

**IMI – EFPIA /AP webinar
on financial reporting of in kind contributions for IMI2 projects
25 January 2021
Questions & Answers**

Questions raised by participants - EFPIA companies and Associated Partners (AP) - during the webinar

Timing of reporting

1. The reporting should be done every year but our company only received the first invitation for the year 2020 here in January 2021, so how could we have done it before?

Reporting requirements are usually explained at the commitment stage of a project by the industry leading company. The invitation to report have reached each company via project's and/or EFPIA-Partner in Research reference contact person,

Reporting on in-kind contributions on previous years is still possible by submitting this year an adjustment to previous year(s).

2. Was 2019 the first year of the project?

The first IMI2 projects started in 2014, so most B NRF-Beneficiaries not Receiving Funding already reported in kind contribution since then. In case your company did not report any in kind contribution yet, your organisation can submit this year adjustment(s) to previous year(s).

In order to know when a project started, you can check the Description of the Action (DoA – Annex 1) of the concerned project. The project start date is also displayed in SOFIA tool reporting module. In addition, you can visit the project factsheets in the IMI2 JU website:

<https://www.imi.europa.eu/projects-results/project-factsheets>

Access to Sofia

3. How can we access to SOFIA?

Access to SOFIA reporting module is via the following hyperlink: <https://sofia.imi.europa.eu>

The first step is - if not yet done - to request a user access for the SOFIA tool by going to <https://sofia.imi.europa.eu/Pages/Login.aspx> ('Request Access' button in upper right corner).

Once you have received the reporting rights in SOFIA by our IT helpdesk,

Go to SOFIA then Project Admin > EFPIA Periodic Report submission.

4. Has only 1 person per entity access to SOFIA?

No, several persons from the same company or group of company can get access to the reporting tool Sofia.

To request a user access for the SOFIA tool, one should go to

<https://sofia.imi.europa.eu/Pages/Login.aspx> ('Request Access' button in upper right corner).

Acceptance of in kind contribution by IMI

5. **How can a company know the amount of the in kind contribution accepted by IMI?**
The in kind contribution accepted by IMI can be viewed in SOFIA tool, where a company can check the status of its financial statements (submitted / accepted).
6. **The contribution of our company reported last year hasn't been accepted as wasn't certified until very late but the audit report is now available - if we enter this as an adjustment this year, will the audit report we now have will be accepted or do we need to recertify?**
The audit report is still valid and costs do not need to be re-certified. The costs that have not been accepted last year need to be reported again in totality this year as adjustment.
7. **What does it change if the contribution is not accepted?**
*The IMI public private partnership is based on a matching principle, ie 1 EUR public funding for 1 EUR private contribution.
So, it is essential that EFPIA companies and Associated Partners report their in kind contributions on a yearly basis. In case of significant deviation with their commitment, they should contact IMI and the EFPIA office to seek litigation measure.*

In general, when some reported in kind contributions are not accepted by IMI, it is due to an incomplete or a missing audit report. In that case, the B NRF should liaise with its auditor to provide an audit report which is in line with the [template](#) and should report the contribution again in the next financial reporting, as adjustment to the concerned year.

Audit and certification

8. **Do costs need to be audited even if the project costs are only between October to December?**
This will force audit of a relatively low figure of in kind contribution.
Most of the companies have several projects running in parallel so they don't experience that issue. An audit report should normally be provided each year to certify the reported in kind contribution. However, if a company is involved in only one IMI2 project and the audit cost would exceed the reported in kind contribution, it can be exceptionally accepted to postpone the audit report to the next year. In that case the formal acceptance of the in kind contribution will also be postponed until the certificate is received.
9. **What is the follow-up action in case the audit finds a difference between the reported amount and the confirmed amount (i.e. reported contribution is lower or higher than amount certified by the auditors)?**
*In case the reported amount is lower than the confirmed amount by the audit, the company may re-submit updated Financial Statement(s) with the amount confirmed by the auditor
In case the reported amount exceeds the confirmed amount by the audit, either the company re-submit updated Financial Statements with the amount confirmed by the auditor or alternatively the ineligible amounts is rejected by IMI.*
10. **How can we find an auditor? How much does an audit cost?**
IMI itself cannot recommend any specific auditor. However, an organisation can choose the auditor in charge of its statutory accounts. The auditor of your choice needs to be external/independent from your company.

