



EUROPEAN
COMMISSION

Community Research



**Reporting transnational access
and service activity costs**

Version May 2011

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1. REPORTING TRANSNATIONAL ACCESS COSTS

The guidelines given in this section are based on Annex III – Specific Provisions for Transnational Access Activities. They apply to Integrating Activity (IA) projects including transnational access activities.

For this type of projects, Annex I (Description of Work) to Grant Agreement (ECGA) includes an estimated unit cost for each installation providing access under the project. The unit cost is defined as:

Estimated unit cost = estimated costs of providing access to the installation during the project life-time / estimated total quantity of access to be provided to the installation during the project life-time.

The Costs of providing access do not include capital investment costs and the total quantity of access to be considered includes access to be supported under the specific ECGA as well as any other access to the installation to be provided by the access provider during the project life-time.

When submitting financial reports for intermediate reporting periods, a beneficiary will normally identify transnational access costs multiplying the estimated unit cost (defined in Annex I) by the number of units of access provided to selected user-projects in the reporting period (as recorded in the Access Database provided by the Commission to IA projects). The real unit cost needs to be calculated at least with the last reporting period and, if necessary, adjustments will be made to the access costs claimed in the previous reporting periods.

Real unit cost = actual costs incurred in providing access to the installation during the project life time/ total quantity of access actually provided to the installation during the project life time.

A beneficiary could however decide to calculate the real unit cost in each reporting period in order to claim actual access costs. In this case the calculation will be based on the actual costs incurred in providing access in a reporting period and on the total quantity of access provided during that period. In any case, the beneficiary is strongly encouraged to opt for one and the same methodology (real unit cost or estimated unit cost) for all interim reporting periods. If he opted for the estimated unit cost, he should make the necessary adjustments in the last Form C in order to take into account the real unit costs.

The calculation of the real unit cost will be done using the excel form given in Appendix 1. Again, capital investment costs must be excluded and the total quantity of access provided must include also access not supported under the ECGA.

Access costs must be reported, in Form C, in the specific line "Access Costs" of the column "Support". Indirect costs related to access costs should not be claimed in the "Indirect Costs" line of Form C, because, if included, they have been taken into account in the calculation of the unit cost and are already included in the access cost.

Travel and subsistence costs related to visits of users and meetings of the selection panel, are not included in the calculation of the unit cost. These costs may be claimed by beneficiaries in their Form C, line "Other Direct Costs" of the column "Support". In accordance to special clause No. 19, the reimbursement of indirect costs related to travel and subsistence (and of any other direct costs in the "Support" and "Coordination" columns, excluding subcontracting and the costs of resources made available by third parties which are not used on the premises of the beneficiary), is limited to a maximum of 7% of the direct costs.

The excel form (Appendix 1) with the real unit cost must be provided to the Commission together with the periodic report and, if a certificate on financial statement (CFS) is due by that beneficiary according to the provisions of the ECGA, this form must be joined to and certified by the CFS.

1.1 Certificates on financial statement and real cost calculation

The provision of a certificate on financial statement (CFS) is independent from the real unit cost calculation.

A CFS is mandatory for every claim (interim or final) in the form of reimbursement of costs whenever the amount of the requested EU contribution is equal or superior to EUR 375,000 when cumulated with all previous payments for which a CFS has not been submitted.

Where a CFS is requested, it shall not certify access costs declared on the basis of estimated unit costs. However, if a CFS is due and a real unit cost has been calculated, the CFS shall also certify the real access costs of the reporting period as well as the access costs of previous reporting periods which have not been certified before, re-calculated on the basis of the real unit cost.

In order to **certify the real access costs** an auditor must be able to verify that the costs incurred for providing the total quantity of access to the installation over the covered reporting periods and the total quantity of access, that are reported in the excel form (Appendix 1) to calculate the real unit cost, are justified with adequate supporting evidence. The costs incurred for providing the total quantity of access to the installation should correspond to the total costs for running/operating the installation, but with the exclusion of all contributions to capital investments¹. These costs must be determined in accordance with the usual accounting and management principles and practices of the beneficiary.

