

**IMI – EFPIA /AP Questions and Answers Session
on financial reporting of in kind contributions for IMI2 projects
25 March2021**

Questions raised by participants - EFPIA companies and Associated Partners (AP) - during the Q&A Session

1. 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).

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 BNRF 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.

2. How to proceed concretely in Sofia to submit an adjustment to a previous year. Is it possible to guide us through the process in the tool?

*We prepared **step by step screenshots** both for the [reporting of 2020 in kind contribution](#) and for an [adjustment to a prior year](#).*

3. Do we have to report a negative amount as adjustment in case we have reported an overstated amount in a prior year?

Yes, in case you reported an overstated amount for a prior year, you need to make a negative adjustment for the concerned year in order to report the difference between the amount initially reported and the corrected one.

Example:

- *You have reported 25,000 € for 2019 (in your reporting due by 30 April 2020).*
- *You realise in 2021 that the actual cost for 2019 should have been 21,000€ instead of 25,000€.*
- *In your reporting due by 30 April 2021, you make an adjustment of -4,000€ to the year 2019*

4. Do we have several financial statements to print and get signed in case of an adjustment?

Yes, there is a financial statement (that needs to be printed, signed and uploaded in Sofia) for each year.

In the reporting due by end of April 2021 you have reported costs for 2020 and you have made an adjustment to 2019, you will have two financial statements, one for 2020 and one for 2019.

5. Does an adjustment need to be certified by an auditor too?

Yes, all costs should be certified by an auditor in order to be validated by IMI.

6. If we only contribute to projects with financial contributions to BRF, do we need an audit report to certify this cash transfer?

Yes, all types of contributions should be certified by an auditor in order to be validated by IMI.

7. What supporting document(s) can be provided to our auditor as a proof for the financial contribution we have paid to a BRF? A bank statement?

As per the Procedure 11 related to Financial Contributions (see [Annex I of the audit report template](#) for the list of procedures to be performed by the auditor), the auditor checks:

- *That the paid Financial Contribution reported by the B NRF appears in the company's accounts*
- *That there is a formal agreement between the B NRF and the BRF (statement in the DoA or a separate bilateral agreement)*
- *That there is an invoice/debit note specifying the amount of the Financial Contribution and the project tasks for which this amount is to be used by the recipient.*

A bank statement can also be a proof requested by the auditor.

8. Our actual costs are different than the estimated costs we encoded in the Sofia tool in January. We also know that the auditor will suggest some adjustments to the costs following the audit. The audit will be finalized in May. Do we encode our actual costs in the Sofia tool before the end of April deadline or do we wait for the audit to be finalized in order to encode the corrected costs later in May/June?

Actual costs should be reported by 30 April in the Sofia tool. In case the audit report is not available by 30 April, IMI office should be informed. If the audit report contains:

- **Positive findings** (understated costs): *the company should make a positive adjustment in the next financial reporting to the concerned year.*
Example: 30,000€ has been reported for 2020 in the Sofia tool. The audit report contains a finding and specifies that the eligible costs for 2020 amount 35,000€. In order to implement this audit finding, in the next reporting exercise due by end of April 2022, the company should make an adjustment of 5,000€ to the year 2020 (beside reporting costs for 2021).
- **Negative findings** (overstated amounts): *IMI will reject necessary costs in order to implement the audit findings.*

9. Clarifications on data and samples costs – what is eligible, what is not eligible?

Most data have a value but there are no actual costs recorded in the accounting system for those data. Only costs of extracting/transforming/processing those data, as recorded in the accounting system of the company during the project life-time are eligible. The same principle applies to

samples. Their value is not eligible but costs incurred for sending those samples for instance are eligible.

10. Can a Financial Contribution be paid to a BRF to fund activities carried out outside Europe?

A Financial Contribution is to finance an activity described in Annex 1 (DoA) to be performed by a BRF within the consortium. The activity can be carried out outside the EU if it has been deemed essential for reaching the project objectives during the project evaluation.

A Financial Contribution never falls under NON-EU contribution, even if the activity is carried out in third countries other than EU and H2020 associated countries.

11. Do you have the list of H2020 associated countries?

H2020 associated countries: Albania, Bosnia and Herzegovina, Iceland, Israel, Faroe Island, Moldova, Montenegro, Norway, Serbia, the North Macedonia, Turkey, Ukraine, Tunisia, Georgia, Armenia, Switzerland.

http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/hi/3cpart/h2020-hi-list-ac_en.pdf

12. Is there an audit template to be followed by auditor?

The audit report template to be used by auditor is [IMI2 Terms of Reference for certification of costs](#).

13. Do you have the link to the rules on IMI2 IKC reporting?

[IMI2 guidelines for reporting in-kind and financial contributions by BNRFs](#)

14. What if we do not have any supporting documents/recordings of the costs incurred from last year?

If the supporting documents requested by the auditor are not available, alternative evidences should be provided by the company to the auditor in order to demonstrate the reliability of the reported costs. If a procedure cannot be performed by the auditor, it should be listed as a deviation in the audit report and IMI2 JU may take the decision to reject the reported costs for the concerned procedure.
