beneficiary’s usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required;
- the criteria used to calculate the supplementary payments are objective and generally applied by the beneficiary, regardless of the source of funding used.

**For project-based supplementary payments:**

For personnel which receives supplementary payments for work in projects (project-based remuneration), the personnel costs must be calculated at a rate which:

- corresponds to the actual remuneration costs paid by the beneficiary for the time worked by the person in the action over the reporting period
- does not exceed the remuneration costs paid by the beneficiary for work in similar projects funded by national schemes (‘national projects reference’) 
- is defined based on objective criteria allowing to determine the amount to which the person is entitled

and

- reflects the usual practice of the beneficiary to pay consistently bonuses or supplementary payments for work in projects funded by national schemes.

The national projects reference is the remuneration defined in national law, collective labour agreement or written internal rules of the beneficiary applicable to work in projects funded by national schemes.

If there is no such national law, collective labour agreement or written internal rules or if the project-based remuneration is not based on objective criteria, the national project reference will be the average remuneration of the person in the last full calendar year covered by the reporting period, excluding remuneration paid for work in EU actions.

**For average personnel costs:**

If the beneficiary uses average personnel costs (unit cost according to usual cost accounting practices), the personnel costs must fulfil the general eligibility conditions for such unit costs and the daily rate must be calculated:

- using the actual personnel costs recorded in the beneficiary’s accounts and excluding any costs which are ineligible or already included in other budget categories; the actual personnel costs may be adjusted on the basis of budgeted or estimated elements, if they are relevant for calculating the personnel costs, reasonable and correspond to objective and verifiable information

and

- according to usual cost accounting practices which are applied in a consistent manner, based on objective criteria, regardless of the source of funding.
41. Q: What is needed to record the hours / participation in the project by an employee? Is the company’s hour recording system enough or must every employee also sign this specific (paper) declaration that has been mentioned?

R: For persons who work for the action (regardless if they are full-time or part-time employees and/or if they work exclusively or not for the action; new for HE), the beneficiary may either:

- by default, sign a monthly declaration on days spent for the action (template).
  OR
- Use another paper- or computer-based reliable time recording system, to record (at least) all the time (days/hours) worked in the action.

Best practice: It is recommended to explore the simplification potential of using monthly declarations on days spent for the action. This limits record-keeping burden and avoids the need for conversion of hours into day-equivalents. Reliable time records must be dated and signed at least monthly by the person working for the action and their supervisor. If the time recording system is computer-based, the signatures may be electronic (i.e. linking the electronic identity data, e.g. a password and user name, to the electronic validation data), with a documented and secure process for managing user rights and an auditable log of all electronic transactions.

42. Q: Can we include the hours spent in Kick Off?

R: Costs are eligible as far as it is after the start date of the project and before the end date (and all other eligibility conditions are met; see art. 6 of the GA).

43. Q: Why commercial targets are not considered as an objective criterion for bonuses? Is the EBIT considered as a commercial target?

R: As mentioned in the Annotated Grant Agreement (https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/aga_en.pdf), the daily rate may NOT include (among others):

- payments of dividends to employees (profit distribution in the form of dividends)
- variable complements based on commercial targets or fund-raising targets (because neither incurred in connection with the work of the action, nor necessary for its implementation)
- arbitrary bonuses (i.e. bonuses which are not paid based on objective conditions set out, at least, in the internal rules of the beneficiary or bonuses that are not paid in a consistent manner)
- bonuses that depend on budget availability on the specific project (e.g. paid only if there are remaining funds in the budget of a project).

44. Q: Where can I find the rules for invoices of third parties invoicing their personnel at commercial prices (instead of actual personnel costs)?


Regarding the personnel hired from third parties for the project, this is not seconded personnel costs, but costs of other goods and services.
**Staff provided by a temporary work agency** — Costs for staff provided by a temporary work agency are eligible normally under category C.3. Other goods and services if they comply with the eligibility conditions (and unless the temporary work agency carries out directly some tasks of the action, in which case it can be considered as subcontracting and should be declared under category B Subcontracting).

