



# Explanatory note on: IMT / Grant / Reports / Budget

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# 1. IMT AND REPORTING (ANNUAL REPORTS)

IMT is a tool designed to allow quick and efficient reporting from both the contractors and the coordinator, and its requirements fit those of the reporting rules established by the European Commission (EC), as described below.

## *Justification of major cost items and resources*

**Extract from “Project reporting in FP6 – Guidance notes”** (Please see: <http://www.e-taxonomy.eu/reporting> Part 2.2 Periodic Management report, Section 1 - Justification of major cost items and resources p.9)

*Provide a justification of the major costs incurred and resources deployed by each contractor, linking them to activities implemented by each contractor and explaining their necessity.*

*This should include the following:*

- *A brief description of the work performed by each contractor during the period. This should be addressed at the workpackage level, and the work specification should be detailed enough to justify the resources employed - “Contributing to workpackage X” or “Contributing YY% to workpackage X” is too unspecific. Rather e.g. “Developed the ... module for...in workpackage X”.*

To answer to this enquiry, a screen allows each “person responsible for the work” in each institution introduce comments which can be then grouped in table 2 of the Periodic Management Report.

- *Explanatory note on any major cost items such as important equipment purchases, major travel costs, large consumable items etc., justifying their necessity to the project. (p.9)*

The IMT answers by allowing feeding directly table 5 of the Periodic Management Report which groups all eligible costs by partner and by category of expenditure.

- *A tabular overview of budgeted costs and actual costs, by contractor and by major cost item including personnel (see Appendix 2, Table 3).  
For AC contractors, a tabular overview of all resources employed on the project and a global estimate of all costs. (p.9)*

This corresponds to Table 4 of the report where data provided by each partner for “engaged expenditures” are transferred directly once validated.

- *A tabular overview of budgeted person-months and actual person-months, by contractor and by workpackage (see Appendix 2, Table 4). The budgeted person-months should normally be taken from Annex I to the contract.  
For AC contractors, in addition estimate the number of person-months of permanent staff working on the project<sup>1</sup>. (p.9)*

**These data are compiled in the IMT directly from the individual time sheets. Even if the total by partner is sufficient for reporting, detailed time sheets will be necessary in case of audit by the Commission, even for AC partners who also have to provide an account of their effort (the Commission’s services including OLAF<sup>2</sup> and auditors from the European Court of Auditors may audit all aspect of the project during the contract and up to five years after its end. For EDIT, it means that a partner can be audited until 2016!).**

<sup>1</sup> Even if not eligible for funding.

<sup>2</sup> OLAF: European Anti-Fraud office (Office Européen de Lutte Anti-Fraude), please see: [http://europa.eu.int/comm/anti\\_fraud/index\\_en.html](http://europa.eu.int/comm/anti_fraud/index_en.html)

In addition, please note that from the EDIT Consortium Agreement the time sheets and the expenditure summary reports have to be provided at least every six months, to allow the NSC to follow the effort and the work; and to decide on the amounts of the grant to be transferred to each contractor for the next payments.

### ***“Working time to be charged to the project” and Time sheets***

**Extract from « FP6 Guide to financial issues » – Version February 2005** (Please see: <http://www.e-taxonomy.eu/node/475> , Part 6.1 – Annex 1 – Examples of potential Eligible costs, 6.1.1 – Personnel p.144)

*Cost for remuneration of personnel should be taken from the payroll account and should reflect the total gross remuneration plus (salary) the employer’s portion of social charges (e.g. holiday pay, pension contributions, health insurance and social security payments)<sup>3</sup>. **Working time to be charged** must be recorded throughout the duration of the project by any reasonable but reliable means (including time sheets). The person in charge of the work designated by the contractor should certify the records. A simple estimation of hours worked is not sufficient. There must be a system that allows the time of anyone working on the project to be followed and audited.*

*Productive hours must be calculated according to the contractor’s normal practices (taking into account particularly national holidays, absenteeism, etc.).*

The IMT is designed to answer to these constraints, with the best possible flexibility, and can evolve when necessary. Please note that the **“working time to be charged to the project” does not mean “paid by the project grant”**: It includes all the working time devoted by a partner to the work programme and is totally independent from the cost model (the cost model is important to justify the grant, not for the project budget itself which includes the grant **plus** the effort of each partner). The budget must be such as, for each partner, the grant does not cover more than 100% of the project budget – and hopefully represents less.

