



EMPIR Reporting Guidelines
Part 2b – Completing the Technical Report (Finance)
(Guidance on financial reporting: Templates 20 and 21)

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1 Introduction

The EMPIR Reporting Guidelines Part 2b provides guidance on completing the Technical Report (Finance), which is part of the periodic and final reporting of all projects (NB financial reports are not required at interim reporting). The various parts of the Technical Report (Finance), and how, when, and by whom they are to be submitted, are summarised in the table below:

WHO	WHAT	WHEN	FORMAT
Submitted by the funded participants to the coordinator	Resource and Cost Report (Template 20)	Deadline to be agreed by the consortium	Electronic (excel)
	Original signed Annex 4 / Financial Statement (Template 20) Original signed Certificates on the Financial Statements of all participants that require one (Template 30)	Deadline to be agreed by the consortium	Original signed hard copy document
Submitted by the coordinator to the MSU	Project Financial Report (Template 21)	+ 60 days after the end of the period	Electronic (excel)
	Complete set of Signed Annex 4s / Financial Statements	+ 60 days after the end of the period	Hard copy documents*
	Certificates on the Financial Statements for all partners that require one	+ 60 days after the end of the period	Hard copy documents*

*The set of hard copy documents should be sent by the coordinator to:
EURAMET EMPIR-MSU (Financial Reporting), National Physical Laboratory, Hampton Road, Teddington, Middlesex, TW11 0LW, UK

The failure of any partner(s) to submit one or more financial reporting items to the coordinator should not prevent the coordinator from submitting the financial reporting on time. If any item(s) are not delivered to the coordinator by the specified deadline the consortium should carefully consider the point at which it would be best to submit an incomplete financial report (i.e. with no costs being reported for any partner(s) that has not submitted their costs).

Templates are available for each of these reports at:

<http://msu.euramet.org/downloads/#reporting>

Costs incurred should be recorded and reported in accordance with the Horizon 2020 Annotated Model Grant Agreement (AGA) which is available at:

http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf

To help locate the relevant section within the AGA, these guidelines refer to specific pages from AGA version 2.1.1, July 16. If the European Commission subsequently release a new version of the AGA then the page references may vary slightly.

2 Resource and Cost Report (Template 20)

The Resource and Cost Report is an electronic report of information about the resources deployed by the project, e.g. hours worked by people on the project and information about the non-labour expenditure (details entered here will populate the Annex 4 (see section 5) which is printed for submission as a **hard copy**, however the Resource and Cost Report itself is for submission as an **excel report** (i.e. it is not designed to be a hard copy report). Even if not visible on the screen¹, the full text entered will remain in the excel cells and it will always be available to the coordinators/MSU as part of the excel report. Therefore, please do not curtail any text items (e.g. descriptions/suppliers) just because they may not be visible on the screen.

Each funded participant should submit a Resource and Cost Report electronically to the coordinator.

¹ The report is designed primarily for the transfer of data into the Project Financial Report, which requires merged cells to be avoided. As a result, some text may not be fully visible on screen or in print preview.

All eligible costs should be reported as EURAMET wish to be aware of the total costs, even if these are above the total budget stated in Annex 2 of the EMPIR Grant Agreement. Reporting costs above budget will not automatically lead to a request for funding above the budgeted level. However, if after final reporting the accepted costs of any partner(s) are less than budgeted then the consortium will have the opportunity to redistribute the unutilised budget to cover any reported overspend (see section 7).

When reporting costs please bear in mind that EURAMET cannot approve any costs reported in an Annex 4 for which there is a zero budget in Annex 2. In this situation the consortium should request an amendment to Annex 2² (e.g. If a partner reports “unit” labour costs, but did not budget for this cost type, an Annex 2 amendment will be necessary in order to approve the labour costs). Note however, that reporting costs that are greater than a non zero amount specified in the budget does not require an amendment to the Annex 2 (e.g. If a partner budgeted €10k for LRI costs and reports €15k, an Annex 2 Amendment is not required).

Some details of how the data is entered are given below. However for full details regarding the eligibility of the costs within each cost category please refer to the guidance given in the Horizon 2020 Annotated Model Grant Agreement (AGA):

http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf

If a Certificate on the Financial Statement is required (see Section 4) then the Resource and Cost Report should still be sent to the coordinator according to the agreed schedule even if the audit is not complete. A revised version should be sent later if any amendments are necessary as a result of the audit.

There will be no opportunity to amend either Period 1 or Period 2 costs after they have been approved by EURAMET, however EURAMET may request an amendment if they become aware of any irregularities. Participants should advise EURAMET if they become aware of an error in any statement that EURAMET has approved.