Best practice: If there is any doubt about whether a cost is eligible, or whether a cost is to be considered purchase cost for other goods, works and services the beneficiaries should contact the granting authority.

The costs must comply with the eligibility conditions set out in Article 6.2.C.3, in particular:

- fulfil the general conditions for actual costs to be eligible (i.e. incurred during the action duration, necessary, linked to the action, etc.; see Article 6.1(a)) and
- be purchased specifically for the action and in accordance with Article 6.2.C
- must comply with the best value for money and no conflict of interest.

45. **Q:** What happens if you didn’t initially plan to employ subcontractors but realise later that it might be helpful to delegate some part of the tasks to a subcontractor?

**R:** If the need for a subcontract was not known at GA signature, the coordinator must request a GA amendment in order to introduce it in the Annex 1 (see Article 39 of the AGA) or flag it in the periodic report (simplified approval procedure; for details, see Article 6.1). In the latter case, you bear however the risk that the granting authority might not approve the new subcontract and reject the costs.

46. **Q:** Assuming UK doesn’t achieve Associate status, would UK entities be classed as 3rd party giving in-kind contributions?

**R:** Until Association Agreements start producing legal effects either through provisional application or their entry into force, transitional arrangements may apply if provided for in the Horizon Europe Work Programme. UK organisations are fully eligible to apply for funding to the CAJU calls and to participate in CAJU projects and shall be listed in proposals as Beneficiaries and request EU funding for their proposed project activities from the CAJU.

By the time the consortium (provided its proposal is selected by the CAJU) will be invited by the CAJU to the Grant Agreement preparation, the status of UK partners will be assessed by the CAJU in line with the status of the possible accession by the UK to the HE Association Agreement and contingency measures will be communicated by the CAJU as appropriate such as the possible request to change the legal status of UK entities from Beneficiary to Associate Partner and the necessary modifications and updates to be applied to the proposal.

47. **Q:** Could you explain the difference between “seconded personnel” and “personnel hired from third parties to work on the project”?

**R:** Under the cost category Personnel Costs (Natural persons with direct contract (A.2) and seconded persons (A.3)) the beneficiaries/affiliated entities may charge ‘Costs for natural persons under direct contract’ or ‘Costs for seconded persons’. These budget categories cover the costs of two types of persons:
– Self-employed natural persons (e.g. some types of in-house consultants) who work on the action for the beneficiary under conditions similar to those of an employee, but under a contract that is legally not an employment contract.

– Persons who are seconded by a third party against payment. ‘Seconded’ means the temporary transfer of an employee from a third party (the employer) to the beneficiary. Seconded persons are still paid and employed by the third party, but work for the beneficiary. They are at the disposal of the beneficiary and work under its control and instructions. A secondment normally requires the seconded person to work at the beneficiary’s premises, although in specific cases it may be agreed otherwise in the secondment agreement.

Best practice: The secondment agreement should detail the conditions of secondment (tasks, reimbursement from one entity to the other, duration of the secondment, location, etc).

Costs for natural persons working under a direct contract and persons seconded against payment must be declared as actual costs.

Further details can be found in the AGA.

48. Q: For timesheets, a timesheet signed monthly by the person working on the action and the hierarchy is needed. Does it have to show the total days worked by the person or only the days (or portion of days) worked on the action?

R: You should use reliable time records (i.e. time-sheets) either on paper or in a computer-based time recording system, to record (at least) all the hours worked in the action (extract from AGA). See previous questions on time recording.

49. Q: Where do we find a list of all companies/entities with their roles (beneficiary/affiliate/etc...)?

R: In each signed Grant Agreement you can find the list of all participating entities and their role. You can also ask the project coordinator for further information.

50. Q: Regarding personnel costs, can students also be accounted for? The employment contracts are temporary and limited to a monthly number of hours. For example, we have an employment contract for 40 hours per month. If payroll is possible, how is the conversion to days done in this case?