5) **Q:** How detailed should the '**working time to be charged**' (part 6.1.1 Guide to Financial Issues) be recorded? Is it sufficient if the researcher records the **hours**? Or is it sufficient to indicate she/ he worked so many months on an EU-project?

**A:** Working time to be charged must be recorded throughout the duration of the project through any effective tool (including time sheets), in accordance with the contractor’s normal accounting rules. The person in charge of the work designated by the contractor should certify the records. An estimation is insufficient. Employees normally record time sheets on a daily basis while the certification of the person in charge could be done monthly. Certified time sheets must include the person’s identity and her/ his time spent on the project. If the person is working in different "activities" under the contract it is necessary to be able to distinguish among the tasks as they relate to each activity. In addition, a full overview of the working time should be possible in the event of an audit (i.e. for persons working part-time on the project it should be possible to determine where their time was spent when not on the project). Costs claimed for personnel time must be actual, not averages, and recorded on the contractor’s account (income statement, balance sheet) not just on internal (management) accounts.

**Please Note that working time of staff paid by the project should be entered in the WP out of which the budget for their salary comes from. However, related costs (mainly travel) should be entered in the WP to which the meeting relates to.**

<sup>3</sup> On this issue, please also see: *How to calculate daily costs?* p.6

## 2. FINANCIAL STATEMENT (FORM C) & AUDIT CERTIFICATE

### *Form C*

Form C is the financial statement to be provided to the EC by each partner at the end of each reporting period.

The main difference between costs recorded in the IMT and the costs declared in the Form C is that figures in the Form C cannot be estimative. As the Forms C will be established after the end of each reporting period, the costs declared must be exact and auditable. As the information recorded in the IMT is recorded throughout the lifetime of the project, estimations are tolerated, because the partners' accounting system may not be able to provide exact figures before the end of the reporting period.

### *Audit certificate*

The EDIT Consortium Agreement states that the Contractors shall provide the Coordinator with Form C and audit certificate<sup>4</sup> no later than 15 calendar days after the expiration of each reporting period (article 5.3. xiii)<sup>5</sup>: in compliance with *Article II. 7 of Annex II of EC Contract* (please see *articles II.6 and II.7 of Annex II of EC Contract* under the following link: <http://www.e-taxonomy.eu/node/388> ), all reports and deliverables shall be submitted to the Commission within 45 days following the end of the respective reporting period (identified in *Articles 6 and 7 of Annex II of EC Contract*). So, these 15 days indicated in the Consortium agreement are necessary for the CDC and the Network Office to receive and check both formally (stamp, signatures...) and the content of all Forms C and audit certificates and also necessary to the Network Office to prepare (with the Coordinator) a periodic management report on basis of Forms C. Costs declared by each contractor are checked in relation to EC funds received by him during a concerned reporting period. Once these documents checked and reports prepared, they have to be validated by competent bodies, before being sent (including Forms C) to the Commission through the CDC.

Please keep in mind that if some Forms C are not ready on time or incomplete, the Commission will not validate management report and/or will not consider as eligible all costs declared. In this case, the delay for payment to the Consortium of the EC contribution will be suspended: "the delay for approval of the financial statement (Form C) has been suspended until the submission of the corrected or revised version as requested and the balance of the delay for approval will start again upon receipt by the Commission of this information" (art. II 28-8 of Annex II of EC Contract) (Please see *article II 28 -8 of Annex II of EC Contract*).