2.1 Notes

The “Notes” sheet explains some excel items, such as where, and where not, to enter data and how to insert extra lines if required (it is anticipated that this will be very unlikely). This sheet is not intended to give any guidance other than this and it does not replace these guidelines.

2.2 Exchange rate

Costs shall be reported in Euro. Partners with accounts in currencies other than the Euro shall report costs by using the average of the daily exchange rates published in the C series of the Official Journal of the European Union, calculated over the reporting period. In practice the rate is found as follows:

- Go to the ECB website. (<http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>)
- Click on the chart icon for the currency.
- Insert the start date of the reporting period in the field ‘from’ and the end date of the reporting period in the field ‘to’. The average for the period will appear above the chart.

If the currency is not available on the above website:

- Go to http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm
- Use the average of the monthly accounting rates over the reporting period.

2.3 Hours

The total number of hours worked on each work package should be entered. Note that the hours worked on the project, as a whole, must reconcile with the time recording records as described in Article 18 of the Horizon 2020 Annotated Model Grant Agreement (AGA) (*from p155 in V2.1.1, Jul 16 of the AGA*). However the assignment of hours to each of the work packages may be estimated.

² EURAMET are unlikely to be able to issue an Amendment requested less than 30 days before the end of the project.

2.4 Labour costs

There are three categories of labour costs:

- A: Actual personnel costs
- B: Average or unit costs (based upon average costs within pay zones)
- C: Natural persons and SME owners not receiving a salary

Guidance on these three categories can be found in Article 6.2 of the Horizon 2020 Annotated Model Grant Agreement (AGA) (*from p43 in V2.1.1, Jul 16 of the AGA*).

The total hours and the labour costs for the hours worked (excluding overheads) should be entered against the appropriate labour type.

2.5 Subcontracts

Guidance on the costs that should be reported within this category can be found in Article 6.2B and Article 13 of the Horizon 2020 Annotated Model Grant Agreement (AGA) (*from p74 and from p129 in V2.1.1, Jul 16 of the AGA*).

The supplier, description and value of the subcontract(s) should be entered.

Note that only items approved by EURAMET (either in the Annex 1 or by written agreement with the MSU after contract issue) are eligible in this section.

The supplier, description and value of the subcontract(s) should be entered.

2.6 Large Research Infrastructure (LRI)

Guidance on the costs that should be reported within this category can be found in Article 6.2D4 of the Horizon 2020 Annotated Model Grant Agreement (AGA) (*from p86 in V2.1.1, Jul 16 of the AGA*).

Note that only items with an LRI methodology approved by the European Commission are eligible.

The description and value of the LRI item(s) should be entered.

2.7 In-kind contributions not used on the premises

Guidance on the costs that should be reported within this category can be found in Articles 6.4, 11 and 12 of the Horizon 2020 Annotated Model Grant Agreement (AGA) (*from p107, 123, 126 in V2.1.1, Jul 16 of the AGA*).

Costs entered here should already be included in other cost categories (this section identifies these costs so that they can be excluded from the calculation of indirect costs).

For example: A university professor is a resource for an NMI and he spent one day a week on the project working from his office at the university. His time costs are included within the labour costs estimates section and should also be identified in this section.

2.8 Receipts to project

Guidance on the receipts that should be reported within this category can be found in Article 5.3.3 of the Horizon 2020 Annotated Model Grant Agreement (*from p29 in V2.1.1, Jul 16 of the AGA*).

In this section any receipts to project (excluding EURAMET payments or revenue from the national programme) should be itemised.

Note that if a workshop or event is held as part of the project delivery then any registration fees charged must be reported to EURAMET as a receipt to project. All costs incurred in running the event are eligible costs and may be reported as a cost in the relevant category. One line should be used to enter each event, stating the number of attendees and the individual fee as the revenue source (a list of individual attendees is not required).

An example is shown below:

Source of revenue/Payee	Description
37 attendees at €105	3 day workshop on ABC analysis, March 2016 (fee for catering and administration costs)

2.9 All other cost categories

Guidance on the costs that should be reported within these categories can be found in the Horizon 2020 Annotated Model Grant Agreement (AGA):

- Article 6.2D1 for travel and subsistence (*from p76 in V2.1.1, Jul 16 of the AGA*)
- Article 6.2D2 for equipment (*from p78 in V2.1.1, Jul 16 of the AGA*)
- Article 6.2D3 for other goods and services (*from p83 in V2.1.1, Jul 16 of the AGA*)

For each of the above cost categories state the total costs claimed. Details of the 6 most expensive items should be given (note this is 6 in total and not 6 per category: this could, for example, be made up of 6 travel items only or 2 from each category, depending on the costs of the items).