R: The same rule than for H2020 applies:

**Fellowships, scholarships, stipends, internship or similar agreements (not employees) —** Costs for persons (e.g. students, PhDs and other researchers) under fellowships, scholarships, stipends, internship or similar agreements, through which they work for the beneficiary on the action (without having an employment contract) can be accepted, if the agreement is work-oriented (as opposed to training-oriented: i.e. not aimed at helping the student to acquire professional skills). Such cost can be charged to the action as personnel costs, if they fulfil the conditions set out in Article 6.1 and 6.2.A.2, and in particular: – the assignment of tasks and the remuneration complies with the applicable national law (e.g. on taxes, labour and social security) – the recipients of fellowships, scholarships and stipends have the necessary qualifications to carry out the tasks allocated to them under the action. PhD agreements are considered work-oriented. However, time for training, if any, may NOT be charged to the action.
Fellowships, scholarships and stipends, etc. that are not work-oriented are otherwise considered as financial support to third parties and are eligible only if explicitly allowed by the Call conditions and in line with Annex 1 DoA. If so, they must be charged as financial support to third parties (see Article 6.2.D.X)

Costs for students, PhDs, and other researchers under scholarship, internship, or similar agreements (not employees) (HE)

Costs of students that work for the beneficiary can be accepted, if the agreement is work-oriented (not training-oriented: i.e. not aimed at helping the student to acquire professional skills).

Calculation of Daily rate:

Costs of natural persons working under a direct contract and seconded persons against payment must be calculated as follows:

\[
\text{amount per unit [daily rate]} \times \text{number of day-equivalents worked on the action}
\]

The daily rate must be calculated as follows:

- if the contract specifies a daily rate: this daily rate must be used; if the contract fixes an hourly rate instead of a daily rate, you must convert the hourly rate into a daily rate (daily rate = hourly rate \times 8)
- if the contract states a fixed amount for the work and the number of days to be worked (or hours; in that case 8 hours = 1 day-equivalent): the global amount for the work must be divided by the number day-equivalents to be worked
- if the contract states a fixed amount for the work, but does not specify the number of days (or hours) that must be worked: the global amount for the work must be divided by the pro-rata of 215 annual day-equivalents which corresponds to the duration of the contract over the reporting period.

51. Q: Is travel to countries outside of EU (e.g. UK) eligible?

R: Yes, if it is justified (linked to the action) and fulfils all eligibility conditions set in art. 6 of the GA.

52. Q: Are (personnel) costs of the Ex-Post Audit then eligible for the next/subsequent cost statement?

R: No, those costs are not eligible.

53. Q: Where does the differentiation between programme-specific and project-specific IKAA come from and why is it necessary? Is there any legal basis or any document explaining the need of this differentiation?

R: See Clean-aviation website → About us → Key documents

54. Q: Does IKAA apply to UK entities?

R: Currently not since UK entities are not members of the Clean Aviation JU.
55. Q: Who is calculating and invoicing the running costs to private members: the JU or the coordinator?

R: The JU is calculating and invoicing the running costs to the private members. Members will be informed when the process will be launched (once a year).

56. Q: Do UK companies have to contribute to the JU costs?

R: No, only members and their affiliates contribute to the running costs of the JU.

57. Q: Are the running cost calculations under CS2 H2020 separate from the running costs for 2023 under CA HE?

R: Yes, these are two separate and independent processes.

58. Q: Will the 2022 flat rate contribution be also accounted for the recalculation based on real validated costs?

R: Yes, the lump sums paid by founding members for the 2022 running costs will be taken into account for the amount due in 2023. The JU will inform separately the members about the process and calculation method.

59. Q: Does an IKAA audit have also to be provided at the end of the project, like CFS?

R: The JU will inform the members separately about the process for the IKAA certification.

60. Q: At which level of detail should IKAA costs be reported? Are they a total or do they follow the HE budget lines rules?

R: The reporting of IKAA will be done in a specific tool developed by the EC for all JUs. The CAJU will inform the members separately about the process for the IKAA reporting.

61. Q: Example: If the Budget is 20M € and the actual costs are 25M €. Is it allowed that the not funded 5M € are paid by third parties?