**In fact, each contractor has to start preparing Form C and audit certificate 1 month before the end of reporting period and not last day of this period. The IMT is designed to facilitate reporting and make it lighter for the contractors.**

<sup>4</sup> Please note that according to the EC contract, Article 9 Special Clauses, Special clause 39:

"Notwithstanding the provisions of Article 7.2 of this Contract, Contractors requesting a Community financial contribution for one or more reporting periods of less than 150,000 Euros, need not submit an audit certificate, until the cumulative request for Community financial contribution is equal to or exceeds 150,000 Euros for the reporting periods for which an audit certificate has not yet been submitted. In all cases, an audit certificate shall be submitted at the latest 45 days after the final reporting period. This final audit certificate shall cover all periods for which an audit certificate has not been previously submitted.

<sup>5</sup> Please see the Consortium Agreement p. 27: <http://www.e-taxonomy.eu/node/315>

### 3. COSTS MODELS VS ELIGIBLE COSTS

There are three costs models in FP6<sup>6</sup>. Eligible costs that can be charged by the partners depend on their cost models:

**-Full cost with actual indirect costs (FC):** All eligible<sup>7</sup> direct<sup>8</sup> and indirect<sup>9</sup> costs are charged by the contractors.

**-Full cost with indirect flat rates costs (FCF):** All eligible direct costs and a flat rate for indirect costs are charged. The flat rate is 20% of all direct eligible costs minus the cost of sub-contracts.

**-Additional costs with indirect flat rate costs (AC):** All eligible direct additional<sup>10</sup> costs and a flat rate for indirect costs are charged. The flat rate is 20% of all direct additional costs minus the cost of sub-contracts.

In EDIT, most partners are AC.

### 4. EFFORT VS ELIGIBLE COSTS VS AMOUNT OF THE GRANT

Philosophy behind the Network of Excellence (NoE): the EC gives a grant for an effort toward integration<sup>11</sup>. The ultimate objective is to work together durably on a sustainable basis. How the grant is spent is only a mean, and although we have to deal with them, technical financial problems should not handicap progress (overheads etc.). The objective of EDIT is to coordinate institutions policies, and to integrate their research activities, in order to improve delivery of taxonomy to its users and to transform the way how taxonomists work through development of shared informatics tools in order to improve the quality and quantity of taxonomic results.

**How partners spend money is quite irrelevant for the European Commission: the only constraint is that that the costs declared in our Forms C must be “eligible costs” and, at least, as much as the amount of the grant we received. Everything in addition to the amount of the grant is ok, but effort of the institution does not mean eligible.**

<sup>6</sup> Please see: *Guide to Financial Issues relating to Indirect Actions of the Sixth Framework Programme*: <http://www.e-taxonomy.eu/node/475> p.3-5

<sup>7</sup> About **Eligible costs** please see: <http://www.e-taxonomy.eu/node/475> p.23-25.

<sup>8</sup> **Direct costs**: are eligible costs that are associated directly to the project, and are determined by the contractor in accordance with its usual accounting practices.

<sup>9</sup> **Indirect costs**: are, for those working on the full cost model, all eligible costs determined by the contractor, in accordance with its usual accounting practices, which are not directly attributable to the project but are incurred in relation to the direct costs of the project. For those contractors using either of the flat rate models (FCF, AC) a flat rate is applied to the eligible direct costs and is deemed to cover the indirect costs.

<sup>10</sup> **Direct additional costs**, are eligible costs additional to the normal recurring costs of the contractor that are associated directly to the project and are not covered by any other sources of funding.

<sup>11</sup> Grant for integration: For Networks of Excellence the Community financial contribution is a fixed grant for integration to attain the planned lasting integration within the objectives of the joint programme of activities (JPA).

Therefore, even though the Community financial contribution for a Network of Excellence is not calculated on the basis of a provisional budget of estimated costs, payment of the grant is conditional upon the participants incurring costs are greater than the amount of the grant itself.

