



EMPIR Reporting Guidelines
Part 2b – Completing the Technical Report (Finance)
(Guidance on financial reporting: Templates 20, 21, 22 and 30)

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If you require further help or guidance after reading this document, please contact the helpline

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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)
	Financial Statement (Template 20)	Deadline to be agreed by the consortium	e- signed or scanned pdf
Submitted to the coordinator by the funded participants who required one	Certificates on the Financial Statements (audit reports) for all partners that require one according to section 4 (Template 30)	Only required at Final reporting. Deadline to be agreed by the consortium	e- signed or scanned pdf
Submitted by the coordinator to the MSU	P1 & P2 Project Financial Report (Template 21, 22) and any P1 adjustments if applicable	+ 60 days after the end of the period	Electronic (Excel)
	Complete set of PDF Financial Statements (including P1 adjustments if applicable)	+ 60 days after the end of the period	A set of pdfs, with file names including partner no, partner name, project, period and version.
	Certificates on the Financial Statements (audit reports) for all partners that require one	+ 60 days after the end of the final period	e- signed or scanned pdf

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 V5.2, Jun 19. 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. For example, hours worked by people on the project and information about the non-labour expenditure. Details should be entered into the “R&C Report” worksheet, which is an electronic report and is not designed to be a hard copy. 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 (template 20) electronically to the coordinator.

All eligible costs should be reported as EURAMET wish to be aware of the total costs, even if these are above the total budget or have no budget at all stated in Annex 2 of the EMPIR Grant Agreement (with the exception of subcontracting, which must be pre-approved and in the budget). 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).

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

At final reporting if a Certificate on the Financial Statement (audit report) is required (see Section 4) then the Resource and Cost Report (template 20) should still be sent to the coordinator according to the agreed schedule even if the audit is not complete. A revised version of template 20 should be sent later if any amendments are necessary as a result of the audit.

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 Currency and Exchange rates

Enter costs in the currency normally used for accounting purposes (usually this is the national currency). The eligible exchange rate for the reporting period is then used to translate the local costs into Euro and populates the Financial statement into Euros.

The exchange rate to be entered is 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

Enter the total number of hours worked on each work package. 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 p173 in V5.2, Jun 19 of the AGA*). However, the assignment of hours to each of the work packages may be estimated.

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 p44 in V5.2, Jun 19 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 p78 and from p144 in V5.2, Jun 19 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 p90 in V5.2, Jun 19 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 Internally invoiced Goods and Services

Guidance on the costs that should be reported within this category can be found in Article 6.2D5 of the Horizon 2020 Annotated Model Grant Agreement (AGA) (*from p101 in V5.2, Jun 19 of the AGA*).

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

2.8 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 p121, p137,p141 in V5.2, Jun 19 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.

2.9 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 p31 in V5.0, Jul 18 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)

2.10 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 p80 in V5.2, Jun 19 of the AGA*)
- Article 6.2D2 for equipment (*from p82 in V5.2, Jun 19 of the AGA*)
- Article 6.2D3 for other goods and services (*from p87 in V5.2, Jun 19 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).

For equipment, the comment should indicate whether the reported cost is from the hiring of equipment, its depreciation or full purchase cost.

2.11 Overheads

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

2.12 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 Error in the 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).

3 Financial Statement

The Financial Statement is a document that must be 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 e-signed Financial Statement as a PDF file. If e-signatures are not possible at the organisation then pdf scan of the signed hard copy will be acceptable.

The Financial Statement is the sheet in Template 20 that is labelled "Statement". This sheet is auto populated with the relevant details from the "R&C Report" worksheet. 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 or scans 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 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 Resource & Cost Report (template 20) and therefore the Financial Statement are altered and resubmitted the date of issue and the version number should be updated. The first statement 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 pdf statement are both sent to the coordinator so that versions and dates are consistent.

4 Certificates on the Financial Statements (Audit reports)

Certificate on Financial Statements (audit reports) are never required at Period 1 reporting.