R: According to the no-profit rule (see in the GA - Data Sheet Point 4.2), the grant must not produce a profit (i.e. surplus of the amount obtained following Step 2 of the Payment of the balance plus the action’s revenues, over the eligible costs and contributions approved by the granting authority).

‘Revenue’ is all income generated by the action, during its duration (see Article 4), for beneficiaries that are profit legal entities (with the exception of income generated by the exploitation of results, which are not considered as revenues).

If there is a profit, it will be deducted in proportion to the final rate of reimbursement of the eligible costs approved by the granting authority (as compared to the amount calculated following Steps 1 and 2 minus the contributions).

For more details, please refer to art. 22.3.4 of the GA.
62. Q: Concerning Internally invoiced goods and services: We plan to use our machines for manufacturing trials. In our usual cost accounting we allocate/add a production overhead to the cost of the machine use. Can we charge our production overhead in this cost category?

R: Costs of internally invoiced goods and services must be declared as unit costs in accordance with usual cost accounting practices. The usual cost accounting practices must define both the unit (e.g. hour of use of wind tunnel, one genomic test, one electronic wafer fabricated internally, etc) and the methodology to determine the cost of the unit. If part of the usual cost accounting practices, beneficiaries may calculate the share of the cost item that is used for the production of the internally invoiced good or service either by direct measurement (‘actual direct costs’) or by using the allocation keys defined in the costs accounting practices (‘actual indirect costs’) (e.g. power supply costs allocated to a clean room on the basis of the square meters it occupies).

For further details, please consult the AGA art. 6.2.D.X. (General > Article 6.2.D.X> Internally invoiced goods and services)

63. Where can we found the CAJU guidance note on the WTT facilities?

R: The CAJU guidance note on the WTT facilities can be found on the CAJU website:


64. Q: Cooperation agreement (general question)

R: The EC is going to published soon an updated model of the HE corporate model grant agreement. The amended grant agreement will include the modification in Annex V (which reflects specificities of the EU bodies implementing the HE Programme including the CAJU). The amended Annex V will include a legal clause imposing on the CAJU beneficiaries’ signature of the cooperation agreement with the objective to share information and data by consortia.

Settlement of disputes: the Cooperation Agreement is a stakeholder’s agreement to which the JU is no party. The agreement itself covers the resolution of disputes and the Cooperation Agreement Secretariat coordinates all aspects concerning the implementation of the agreement. The Parties to the Cooperation Agreement are invited to consult with the Secretariat on these matters.

65. Q: When will the first ex-post audits related to Horizon Europe projects start?

R: The first ex-post audits are expected to start in Q1 of 2024.

66. Q: Is there still the tolerance threshold for non-systemic errors?

R: If the audit findings reveal errors of a potentially systemic or recurrent nature, an extension of audit findings is performed. This means that systemic errors identified in individual cost claims of Horizon Europe projects are corrected in all projects of the concerned beneficiaries, including those funded by other granting authorities. The minimum threshold for the audit extension is an average systemic error of 2% identified in the individual audit.

67. Q: Is a System and Process Audit (SPA) a different audit from ex post audit?
R: Yes. The SPA is different from the ex-post audits. Please refer to the presentation slides on SPAs.

68. Q: Are rejected costs of the ex-post audits eligible for the next/subsequent cost claims?

R: Ex-post audits are conducted on past cost claims.

- If there are **negative adjustments** (i.e. ineligible costs were declared the beneficiary), these amounts will be recovered: either by deducting them from the next cost claims if the project is still ongoing OR by recovering them when the project has been terminated and all cost claims have already been paid to the beneficiary. The recovered amounts are not eligible for the next cost claims.

- If there are **positive adjustments** (i.e. more costs are eligible than previously accepted by the JU), the supplementary costs may be declared (1) as an adjustment in the next reporting period in case of an ongoing grant agreement or (2) in a separate financial statement sent to JU via the coordinator within 60 days from receipt of the Letter of Conclusion. Complementary payments are in all cases limited to the maximum grant amount as laid down in the grant Agreement and to the availability of funds.