In other words, for a Network of Excellence, the Community financial contribution could reimburse up to 100% of the eligible costs incurred by the participants, whatever the cost model they use, but the eligible costs must be greater than the maximum Community financial contribution established in the contract. The way in which the grant is distributed between the participants is determined by their consortium agreement. (<http://www.e-taxonomy.eu/node/475> p.20-21.)

In order to get the most realistic picture of the NoE's total effort, all the partners, even AC partners, must record all their staff effort (permanent staff and additional staff) in the IMT.

In summary: all the effort of a partner may not be considered as "eligible"; and the total amount of the eligible costs must exceed the amount of the grant received by each partner.

$$\begin{array}{lcl} \text{EFFORT} & \neq & \text{ELIGIBLE} \\ \text{ELIGIBLE} & \geq & \text{GRANT} \end{array}$$

## 5. DAILY COSTS

No matter of the institution cost models: all Team Leaders have to enter a daily cost for their staff.

### *In which part of the IMT, can you enter and/or modify the daily costs?*

Log in as Team Leader

→ go to 'Calculation grid' page, 'Daily Costs' tab

You therefore will be able to:

- enter an average daily cost per type of categories (Senior researcher; Researcher; Doctoral student; Other) by selecting in the combo box a category, completing 'Daily cost' box, validating your entry by clicking on 'Apply' (see below)

### Calculation Grid

**Daily Costs** Overheads

→ This page allows you to define an indicative individual daily cost per member of your unit. Data can be modified individually by clicking on "Edit" in the table or by applying the same daily cost to all the researchers of a same category. Manpower costs will be estimated by IMT on this basis, depending on the hours recorded.

Unit : 01-CDC DBRMO Cost Model : FCF - Full cost flat

To apply an indicative average daily cost per category, select the category and the daily cost below, then click "Apply"

Category  Daily cost (€)

or

- enter individual daily cost for each person listed by clicking on ['Edit'](#)

Researchers	Category	Staff	Daily Cost (€)	
CHEINEY Laurence	Other	-	350,00	<input type="button" value="Edit"/>

↓

Researchers	Category	Staff	Daily Cost (€)	
CHEINEY Laurence	Other	-	<input type="text" value="350,00"/>	<input type="button" value="Save"/> <input type="button" value="Cancel"/>

For further assistance, please consult IMT Team Leader's User Guide.

**Even AC partners must enter a daily cost for their permanent staff in order to be able to estimate and to record the total effort of the institution ("in kind effort").**

### *How to calculate daily costs?*

For the partners, whose administration cannot provide them with daily costs established for each category of researcher, here is the way for calculation of these daily costs.

First you will have to consider the full cost of the salary for the institution: i.e. salary gross amounts plus charges, but excluding taxes.

Then, considering your legal work time<sup>12</sup>, you have to calculate how many days your staff is working per year (i.e. week-ends, holydays and public holidays excluded).

Finally, you should divide the full costs of salary by the number of "working days" in order to obtain the daily cost to be recorded in the IMT.

### ***AC Partners: how to deal with “Permanent staff” and “Non staff” or “Additional staff”?***

Log in as Team Leader

→ go to ‘Calculation grid’ page, ‘Daily Costs’ tab’

In ‘Calculation grid’, staff hired to work on EDIT have to be listed as ‘non staff’, in order to have the system taking into account their cost salaries as eligible costs (see below):

**Calculation Grid**

**Daily Costs** | **Overheads**

→ This page allows you to define an indicative individual daily cost per member of your unit. Data can be modified individually by clicking on "Edit" in the table or by applying the same daily cost to all the researchers of a same category. Manpower costs will be estimated by IMT on this basis, depending on the hours recorded.

Unit : 01-CDC | Cost Model : AC - Additional cost

To apply an indicative average daily cost per category, select the category and the daily cost below, then click "Apply"

Category: Doctoral Student | Daily cost (€): | Apply

Researchers	Category	Staff	Daily Cost (€)	
BACHY Patrice	Other	Staff	300,00	Edit

↓

Researchers	Category	Staff	Daily Cost (€)	
BACHY Patrice	Other	<input type="radio"/> Staff <input checked="" type="radio"/> Non Staff	300,00	Save Cancel

For further assistance, please consult IMT Team Leader’s User Guide.