These costs can be based on the audited profit and loss account of the organisation operating the installation; they must fulfil all eligible criteria established in the underlying grant agreement and must be in accordance with the provisions of the FP7 Guide to Financial Issues.

Alternatively, in the case of an installation which is part of a larger institution (e.g. a university or research institution) and for which the audited profit and loss account would not allow to identify unambiguously the total operating costs of the installation concerned, these costs must be established considering the different cost items necessary and directly linked to the operation of the installation (e.g. personnel costs, maintenance, utilities, consumable). In this case adequate supporting evidence would need to be provided to the auditor to substantiate the costs declared. For the personnel costs (salary and employer's costs) supporting evidence could come, for example, from the payroll system together with an appropriate justification of the working time allocated to the operation of the installation (e.g. employment contract, formal allocation of workload, time sheets, etc.). For the other direct costs (e.g. maintenance costs, consumable, utilities, etc.) supporting evidence must satisfactorily demonstrate that the costs are unambiguously related to the installation concerned and could include, for example, invoices and purchase orders. When the supporting evidence covers more than what has been used for the operation of the installation the costs declared must represent a fair apportionment and be based on objective, measurable and auditable criteria. Again, all costs declared must fulfil all eligible criteria established in the underlying grant agreement, and must be in accordance with the provisions of the FP7 Guide to Financial Issues.

Note that the above examples given for appropriate evidence are non-exhaustive, and that other supporting evidence may be provided by the beneficiary and/or requested in case of an audit.

Indirect costs, when applicable, necessary and incurred, shall be limited to 7% of the direct costs minus the costs of subcontracting and the costs of resources made available by third parties which are not used on the premises of the beneficiary.

Supporting evidence for the total quantity of access provided and for the quantity of access offered under the project, should include certified records or electronic log of units-of-access provision.

Access costs based on estimated unit cost must be taken into account to establish the need for a CFS, but, if a CFS is due, they will not be covered by the CFS itself.

¹ Capital investments refer to fixed assets such as buildings, furniture, equipments, etc. Costs for amortization, depreciation, costs for wear-and-tear etc. of such fixed assets are not an eligible cost

If the real unit cost is calculated only at the end of the last period, for the last claim all access costs for the project will have to be taken into account in order to establish the need for a CFS and the amounts to be certified by it. Indeed, when a real unit cost is calculated, all access costs based on the estimated unit cost will be adjusted in order to reflect actual costs. Whether a CFS is needed it will also certify the actual access costs for the previous periods. The adjustments to the access costs of previous periods can be included in the calculation of the access costs of the last period. Alternatively additional Forms C to cover the adjustments could be submitted.

Example: in a project with three reporting periods, an access provider claims for the first period EUR 380 000 as total cost, of which estimated access costs (based on an estimated unit cost) are 40 000 and the other costs are 340 000. A CFS must be submitted, since the beneficiary claims and will get a payment of 380 000, but the CFS will not certify the estimated access costs (40 000).

For the second period the access provider claims EUR 400 000 as total cost, of which estimated access costs (based on an estimated unit cost) are 40 000 and the other costs are 360 000. A CFS must be submitted, but the CFS will not certify the estimated access costs (40 000).

*For the final period the access provider claims EUR 300 000, 270 000 as other costs and 30 000 as actual access costs. The access costs of the first and second period are re-calculated on the basis of the real unit cost and no adjustment is needed because there are no differences. To establish the need for a CFS, the beneficiary adds to the costs claimed for the last period the actual access costs for the 1st period (40000) and the actual access cost for the 2nd period (40000); in total 380 000. A CFS is needed; the CFS will also certify the access costs (40 000 and 40 000) of the first and second period. Where the total amount thus calculated is below 375 000, a CFS is **not** needed.*

1.2 Adjustments to the access costs –European Union financial support for access costs

Art. III.9 of Annex III for Transnational Access states:

The financial contribution of the Union shall be adjusted in the financial statement (Form C) corresponding to the last reporting period, taking into account the following:

- The real unit cost, calculated on the basis of total quantity of access actually provided and the costs actually incurred to give this access. If the real unit cost is higher than the estimated unit cost, the increase in relation to the estimated unit cost may be reimbursed under the condition that the minimum quantity of access to be reimbursed under this grant agreement, foreseen in Annex I, has been provided.
- The *financial contribution of the Union* shall not exceed 20% of the costs of providing the total quantity of access to the *installation* over the duration of the *project*.