69. Q: Can beneficiaries who use actual costs apply for SPAs?

R: The criteria to be fulfilled for a beneficiary to be eligible for a SPA are described in Article 24.4. of the Horizon Europe Grant Agreement. According to the Article 24.4 “Systems and process audit (SPA)” of the HE MGA:


Beneficiaries which:

- use unit, flat rate or lump sum costs or contributions according to documented (i.e. formally approved and in writing) usual costs accounting practices (if any) or

- have formalised documentation on the systems and processes for calculating their costs and contributions (i.e. formally approved and in writing), have participated in at least 150 actions under Horizon 2020 or the Euratom Research and Training Programme (2014-2018 or 2019-2020) and participate in at least 3 ongoing actions under Horizon Europe or the Euratom Research and Training Programme (2021-2025 or 2026-2027)

may apply to the granting authority for a systems and process audit (SPA).

70. Q: We have long-standing cooperation experiences with certain third parties. We know they can do the job, they have the necessary experience etc. Is it still necessary to tender?

R: In accordance with Art. 6.2.B. of the Grant Agreement, subcontracting costs must

- fulfill the **general conditions for costs to be eligible** (i.e. incurred/used during the action duration, necessary, linked to the action, etc; see Article 6.1(a))

- be based either on the **best value for money** (considering the quality of the service, good or work proposed, i.e. the best price-quality ratio) or on the lowest price.

- not be subject to **conflict of interests**. A best practice in this regard is to entrust the decision of awarding a contract to an evaluation committee rather than to a sole person. Members of the evaluation committee should be aware that they need to disclose the existence of a conflict of interest. The beneficiary should have clear rules and guidance on situations of
conflict of interest. These rules should provide information on who to contact for advice or disclose the conflict to and, where necessary, the appropriate action. It is good practice that staff involved in the procurement process formally signs a declaration of no conflict of interests before performing their duties.

As far as the **best value for money** approach is concerned, a **competitive selection of subcontractors should be the default approach**, since it is the safest way to ensure no conflict of interest, best value for money or lowest price through direct comparisons between offers. The supplier selection should be in line with the **company procurement policy and related thresholds**. However, subcontracting does NOT necessarily require competitive selection procedures to be eligible. If a beneficiary did not request several offers, it must be able to prove compliance with best value for money or lowest price (and no conflict of interest) in case of a check, review, audit or investigation by showing:

- data from a previous competitive tender on a similar subject that confirms the market value
- a conducted market consultation, e.g. price quotations, supplier brochures, or consultation with help of independent experts
- that no suitable offers have been submitted in response to a prior competitive selection procedure
- that a subcontractor is in a monopoly situation due to technical reasons; or exclusive (intellectual property) rights; or acquisition of a unique work of art or artistic performance; or that the task can only be performed by an international organisation which cannot participate in competitive procedures according to its statutes
- that the subcontractor is the winner of a prior competitive design contest under the action or a linked action
- a need for special security measures in order to protect the essential interests of the Union in accordance with the call conditions.

**In any case, the beneficiary must be able to demonstrate that the criteria defining quality** were clear and coherent with the purpose.
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<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>AGA</td>
<td>Annotated Grant Agreement</td>
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<tr>
<td>AO</td>
<td>Authorising Officer (CAJU Executive Director)</td>
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<td>BvM</td>
<td>Best value for money</td>
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<td>CAS</td>
<td>Common audit service (European Commission)</td>
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<td>CFS</td>
<td>Certificate on Financial Statements</td>
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<td>H2020</td>
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<td>IKAA</td>
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<td>Model Grant Agreement</td>
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<td>MiM</td>
<td>Mutual insurance mechanism</td>
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<td>OLAF</td>
<td>Office européen de lutte anti-fraud (European Anti-Fraud Office)</td>
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<td>Participant identification number</td>
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<td>Personnel costs</td>
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<td>PM</td>
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<td>RP</td>
<td>Reporting period</td>
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<td>Scientific Committee</td>
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<td>States representatives group</td>
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<td>System and process audit</td>
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<td>Total eligible costs</td>
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<td>Terms of Reference</td>
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<td>Total Project Costs</td>
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<td>WP</td>
<td>Work Package</td>
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