**Reminder:**

**Only the working time recorded as “Of which integration” by the additional staff (=“non staff”) is considered as eligible costs.**

**The working time of the permanent staff is non eligible for AC partners, BUT must be recorded in order to estimate the total effort of the AC partners (and of the whole NoE). This data is absolutely needed for the annual reports to be provided to the European Commission at**

<sup>12</sup> Please note that according to article 7.1.1.3 of the Consortium Agreement p. 32 (<http://www.e-taxonomy.eu/node/315>) maximum effective working hours are 1680 hours per year and per person. Please see *Audit Certificate Guidance Notes 6<sup>th</sup> Framework Programme* p.24: <http://www.e-taxonomy.eu/node/225>

the end of each reporting period. (Please see the letter sent by Hervé Péro from the EC to all Project coordinators in Annex p.14).

The origin of the salary of the staff listed by each partner is not relevant for EDIT, and all employees can be included as part of the effort if the partner who employs them considers that they participate to integration. The limit of application is that the Commission will ensure that two EC funds do not support the same activity.


*FC & FCF Partners: “Permanent staff” and “Non staff” or “Additional staff”*

For FC & FCF partners, both the working time recorded as “Of which integration” of their permanent staff and additional staff (the latter in this case is “staff”, whereas it is “non-staff” for AC partners!!) is considered as eligible costs.

*All partners*

Please also note that, whatever the cost models, permanent staff have to record their person days in the relevant WP activities, this means that permanent staff of WP leading institution can and **must record their working time in another WP activity when relevant.**

## 6. TIMESHEETS

Each researcher can fill in her/his own timesheets in the menu called 'My Activities' by clicking on a this picture , on the right of the relevant activity in the list of active tasks displayed.

Each Team Leader can fill in timesheets for her/his staff:

Log in as Team Leader:

→ go to 'My Activities' page

→ select 'Monthly unit form' tab

→ on the combo lists select the month and the researcher for whom you want to fill in timesheet

→ click on 'Edit' button at the right of the relevant activity and record the data.

→ click on 'Save' to record data

For further assistance, please consult IMT Team Leader's User Guide.

### *What does "Integration" mean?*

For our annual reports, we need to evaluate in timesheets, the part of working time of the partners that can be considered as "Integration" time for the NoE.

In the IMT, when filling in timesheets, you have to indicate this information in the box 'Of which integration'.

<b><u>Definition of "Integration": "corresponds to the activities which would not have been carried out if EDIT had not existed. This figure has to be auditable and to correspond to the times recorded by the contractor".</u></b>
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BUT please note that the total number of person days and the number of person days recorded as 'integration' in the IMT must be realistic!

## **7. HOW TO KNOW IN WHICH WP ACTIVITY WORKING TIME & EXPENDITURES SHOULD BE RECORDED?**

This information is, most of the time, available in the EDIT 'Annex 1 – Description of work' in the WPs description for the first 18 months (available on IMT 'My Project' page).

In order to make it easier, each WP leader will indicate to which activity of her/his Workpackage each past and future meeting or workshop is related to. We will indicate it in a specific topic in the IMT forum in the members' area of the EDIT website. Time declared for a meeting includes travel time (because we are paid by our institutions while we travel for these meetings, and travel time is therefore part of the effort of our institutions).