At final reporting an audit report, from an independent financial auditor, is **only** required if the partner has declared and is seeking reimbursement of **total direct costs** of €325,000 or more. 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.

Please note that at Period 2 reporting there is an opportunity for a partner to adjust the reimbursement rate to less than 100 % in order to reduce the requested contribution. If a partner wishes to do so, please contact MSU as early as possible.

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 and this should be submitted electronically.

5 Adjustments to Period 1 costs

Adjustments to Period 1, positive or negative, can be considered if the partner notices a mistake (e.g. incorrect accounting information; error in the calculation; etc). For example, an internal audit on the annual accounts of the beneficiary finds later errors in the accounting information used to calculate the hourly rates used for labour costs. For full information on adjustments, please refer also to the AGA throughout Article 6 and Article 20.

In particular costs that had to be declared based on a prior financial year (using the full financial year methodology) cannot be recalculated to take into account a different hourly rate after the closure of the financial year. *(p54 in V5.2, Jun 19 of the AGA)*

An adjustment consists of an additional statement to augment the original Period 1 statement and is not a resubmission to replace the original Period 1 statement. For example, if €100 was reported at period 1 and you now realise the correct costs are only €90 then you should submit an adjustment of -€10 (Do not submit a statement showing €90).

To submit an Adjustment a new template resource and cost report (Template 20) should be completed, selecting as the reporting period, 'Adjustment to P1'. Please also clearly indicate the main reason for the adjustment in the comment box on the same worksheet.

The exchange rate in the Period 1 adjustment should match the rate in the original Period 1 resource and cost report.

Send the new Resource and Cost Report and the accompanying signed statement to the coordinator. This can be sent to the coordinator at any time, however only at Period 2 reporting will any adjustment to Period 1 costs be considered and processed.

There is no opportunity to submit an adjustment to costs after the final reporting has been approved.

6 Project Financial Report of Period 1 Costs (Template 21)

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

6.1 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.

6.2 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.

6.3 Budget data

Budget data, from the latest issued version of the excel budget workbook¹ 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.

6.4 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.

6.5 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.

6.6 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")

The coordinator should review these sheets and if there are any variations to linear that they did not anticipate they should investigate and advise their findings making clear if an issue is foreseen or not.

If sheet "An 3" indicates that some time reported has not been allocated to a work package this should be resolved before continuing to review that sheet.

Note that by making no comments in these sheets the coordinator is advising that all is going, or has gone, to plan and any variations from linear are as anticipated.

¹ * 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.

Examples:

Partner X Costs are 60% of budget at P1: “ X is mostly involved at period 2 - they advise that they are aware of spending over budget and forecast that this will continue (labour rates were underestimated) but have confirmed they remain on track to fully deliver all commitments on the project.

Partner Y Time is 25% of budget at P1: “Y is on track with Costs but appear low on ‘months’ due to shifting work to more senior staff. This will cause no issue to the delivery of the project”.

6.7 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).

7 Project Financial Report of Period 2 costs (Template 22)

Template 22 is not available on the website. Following the acceptance of Period 1 costs MSU will provide the coordinator with a bespoke template to be used for reporting the Period 2 costs.

This template is similar to template 21 and all guidance given in section 6 should be followed.

In addition, the Period 2 report template includes 2 additional sheets:

7.1 Period 1 costs

A record of the costs accepted is included in the sheet labelled “P1”

If any Adjustments to Period 1 are submitted the net value of the adjustment, and the date of the Adjustment statement should be entered into this sheet in the indicated cells

7.2 Funding Distribution

This sheet enables the consortium to advise the Programme Manager on if and how they wish to **redistribute any unutilised funding**, where a partner(s) has underspent their budget allocations, to be shared among those that have overspent, in order to fully utilise the project budget.

