



EU4Health - 2024 Work Programme Action Grants (HERA)

FINANCIAL MANAGEMENT

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

Form of the grant – Data Sheet point 3, Article 5, Article 39 of the Grant Agreement

- Action grant
- Grant based on **actual costs** declared with unit costs and flat rate elements
- **Grant = partial reimbursement of eligible costs** that are incurred by beneficiaries and affiliated entities listed in the grant agreement **at the fixed reimbursement rate.**
 - **Reimbursement rate: 60%** of eligible costs
 - **Exceptional utility: 80%** of eligible costs
- **“Maximum grant amount”** the maximum amount the Agency will be able to pay as contribution to the action’s costs.
- Budget flexibility: **budget maybe adjusted**, without formal amendment, as long as it does not imply any substantive or important change to the description of the action

Eligible costs – Data Sheet point 3, Article 6 of the Grant Agreement

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.**

Ineligible costs – Article 6 of the Grant Agreement

- **In-kind contributions from third parties;**
- VAT, when the beneficiary is able to deduct or recover it;
- Reckless and excessive expenditures;
- Costs declared under another grant;
- Financial support to third parties

Budget categories – Article 6 of the Grant Agreement

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 (unit cost)
 - 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

Personnel costs – budget template

(A) Personnel costs (please insert a new line for each staff member)	Persons working exclusively on the action				
	Staff member (name and role)	Monthly rate (€)	Estimated number of months	Total costs per person (€)	
				0,00	
				0,00	
	Other persons				
	Staff member (name and role)	Daily rate (€)	Estimated number of days ¹	Total costs per person (€)	
				0,00	
				0,00	
	Total costs (A)		0,00		

Personnel costs – recommendations

- Consistent data with **Annex 1 - Description of the action - for staff efforts.**
 - Annex 1: total person-month per work package
 - Detailed budget: number of estimated days. Please use 18 days working days per month to calculate the person-months
- Persons working exclusively for the action: contracts specifically refer to the grant, no other tasks
- Other persons
 - Describe the function, work package and the task of the person
 - Describe contract type (employment, natural person with direct contract, secondment)

Subcontracting – Article 7 and 9 of the Grant Agreement

- 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)
- 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.

Subcontracting

- Third parties to describe in **Annex 1 Part B**
- Amount of Subcontracting in Annex 1 Part B must be consistent with detailed budget
- Justification for subcontracting when its proportion of total costs > 30%
- Annex 1 Part B and the **detailed budget should describe the activity or the task (!), not the subcontractor!**

	Costs (€)	Task(s)/Justification
(B) Subcontracting costs (please repeat line for each subcontract foreseen)		
Total costs (B)	0,00	

Travel and subsistence – Annex 2a of the Grant Agreement

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
-
- **Unit costs** following the Commission Decision C(2021)35 and its amendment of C(2023)4928.

Travel and subsistence

- Link to calculation tool is available in the Commission Decision
- Describe your planned events: type of event, planned duration, planned number of participants
- 3 components: travel, subsistence, accommodation
- Describe your calculation method – you may use the average unit costs of EU countries or the highest unit costs of EU countries
- **Example:** 1-day Stakeholder meeting with approx. 10 participants calculated with the average of unit costs of EU countries

	Costs (€)	Justification
(C.1) Travel		

Equipment

- Specific equipment necessary for the action
- **General rule: depreciation costs of the equipment.**
- Describe the equipment you plan to purchase
- Describe the type of costs (depreciation, rent or leasing)

	Costs (€)	Justification
(C.2) Equipment		

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.

Other goods and services

- Threshold for CFS (Certificate on financial statement): individual grant amount of 325.000 EUR – you can plan costs here
- Describe your planned cost items

	Costs (€)	Justification
(C.3) Other goods, works and services		

Financial capacity assessment

- Beneficiaries must demonstrate that they have necessary financial capacity to carry the burden of the grant.
- Analysis of annual accounts (balance sheet / profit & loss account) before grant signature
- If requested individual grant > 750.000,00 EUR, audit certificate or declaration on validity of the accounts must also be submitted
- Actions in case of weak financial capacity:
 - Reduced / no pre-financing payment
 - Extended liability of co-beneficiaries
 - Pre-financing guarantee

Cash flow – Data Sheet point 4, Article 21 and 22 of the Grant Agreement

Beneficiaries / affiliate entities carry out activities, generate costs – e.g. pay salaries, subcontracting, travel, purchases, etc.

Starting date

Interim report(s)

End date



50 % pre-financing payment at signature of the grant agreement

Assessment of technical reports, deliverables and costs declared, reimbursement of eligible costs

!! There is no interim payment under call EU4H-2024-PJ-01-4 (CP-g-24-105) !!

Personal tips

Read the call documents, grant agreement / annotated grant agreement

HADEA Guidance documents: FAQ + presentation on unit costs

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 agreement for multi-beneficiary grants (article 7 of the grant agreement):
internal project management, internal deadlines, monitoring of expenditures, etc.**

Thank you



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