For the past meetings, here are the relevant WP activities in which time and expenses must be recorded:

*This list will be updated shortly:*

### **WP1**

- 12th Meeting of the NSC (25 - 26th March 2009 – London) → 1.1
- 13th Meeting of the NSC (23-24th June 2009 - Bratislava) → 1.1
- 14th Meeting of the NSC (10-11th September 2009 - Berlin) → 1.1
- 15th Meeting of the NSC (17th December 2009 - Carvoeiro) → 1.1
- 6th meeting of the BoD (17th December 2009 - Carvoeiro) → 1.2
- Meeting of SMG (23rd June 2009, London) → 1.3
- Meeting of SMG (9th September 2009 - Berlin) → 1.3

### **WP2**

### **WP 3**

- EDIT session at the SPNHC conference (Leiden, 8<sup>th</sup> July 2009) → 3.1
- 2<sup>nd</sup> Meeting of the DoC (Leiden, 10th July 2009) → 3.1
- DoC Core group meeting (Carvoeiro, 15th December 2009) → 3.1
- Scientific Publishing in Natural History Institutions (Bratislava, 22-23 June 2009) → 3.6
- International Collaboration Meeting with SANBI/ABRS/WP3/WP6/WP8 on Agreement to Collaborate (Leiden, 6-7 July 2009) → 3.5

### **WP5**

- WP5 / WP6 Portal and Editor Meeting (11. March, BGBM Berlin) → 5.8 / 5.5
- Taxonomic Editor Meeting (23.-24. March, RBG Kew) → 5.5
- Geo Tools e-conference (1. April) → 5.4
- WP5 / WP5 Portal and Editor Meeting (2. July, RBG Kew) → 5.8 / 5.5
- Descriptive data e-conference (4. August) → 5.6. / 5.2

- CDM/Scratchpads meeting (9. September, BGBM Berlin) → 5.2
- EDIT – BHL Meeting (10. September, BGBM Berlin) → 5.8
- Tester developer meeting (15. September, BGBM Berlin) → 5.10 / 5.5 / 5.2
- 4th ISTC meeting (15.-16. September, BGBM Berlin) → 5.1
- EDIT-BHL Meeting: Activity 5.3 Bibliographic tools, ViTaL (27.October.2009, BGBM) → 5.2 / 5.3 / 5.8
- EDIT meetings bibliographic tools (7.-11.December 2009, NHM London) → 5.3
- EDIT-BHL meeting: bibliographic tools, ViTaL (5.January 2010, MfN) → 5.2 / 5.3 / 5.m
- EDIT Meeting: exemplar groups Cichorieae and keys and descriptions (14. January 2010, BGBM) → 5.6 / 5.2
- EDIT meeting: Platform implementations and keys and descriptions (15. January 2010)
- EDIT-BHL meeting: Bibliographic tools, ViTaL (27.January.2010, BGBM) → 5.2 / 5.3 / 5.8
- EDIT WP5/WP6 meeting (09. February 2010) → 5.2 / 5.5

## ***WP6***

## ***WP7***

## ***WP 8***

- Summer School (19- 31 July 2009 – Murànska planina, Slovakia) → 8.4

## 8. EXCHANGE RATE (PARTNERS WHOSE NATIONAL CURRENCY IS NOT EUROS)

We advise these partners to use an average exchange rate for expenditures and daily costs. You can obtain daily exchange rate on the European Central Bank website under the enclosed link:

<http://www.ecb.int/stats/exchange/eurofxref/>

**Please note that in the Form C to be provided at the end of each reporting period: all eligible costs must be declared in Euro. These eligible costs will be reported on the basis of:**

**-the conversion rate that would have applied on the date that actual costs were incurred;**

**OR**

**-the rate applicable on the first day of the month following the end of the reporting period (in EDIT for the first reporting period, this means the rate published for the 1<sup>st</sup> of March 2007).**

**The chose of one basis must be applied for the whole duration of the project.**

## 9. APPROVAL

As for the technical problem in case that you wish to delete an 'Approval' in order to make changes in the data, you have to contact CDC ([florian.beck@caissedesdepots.fr](mailto:florian.beck@caissedesdepots.fr)), the Network Office cannot do it.