2.10 Overheads

The eligible overheads are automatically calculated. Real overheads will not be reported.

2.11 Version Control

Every time the report is resubmitted the date of issue and version number should be updated. The first report submitted to the coordinator would normally be version 1 (any versions prior to this are normally draft versions). Any amended versions submitted should be versions 2, 3 etc. Amended versions should include a brief explanation (cumulative) to summarise the changes made (to be entered into the cell provided on the "Summary" sheet).

e.g.

v.3 VAT item removed
v.2 Labour rate calculations corrected

Note that the version number is taken from the data entered within the report and not the version that is mentioned in the file name (ideally file names should be consistent in order to avoid confusion).

EURAMET cannot approve any costs reported in an Annex 4 for which there is a zero budget in Annex 2. In this situation the consortium should request an amendment to Annex 2 (e.g. a partner reports "unit" labour costs but did not budget for this cost type: Annex 2 amendment will be necessary in order to approve the labour costs). Note however that reporting costs that are greater than a non zero amount identified in the budget does not require an amendment to the Annex 2 (e.g. a partner budgeted €10k for LRI costs and reports €15k: Annex 2 Amendment is not required).

3 Annex 4 / Financial Statement

The Annex 4 of the EMPIR Grant Agreement (The Financial Statement) is a document that is printed and signed in order to formally confirm the total costs for each of the categories reported in the Resource and Cost Report.

Each funded participant should submit an Annex 4 / Financial Statement.

The Annex 4 / Financial Statement is the sheet in Template 20 that is labelled "Annex 4". It should be printed and signed and then submitted to the coordinator as a single page document in hard copy with an original signature (photocopies are not acceptable). It is not necessary to print hard copies of the other sheets contained in the Template 20.

The organisation's normal procedures should be used with regards to the authority to sign the Annex 4 / Financial Statement (i.e. EURAMET does not need to know the name of the organisation's authorised signatory in advance and can accept any signature as long as the name of the signatory is clearly stated).

3.1 *Version Control*

Every time the Annex 4 is altered and resubmitted the date of issue and the version number should be updated. The first Annex 4 submitted to the coordinator would normally be version 1 (any versions prior to this are normally draft versions). Any amended versions submitted should be versions 2, 3 etc. Care should be taken so that whenever a new version is generated, the corresponding excel Template 20 and the hard copy are both sent to the coordinator so that versions and dates are consistent.

4 **Certificates on the Financial Statements (Audit reports)**

At Period 1 reporting, Certificates on the Financial Statements (audit reports) are not required.

At final (Period 2) reporting an audit report, from an independent financial auditor, is **only** required if the partner's direct costs over the project's lifetime have exceeded €325,000. If a partner has a linked third party then both the partner and the linked third party are each required to submit an audit report if the total direct costs of the partner and the linked third party summed together exceed €325,000.

The cost of a required audit report is an eligible cost, even though the cost will be incurred after the end of the final period.

The cost of any audit report that was not a reporting requirement (i.e. at period 1 or for those whose direct costs do not exceed €325,000) is not an eligible cost of the project.

The auditor should report their findings using Template 30 - Certificate on the Financial Statements.

For further guidance on financial audit reporting please refer to the Annex 5 of the H2020 Model Grant Agreement which is available at:

http://ec.europa.eu/research/participants/data/ref/h2020/other/mga/art185/h2020-mga-empir-multi_en.pdf

5 **Project Financial Report (Template 21)**

This report summarises the costs of all funded partners and provides data in electronic format for entry into the MSU database.

5.1 *Notes*

The "Notes" sheet explains some excel items, such as where, and where not, to enter data and how to copy paste most efficiently from Template 20s into this report. This sheet is not intended to give any guidance other than this and it does not replace these guidelines.

5.2 *Summary sheet*

The project and reporting period should be selected and the version and date of the report entered. In the event that a revised version of the report is submitted, the reason for the revision should be mentioned in the version comments cell. No further data is entered here. Once all the sheets are completed the summary sheet will show the total costs being reported.

5.3 *Budget data*

Budget data, from the latest issued version of the excel budget workbook³ should be entered into the relevant cells of sheet "0" as indicated in the worksheet. This includes entry of resources by partner and also by work package.

Further guidance on the entry of data and version control are given in the notes sheet of the workbook.

³ * The "Budget workbook" (also referred to as "Annex 2 workbook" or "project workbook") contains details of the budget that is issued in the Annex 2. The latest version is sent to the Coordinator after the project is concluded/amended.