This is not an opportunity to redistribute budgets for any other reasons. Redistribution of budget for any other reasons (e.g., the partner has taken over activities of another) should have been addressed by an amendment prior to the project end. In case there is a need to address any budget issues of this kind at the reporting time, please alert MSU as soon as possible

7.2.1 Preparation actions – at or before Project End

The consortium should discuss and agree the rationale for such a redistribution (of unutilised funding) in advance of the completion of the report (for example, discuss and agree at the final project meeting),

Examples:

Partner X completed extra tasks and it is agreed they should if possible be fully funded out of any underspend.

There are no special cases and it is agreed that all who overspend will receive an equal % of their overspend in addition to their value in Annex 2.

Note that 'agreement' of the consortium is defined according to whatever is stated in the Consortium Agreement as necessary to reach agreement. We recommend the outcome is minuted.

7.2.2 Completion of the Funding Distribution sheet

This sheet can only be fully completed AFTER all data from partners' Template 20s have been copied into the report.

This sheet identifies any partners that have underspent or overspent and calculates a redistribution to share the unutilised budget among the partners that spent above budget based upon funding an equal % of overspent amounts. If this was the rationale agreed by the consortium then these values can be entered. It is also possible to enter values based on more specific criteria as agreed by the consortium.

The sheet advises of any unutilised funding. This should be reviewed and if necessary, adjustments made to some of the entered values in order to avoid any small rounding issues causing a 1 or 2 cents to be unutilised. The unutilised funding could be positive (for example if the project has overall underspent) however it may never be negative

Once completed the date and name of the coordinator should be written into the relevant cells.

In the case where no partners underspent, or no partners overspent then there is not any opportunity to revise the funding distribution (and this will be made clear in the sheet).

The coordinator should share this sheet with the consortium in order that they see how the agreed rationale is applied and the typical values indicated. (Please do not share the full workbook, share only this sheet - either as an image or copy paste special etc.).

Partners should be given opportunity to review and if necessary, query the coordinator's application of the agreed rationale but submission of the report should not be delayed while this is in progress. If, as a result of further discussions, the consortium wishes to revise the values this can be done at any time between submission of finance reporting and the formal request of funding distributions (see 7.2.3).

7.2.3 Formal request of the revised funding distribution

Once costs are accepted MSU will advise accepted costs and generate a formal document, indicating the final funding distributions, for the coordinator to check and sign in order to formally request to the Programme Manager this be used in place of the Annex 2 values in the calculation of the final funding

When approved, MSU will inform all partners (via the administrative contacts) of the revised distribution.

8 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 and will otherwise result in a delay to the approval of the report are:

- Late reporting due to one or more partners failing to submit their report and signed statements to the coordinator on time and not responding to repeated requests. In such cases, the coordinator should submit the financial report to the MSU with no costs for the partner(s) in question so that payments to reporting partners are not unduly delayed.
- Missing required items, e.g. signed financial statements for one or more partners, audit reports, etc.
- Financial Statement not including these items of mandatory information:
 - name of the signatory.
 - version number.
 - version date.
- Individual R&C Reports for partners in the Project Finance Report (pasted to tabs 1, 2, 3, etc.) missing required data:

- version number and date
 - currency
 - details of 'Other Direct Costs' in the final section of the worksheet or these not being in descending value order (and therefore where significant costs are unaccounted for it is not clear that these costs really are all lower value items).
- Inconsistencies between the costs stated in the signed Financial Statements and those reported in the Project Finance Report.
 - Inconsistencies caused by partner R&C Reports either being manually entered or not being pasted 'as values' into Template 21.
 - Unclear, disorganised file naming of the PDFs of signed statements, making it impossible to determine to which partner they belong without opening them.
 - Single PDF document containing copies of statement for all partners, which invalidates all e-signed PDFs.

9 Payments

As stated in the EMPIR Grant Agreement, payment from EURAMET to funded partners must be made² within 90 days of the full periodic reporting³ 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 any partner has underspent such that payments already received are greater than the final approved costs, then a request for repayment will be made.

² Subject to the bank details stated in the contract being correct.

³ 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.