## 10. ADD/DELETE PEOPLE IN THE IMT

The Network Office does not have the list of passwords and logins for each partner, which CDC has sent to each Team Leader during first year. In addition the Network Office cannot add or delete people lines in the tool, please contact CDC ([Christian.balbine@caissedesdepots.fr](mailto:Christian.balbine@caissedesdepots.fr), and [Florian.beck@caissedesdepots.fr](mailto:Florian.beck@caissedesdepots.fr))<sup>13</sup> for any change in your staff list.

Concerning the Team Leader, please note that, unless other instructed otherwise by the partners, the official Team Leader in each institution is the person listed in Annex 5 of our Consortium Agreement (p. 71) as the "Person responsible for the work". If for any reason, it has been decided to change the Team Leader in your institution, please let both the Network Office and the CDC know; in particular, you should indicate precisely, who must be added or deleted from the Team Leaders mailing list. This point is particularly critical for the IMT as the Team Leaders has a wider access than the researchers in order to record the daily costs and the expenditures of her/his institution.

In addition, each time the CDC has to send an official document to a partner (such as the contract), they will send it to the "person responsible for the work" as listed in the CA (as the Network Office will) as long as we do not have been informed of any change.

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## **11. IMT TECHNICAL PROBLEMS**

Last year, some partners reported they were not able access the IMT, get tingan “error message” when they were trying to log in. In order to avoid this problem please click on ‘Logout’ each time you want to leave the tool.

You can also delete the ‘cookies’ in your Internet navigator.

More generally, the Network Office has not a wider access than Team Leaders and WP Leaders, this means that we are unable to fix any technical problem. For this kind of problem, as well as for the login and passwords, please contact CDC.

## ANNEX



EUROPEAN COMMISSION  
RESEARCH DIRECTORATE-GENERAL

Directorate B - Structuring the European Research Area  
Head of Unit

Brussels, 20<sup>th</sup> 07 2006<sup>3</sup>  
RTD B.3 (2006)D/531547

**Subject: FP6 contracts - personnel costs**

Dear Project co-ordinator,

I am writing to all project co-ordinators following a number of recent financial audits where problems have been identified with costs declared, in particular with personnel costs which were not covered by a reliable system for the measurement of working time.

I would therefore like to remind you that working time to be charged must be recorded throughout the duration of the project by any reasonable but reliable means (including time sheets). These records should be certified by the person in charge of the work designated by the contractor. A simple estimation of hours worked is not sufficient. There must be a system that allows the time of anyone working on the project to be followed and audited. If you have decided to use time sheets for this purpose, you will find in annexe, for your further guidance, the basic elements which should be included.

Please inform your partners of the contents of this letter and draw their attention to the fact that, in the case of an audit arranged by the Commission or by the European Court of Auditors, detailed data may be requested by the auditors with a view to verifying that the contract has been properly managed and that cost claims fulfil all conditions for eligibility.

Further information on personnel costs is available in section 6.1.1 of the *Guide to Financial Issues relating to Indirect Actions of the Sixth Framework Programmes* which is available on Cordis<sup>1</sup>.

Yours faithfully,



Hervé Péro

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<sup>1</sup> [ftp://ftp.cordis.lu/pub/documents\\_r5/natdir0000035/s\\_2034005\\_20050316\\_104305\\_2034en.pdf](ftp://ftp.cordis.lu/pub/documents_r5/natdir0000035/s_2034005_20050316_104305_2034en.pdf)

ANNEXE – Basic elements for time sheets

- full name of contractor as indicated in the contract;
- full name of the employee directly contributing to RTD project;
- title of RTD project as indicated in the contract;
- project account number;
- time period concerned (for instance on daily, weekly, monthly basis) according to the contractor's normal practice;
- number of hours claimed on the RTD project. All hours claimed must be able to be verified in a reliable manner.
- full name and signature of the supervisor (person in charge of the work).

The complete time recording system should enable reconciliation of total hours in cases where personnel work on several projects during the same period.

Furthermore, there must be some system allowing the contractor to indicate the activity to which the hours have been attributed.

It should also be noted that these are minimum requirements and that more detailed time management records can be kept.