Therefore access costs based on a real unit cost higher than the estimated unit cost may be reimbursed only if the minimum quantity of access foreseen in Annex I of the specific ECGA has been provided and if there is still some available budget within the project Maximum EU financial contribution.

An example is given below to better clarify how this rule applies.

Within a project with three periods a beneficiary provides access to an installation with:

- *estimated costs of providing access during the project life time = EUR 4,000,000 (including both access financed and not financed by the EU under the specific ECGA)*
- *estimated total quantity of access to be provided during the project life time =1,000*
- *estimated unit cost = EUR 4,000*
- *minimum quantity of access to be provided under the ECGA = 200*

1st period: the access provider declares that it has given 50 units of access under the conditions established in the grant agreement. The amount to be claimed for this period is equal to the estimated unit cost multiplied by the amount of access for this period: $50 \times 4,000 = \text{EUR } 200,000$

2nd period: the access provider declares that it has given 60 units of access. Amount to be claimed = $60 \times 4,000 = \text{EUR } 240,000$.

3rd and last period: **the real unit cost must be calculated on the basis of the total quantity of access actually provided and the costs actually incurred to give this access.**

The following three scenarios are to be considered:

Scenario 1: real unit cost is lower than the estimated unit cost

Costs actually incurred to provide access (including both access financed and not financed by the EU under this grant agreement) = EUR 3.000.000.

Total quantity of access actually provided (including both access financed and not financed by the EU under this grant agreement) = 1.000 units

Real unit cost = $\text{EUR } 3.000.000 / 1.000 = \text{EUR } 3.000$

The access provider shall use this unit cost to calculate the cost to be declared for the last period. If the access provider declares that in this period it has given 90 units of access under the conditions established in the grant agreement:

Amount to be claimed = $90 \times 3.000 = \text{EUR } 270.000$. The access provider shall also adjust the costs claimed for previous periods. For:

1st period: the access provider declared that it has given 50 units of access under the conditions established in the grant agreement. The amount to be claimed for this period is $50 \times 3.000 = \text{EUR } 150.000$ instead of EUR 200.000.

2nd period: the access provider declared that it has given 60 units of access. Amount to be claimed is $60 \times 3.000 = \text{EUR } 180.000$ instead of EUR 240.000.

The adjustments to the access costs of previous periods can be included in the calculation of the access costs of the last period. Alternatively additional Forms C to cover the adjustments could be submitted.

Scenario 2: real unit cost is higher than the estimated unit cost and the amount of access actually provided under the conditions of the grant agreement is equal or higher than the minimum amount foreseen in Annex I to ECGA.

Costs actually incurred to provide access (include both access financed and not financed by the EU under this grant agreement) = EUR 5.000.000.

Total quantity of units of access actually provided = 1.000

Real unit cost = $5.000.000 / 1.000 = \text{EUR } 5.000$.

If the access provider declares that it has given 90 units of access in period 3: Amount to be claimed = $90 \times 5.000 = \text{EUR } 450.000$. The access provider shall also adjust the costs claimed for previous periods. For:

1st period: the access provider declared that it has given 50 units of access under the conditions established in the grant agreement. The amount to be claimed for this period is $50 \times 5.000 = \text{EUR } 250.000$ instead of EUR 200.000.

2nd period: the access provider declared that it had given 60 units of access under the conditions established in the grant agreement. Amount to be claimed is $60 \times 5.000 = \text{EUR } 300.000$ instead of $\text{EUR } 240.000$.

The adjustments to the access costs of previous periods can be included in the calculation of the access costs of the last period. Alternatively additional Forms C to cover the adjustments could be submitted.

Scenario 3: real unit cost is higher than the estimated unit cost and the amount of access actually provided under the conditions of the grant agreement is less than the minimum amount of access foreseen in Annex I to ECGA. In this case, the increase in relation to the estimated unit cost may not be reimbursed at all.