Eligibility of costs

11. Usual practice: Is this standard practice for reporting to SOFIA, or for tracking costs?
Yes, the IMI2 legal framework foresees that EFPIA and Associated Partners must report their contribution to a project according to their usual accounting and management practices.
12. Can a B NRF report costs incurred by its affiliates outside of the EU ?
For reporting year 2020 are costs incurred in the UK considered as EU costs?
A B NRF can indeed report costs incurred by its affiliates for the project (but all costs reported remain the responsibility of the legal entity that has signed the grant agreement). Those reported costs are considered as NON-EU if they were incurred in a third country other than the EU and H2020 associated countries. Following the BREXIT, the United Kingdom has become a Third-Country. It has no impact for ongoing and future IMI2 projects as the in kind contribution incurred in UK does not fall under NON-EU, ie is still considered as EU in kind.
13. What action do we have to take if the in kind contribution reported is considerably lower than the estimated budget due to changes in DoA made by other B NRF participants? The study design in one of our projects was shortened leading to a much lower contribution needed than originally budgeted.
In case of important deviations with the planned budget it is necessary to contact the IMI scientific Officer of the concerned project to discuss the impact on the project and the possible mitigation measures to put in place in order the project meets its objectives
Important deviations (decrease) on the non-EU in kind (the difference of 30% limit), in-kind contribution, financial contribution should be further discussed with EFPIA office.
14. Do our personnel costs, incurred when working on the annual financial reporting and the reviewing of proposed amendments to the grant agreement, count as part of our in kind contribution to the action?
In theory, yes, but it depends on the usual practice of each company. In most of the cases those costs are part of the overheads or other direct costs and are already included in the FTE rate calculation of the staff carrying out research activities. In such a case, they cannot be reported a second time.
15. Are costs linked to a scientific advice (e.g. from EMA or other regulatory authorities) eligible for in-kind contribution?
In principle yes, provided these tasks/activities are foreseen in the Description of the Action (DoA), incurred during the duration of the IMI project, and reported according to the company usual accounting practices.
16. When the Description of the Action (DoA) was written before all CRO partners (subcontractors) were known. We stated that our Medical Research Institute would use their CRO vendors. Should we Update the DOA with the names of the CROs or is this generic statement suffice?
The DoA should mention subcontracted tasks, but not the name of the subcontractor in particular. Further information on the subcontracting can be included during the reporting phase.
17. What happens in case the in-kind contribution exceeds the budget?
B NRF-Beneficiaries not receiving Funding- can report higher in kind contribution than initially planned. The IMI Office will not reject it if the contribution is reported in line with the requirements for eligible costs (in line with project objectives as described in Annex 1-Description of the Action and necessary for the project).

18. As BNRF, is it accepted to have costs that are declared as in-kind contribution funded by a separate national/local grant for example?
Yes, for national/local grants. However, costs that are funded by an EU funding source (e.g. H2020, European Regional Development Fund...) cannot be declared as in-kind contribution to match EU funding.
19. When our in-kind contribution consists of contributing raw data from existing company databases, can you explain what costs we can claim?
To add on this, what costs can we claim if we contribute with **biological samples** from clinical trials?
*Pre-existing data prior to the project start date cannot be reported as in-kind contribution, as these costs were incurred before the project actually started.
Only costs to process those data during the project duration can be reported as in-kind contribution. These costs must be actually incurred and recorded as such in the company accounting system during the project life-time.*
20. Could the cost for organizing an IMI consortium meeting be part of the in-kind contribution to the project?
Yes, if it is incurred during the project's lifetime, and reported according to the company usual accounting practices.
21. What is the process to re-assign an affiliate to the host EFPIA organisation to ensure their costs are visible and requested via SOFIA?
*Affiliates should be specified in the Annex 1 of the Grant Agreement (section on Third Parties). If it is not the case, the information should be updated during an amendment of the Grant Agreement of the concerned project.
The company who has signed the Grant Agreement is the entity in charge of the reporting. In its reporting, costs of its affiliates incurred on the project can be included.*
22. Can housing a researcher of one of a BRF-beneficiary receiving funding be declared an in-kind contribution?
Yes, but costs cannot be reported twice. The researcher costs should be either reported by the BRF or by the BNRF (depending on the arrangements) but not by both.
23. Can we report indirect costs that are not foreseen in the Grant Agreement?
Indirect costs do not have to be foreseen in the GA. It can be reported in line with a company usual accounting practices and certified as such by the external auditor.
24. When we calculated our contribution we used the catalogue price of the materials, not the costs. How do we reconcile if we are only allowed to charge costs?
Only costs actually incurred during the project's lifetime can be declared as in-kind contribution. Please liaise with IMI and EFPIA to discuss the specific case.
25. Are personnel costs calculated in the same way like in "standard" H2020 projects? That means actual salary plus employers' contribution only? Any overhead? Or the way how we calculate within the company?
An EFPIA company/Associated Partner is a Beneficiary Not Receiving Funding (BNRF) and articles 4-6 of the Grant Agreement (related to eligibility criteria, reporting, audit, etc.) are not applicable to BNRFs.

Moreover as per the [IMI2 guidelines for reporting in-kind and financial contributions by BNRFs](#), an EFPIA company/Associated Partner should follow its usual cost accounting practices when establishing the value of in kind and financial contributions to an IMI2 JU project. However, each B NRF EFPIA/AP may opt to report in kind contribution costs by applying the standard provisions of the IMI2 JU MGA for BRFs. This option is intended to simplify the participation of legal entities that are involved in a large number of projects funded under H2020 and thus that are very familiar with the rules for reporting costs under the provisions of the H2020 grant agreement. In such a case, compliance with the relevant reporting requirements and provisions set out in the IMI2 JU GA is required. For instance, if a B NRF applies the indirect flat rate of 25% like BRFs, that B NRF should not follow its usual cost accounting practices for Personnel costs but should follow the reporting requirements of BRFs as specified in the Grant Agreement.
