



EU4Health – Work Programme 2022

Mental Health – migrants, refugees

FINANCIAL MANAGEMENT – GRANTS

17th May, 2022

Definition: Grant is direct financial contribution to an action
(Financial Regulation, 2018/1046. Title VIII – Grants)

- **Co-funding rule:** external co-financing from a source other than EC funds is required (own resources or financial contributions from third parties, project income)
- **Non-profit rule:** the grant may not have the purpose or effect of producing a profit for the beneficiary
- **Non-retroactivity rule:** only costs incurred after the starting date stipulated in the grant agreement can be co-funded
- **Non-cumulative rule:** only one grant can be awarded for a specific action carried out by a given beneficiary

Nature of the grant

- Grant based on **actual costs** declared
- **Grant = partial reimbursement of eligible costs** that are incurred by beneficiaries and affiliated entities listed in the grant agreement **at the fixed reimbursement rate**.
 - **Standard reimbursement rate** under the EU4Health programme: **60%** of eligible costs
 - **Exceptional utility**: under certain conditions the rate is **80%** of eligible costs
- **“Maximum grant amount”** the maximum amount the Agency will pay as contribution to the action’s costs.
- **“Final grant amount”** equals to or is lower than the maximum grant amount. Established at the balance payment and based on eligible costs declared to the Agency.
- The grant is **not allocated** to any specific cost items or cost category. It is calculated over the total eligible costs of the action with the applicable reimbursement.

Eligible costs

General conditions - Cumulative requirements:

- **Connected with the action as described in Annex 1 and included in the Estimated Budget (Annex 2);**
- **Necessary** for the implementation of the action;
- **Reasonable and justified** - “good housekeeping”;
- Incurred **within the duration;**
- **Actually incurred by the beneficiaries / affiliated entities of the grant;**
- **Identifiable and verifiable**, in particular being recorded in the accounting records of beneficiary / affiliated entity in accordance with accounting standards and the beneficiary’ accounting practices.

Budget categories

Direct Costs

- A. **Direct personnel costs** (employees + natural persons with direct contract + seconded persons)
- B. **Subcontracting** (engagement of a 3rd party to carry out certain activities of the proposed action)
- C. **Purchase costs**
 - a. Travel, accommodation and subsistence allowances
 - b. Equipment (depreciation, renting, leasing)
 - c. Other goods and services

Indirect Costs

- E. **Flat rate of 7% of total direct costs**

Personnel costs

Cost of employees

- Costs claimed: salary + social security + taxes;
- Any other costs included in the remuneration (= statutory charges) based on national law or employment contracts;
- Supplementary payments

Cost for natural persons with a direct contract and seconded persons against payment

- Similar conditions as employment: at the beneficiary's premises, results belong to the beneficiary with similar costs of employment

Subcontracting

- Contracts awarded to cover the execution of an action / task described in Annex 1 of the grant agreement.
 - Activities undertaken by the project and proposed for co-funding
 - **Service contracts**
 - **Invoices** (including taxes, charges, travel & subsistence costs)
- Core elements and technical / financial management of the action cannot be subcontracted
- Tasks subcontracted must be clearly set out in Annex 1;
- Requirement of transparency, best value for money and, if appropriate, lowest price. Conflict of interest must be avoided;
- Documents of procedures applied must be available.

Travel and subsistence

Travel & subsistence incurred as costs by the beneficiary for all participants, except subcontractors shall be claimed here:

- Personnel
 - Collaborating stakeholders
 - Invited experts, speakers
 - Board members
 - Trainees, other participants
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- Option for unit costs or actual costs in line with beneficiary's usual practice and rules on travel and subsistence.

Equipment

- **Specific equipment necessary for the action**
- **Costs eligible:**
 - Portion of **equipment's depreciation costs** only, for the period of the action, if recorded in the beneficiary's accounts. Purchase and depreciation is in accordance with international accounting principles and the beneficiary's usual accounting practices.
 - Costs of **renting** an equipment or **leasing** an equipment (excluding financing costs) – with limits to equivalent depreciation costs
- Office equipment and software (Microsoft Office, Excel, Word, furniture) are part of Indirect Costs

Other goods and services

- Must be directly linked to and necessary to implement the action
- Requirement of **transparency, best value for money** and, if appropriate, lowest price. **Conflict of interest** must be avoided.
- Examples (non-exhaustive):
 - Dissemination of information;
 - Specific evaluation of the action;
 - Certificates of financial statements;
 - Translations, reproduction of reports;
 - Consumables and supplies (excluding general office supply);
 - Cost of financial guarantee, if applicable.

Grant management

Starting date / Duration

- All activities to carry out, timeframe of eligible costs
- Starting date usually after grant signature, but retroactivity might be allowed – specified in the call text;
- Recommended duration: 12 – 36 months, depends on actions, recommendation on the call

Payment scheme - recommended

- Pre-financing payment after signature of the grant – 30%
- Interim payment(s)
- Balance payment at the end of the duration

Certificates to submit

- At submission of the interim / final report: audit certificate on the financial report submitted – supports the assessment of the financial report to establish the amount of eligible costs.

Personal tips

Read the grant agreement / annotated grant agreement and the guidelines

Involvement of Accounting, HR and Procurement of the partners

- Accounting – all available financial information and supporting documents
- HR department – who is staff, components of salary
- Procurement / Sourcing – contract management with third parties, applicable procedures

Consortium composition: ensure necessary expertise, balanced allocation of tasks, engagement of each partner

Consortium agreement on internal grant management: reporting within the consortium, close follow-up of expenditure.

Communication, communication!

Thank you



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