If the real unit cost is 5,000 and the minimum amount of access provide is less than the amount foreseen, e.g. the access provider declares that it has given 50 units of access for the 3rd period, the amount to be claimed will be calculated on the basis of the estimated unit cost = 50×4.000 (not 5,000) = $\text{EUR } 200.000$. Equally, the access provider shall not adjust the costs claimed for previous periods.

Another case is when, as indicated above, a beneficiary decides to calculate the real unit cost every period and use it for claiming access costs on Form C. In this case, when a CFS is due, it shall certify the actual access costs.

In the final period there can still be adjustments to be done to the already reimbursed actual access costs. This happens in case the minimum quantity of access foreseen in Annex I has not been provided and any of the real unit costs used in the reporting periods is higher than the estimated unit cost.

As example, within a grant agreement with three periods a beneficiary provides access to an installation with:

- estimated costs of providing access during the project life time = $\text{EUR } 4,000,000$
- estimated total quantity of access to be provided during the project life time = 1,000
- estimated unit cost = $\text{EUR } 4,000$
- minimum quantity of access to be provided under the ECGA = 200 units

The beneficiary will calculate the real unit cost for each reporting period

P1: Real Unit Cost= 4,500 50 units provided access costs = 225,000

P2: Real Unit Cost= 5,000 60 units provided access costs = 300,000

P3: Real Unit Cost= 5,000 80 units provided access costs = 400,000

However $50+60+80= 190$ units < 200 units foreseen in Annex I, therefore, according to Art. III.9, higher unit costs cannot be reimbursed.

The access costs to be claimed will be calculated on the basis of the estimated unit cost:

$190 \text{ units} \times 4,000 = 760,000 - 525,000$ (already paid) = 235,000

Only 235,000 instead of 400,000 will be accepted for reimbursement in the last payment.

The adjustments to the access costs of previous periods can be included in the calculation of the access costs of the last period. Alternatively additional Forms C to cover the adjustments could be submitted.

2. REPORTING SERVICE ACTIVITY COSTS

The guidelines given in this section are based on Special Clause 17 "Specific provisions for reimbursement of access to scientific services freely available through communication network". They apply to Integrating Activity projects including service activities.

For this type of projects, Annex I (Description of Work) to ECGA shall define the total estimated costs of providing access to the installation during the project life. The *percentage of the costs of providing access to be charged* shall not exceed 20% of these costs.

The total access costs, defined during negotiation, are based on estimations for the life time of the project and do not include the capital investment costs².

In order to report access costs of a service activity, beneficiaries will calculate the real costs of providing access for each reporting period.

The calculation of the real access costs shall be done using the excel form given in Appendix 2. Again, capital investment costs must be excluded. The forms calculating the real access costs must be provided to the EC together with the periodic report and, if a certificate on financial statement (CFS) is due by that beneficiary according to the provisions of the ECGA, this form must be joined to and certified by the CFS.

In order to **certify the real access costs** for a service activity, an auditor must be able to verify if the total costs incurred for providing access to the service offered by the installation over the reporting period (Appendix 2) are justified with adequate supporting evidence. The total costs incurred for providing access to the service offered by the installation should correspond to the total costs for running/operating the installation, but with the exclusion of all contributions to capital investments. These costs must be determined in accordance with the usual accounting and management principles and practices of the beneficiary.

These costs can be based on the audited profit and loss account of the organisation operating the installation; they must fulfil all eligible criteria established in the underlying grant agreement and must be in accordance with the provisions of the FP7 Guide to Financial Issues.