5.4 Resources of Unfunded Partners

The coordinator should enter a best estimate of the total number of months worked by unfunded partners by work package. This is also entered into sheet “0”. There is no requirement for the unfunded partners to provide a report, or statement to substantiate this information. EURAMET accept that the values given are the best available to the knowledge of the consortium.

5.5 Resources of Funded Partners

The coordinator should enter the data from the individual Resource and Cost Reports (Template 20s) into Template 21 - Project Financial Report, which is designed to enable the copy and pasting of whole Resource and Cost worksheets. The workbook automatically transfers the data to the ‘Summary’ worksheet and also to the Analysis Tables referred to in section 5.6.

5.6 Cost Budget Analysis Tables and Explanations

Once all other sheets are completed the three Analysis Tables will provide an overview of the cumulative costs and labour months of each funded partner in comparison with the budget. There are three different Analysis Tables:

Analysis of Costs vs budget - by participant (found in sheet “An 1”)

Analysis of Time vs budget - by participant (found in sheet “An 2”)

Analysis of Time vs budget - by work package (found in sheet “An 3”)

Each sheet should be reviewed by the coordinator and explanations provided where there is a significant variance from a linear plan (the coordinator may need to refer to the consortium for some explanations). The template automatically flags where this is required and the comment should be entered in the cell indicated. Cells remaining grey do not require a comment, however the coordinator is invited to make a comment if it would help substantiate any particular issues that are being reported elsewhere (e.g. a work package might be exactly on schedule regarding the months worked (and therefore not flagged as requiring comment), but if there have been significant problems and the progress is significantly behind schedule please state this).

If any sheet indicates that some time reported has not been allocated to a work package this should be resolved before completing the report.

5.7 Version Control

Every time the report is resubmitted the date of issue and version number should be updated. The first report submitted to the MSU should be version 1 (any versions prior to this are draft versions). Any amended versions submitted to the MSU should be versions 2, 3 etc. Amended versions should include a brief explanation (cumulative) to summarise the changes made (to be entered into the cell provided on the “Summary” sheet).

For example:

v.3 Revision to unfunded partner months
v.2 Revised version of partner 2

Note that the version number is taken from the data entered within the report and not the version that is mentioned in the file name (ideally file names should be consistent in order to avoid confusion).

6 Common Errors

Before submitting the financial reporting the coordinator should be satisfied that the reporting from each participant is complete and correct (to the best of their knowledge). Some common errors that should be avoided are:

- Annex 4s being a copy rather than an original.
- Annex 4s not stating the name of the signatory, the version number, nor the version date

- Annex 4s reporting costs of a labour type that is inconsistent with Annex 2 (if the Annex 4 is not in error then a request to amend the Annex 2 should be made)
- Sheets 1,2,3 etc. of the Project Finance Report not stating a version number, version date
- Sheets 1,2,3 etc. of the Project Finance Report not including details of Other Direct Costs in the final section of the worksheet
- Inconsistencies between the costs reported in the Annex 4s and Sheets 1,2,3 etc. of the Project Finance Report Payments resulting from the costs reported

7 Payments

As stated in the EMPIR Grant Agreement, payment from EURAMET to funded partners must be made⁴ within 90 days of the full periodic reporting⁵ being submitted. However the 90 days will be suspended during any period that any one report is with the coordinator for corrections. Therefore payment may be anticipated to occur at a minimum of five months after period end (i.e. if submission is on schedule and no corrections are required). The coordinator should keep the consortium informed regarding the progress of the reporting and any suspension in order that all partners are aware of the likely date of payment.

The MSU will inform all funded partners (via the administrative contacts) when a payment is made and will also keep the coordinator informed regarding the payment status of the project. Payments will be made with a reference that states the project and the payment type.

The value of the payment to each funded partner will be the full value of the accepted costs but it will be capped such that:

- In the case of Period 1 reporting: the total payments made to any one partner does not exceed 85 % of the value in the Annex 2 of the EMPIR Grant Agreement.
- In the case of final (Period 2) reporting: the total payments made to any one partner does not exceed 100 % of the value in the Annex 2 of the EMPIR Grant Agreement.

At the end of the project if the accepted costs of any partner(s) are less than the value in the Annex 2 then EURAMET will invite the consortium to request an amendment to the Annex 2 in order to fully utilise the project budget. EURAMET will suggest a redistribution which shares the underutilised budget among the partners that spent above budget based upon an equal % of overspend. The consortium will have the opportunity to request an alternative distribution.

At the end of the project if any partner has underspent such that payments already received are greater than the final approved costs, then a request for repayment will be made.

⁴ Subject to the bank details stated in the contract being correct

⁵ All required reports. The financial reporting is one part of several items required. See EMPIR Reporting Guidelines Part 0 (Guide to the parts) for full details