Alternatively, in the case of an installation which is part of a larger institution (e.g. a university or research institution) and for which the audited profit and loss account would not allow to identify unambiguously the total operating costs of the installation concerned, these costs must be established considering the different cost items necessary and direct linked to the operation of the installation (e.g. personnel costs, maintenance, utilities, consumable). In this case adequate supporting evidence would need to be provided to the auditor to substantiate the costs declared. For the personnel costs (salary and employer's costs) supporting evidence could come, for example, from the payroll system together with an appropriate justification of the working time allocated to the operation of the installation (e.g. employment contract, formal allocation of workload, time sheets, etc.). For the other direct costs (e.g. maintenance costs, consumable, utilities, etc.) supporting evidence must satisfactorily demonstrate that the costs are unambiguously related to the installation concerned and could include, for example, invoices and purchase orders. When the supporting evidence covers more than what has been used for the operation of the installation, the costs declared must represent a fair apportionment and be based on objective, measurable and auditable criteria. Again, all costs declared must fulfil all eligible criteria established in the underlying grant agreement and must be in accordance with the provisions of the FP7 Guide to Financial Issues.

Note that the above examples given for appropriate evidence are non-exhaustive, and that other supporting evidence may be provided by the beneficiary and/or requested in case of an audit.

Indirect costs, when applicable, necessary and incurred, shall be limited to 7% of the direct costs minus the costs of subcontracting and the costs of resources made available by third parties which are not used on the premises of the beneficiary.

² Capital investments refer to fixed assets such as buildings, furniture, equipments, etc. Costs for amortization, depreciation, costs for wear-and-tear etc. of such fixed assets are not an eligible cost.

Access costs must be reported, in Form C, in the specific line "Access Costs" of the column "Support". Indirect costs related to access costs should not be claimed in the "Indirect Costs" line of Form C, because, if included, they have already been taken into account in the calculation of the access costs.

Calculation of the Real Unit Cost for Transnational Access

Participant number		Organisation short name	
Short name of Infrastructure		Installation number	Short name of Installation
Name of Installation			Unit of access
Start date ^[1] (DD/MM/YYYY)			End date ^[1] (DD/MM/YYYY)

A. Total actual costs (€) incurred to give the total quantity of access actually provided to the Installation, over the covered reporting periods (i.e. from start date to end date above). This corresponds to the total costs for operating/running the installation. All contributions to the capital investments must be excluded. Indirect costs, when included, shall be limited to 7% of the direct cost minus the cost of subcontracting and the costs of resources made available by third parties which are not used on the premises of the beneficiary.	
B. Total quantity of access (in unit of access) actually provided to all users of the installation (i.e. both internal and external) within the covered reporting periods (i.e. from start date to end date above)	
C. Fraction of the Unit cost to be charged to the project ^[2]	
D. Real unit cost = C x (A/B)	
E. Total quantity of access (in unit of access) provided to the installation that is charged to the project	
F. Real Access Cost charged to the project ^{[3][4]} = D x E	

[1] The calculation of the real unit cost can be done only once at the end of the project considering the full duration of the project, or in addition at the end of any intermediate reporting period.

[2] If only a fraction of the unit cost is being charged, please indicate the value of this fraction (in %) in line C. If not, insert 100%.

[3] The Access Cost charged to the project shall not exceed 20% of the total actual costs specified in row A.

[4] In the case of a participant giving access to more than one infrastructure/installation, please report in "Form C" the sum of all the amounts coming from the individual access cost calculation forms

Calculation of the Real Access Costs for Scientific Services

Participant number		Organisation short name	
Short name of Infrastructure		Installation number	Short name of Installation
Name of Installation			Unit of access
Start date ^[1] (DD/MM/YYYY)			End date ^[1] (DD/MM/YYYY)

A. Total actual costs (€) incurred for providing access to the service offered by the installation over the reporting period (i.e. from start date to end date above). This corresponds to the total costs for operating/running the installation. All contributions to the capital investments must be excluded. Indirect costs, when included, shall be limited to 7% of the direct cost minus the cost of subcontracting and the costs of resources made available by third parties which are not used on the premises of the beneficiary.	
B. Percentage of the operating costs to be charged to the project ^[2]	
C. Real Access Cost charged to the project ^[3] = A x B	

[1] The calculation of the real access cost for scientific services must be done at the end of each reporting period.

[2] The percentage of the operating costs specified in row A to be charged to the project cannot exceed 20%.

[3] In the case of a participant giving access to more than one infrastructure/installation, please report in "Form C" the sum of all the amounts coming from the individual access cost calculation forms