



# Webinar IMI2 Financial management

28.10.2015 • 11:00 CET

# Agenda

- How to use GoToWebinar
  - Catherine Brett, IMI Communication
- Introduction to the IMI2 Financial management webinars
  - Antoine Juliens, IMI Finance
- Cost Eligibility
  - Gaëlle Lanckmans, IMI Finance
- Reporting requirements
  - Antoine Juliens, IMI Finance
- Questions & answers

This webinar is being recorded for internal training purposes. The recording will not be made public



# Introduction

**Antoine Juliens**  
IMI Financial Manager

# Reference documents

- Grant agreement
  - Core Grant Agreement
  - Annex 1 – DoA- Description of the Action
  - Annex 2 – Estimate / budget
  - Annex 4 – Financial Statement (Reporting Template)
  - Annex 5 - CFS- Certificate on Financial Statement.
- H2020 Periodic report Template
- [H2020 Annotated Model Grant agreement](#)
- IMI2 Annotated Model Grant agreement (to be released later)



# Part 1

## Costs Eligibility

### IMI 2 projects

**Gaëlle Lanckmans**  
IMI Financial Officer

# Table of contents

- Eligible and non-eligible costs
- Personnel costs
- Other direct costs
- Indirect costs
- Subcontracting costs
- Third Parties
- Receipts
- IMI 1 vs IMI 2 Comparison
- Common mistakes

# Eligibility criteria (1)

The grant reimburses 100% of the action's eligible costs

**ONLY eligible costs can be reimbursed**

# Eligibility criteria (2) (Art 6 of the GA)

## Costs must be:

- Actual (real, not estimated or budgeted)
- Incurred by the participant who is claiming them and recorded in its accounts
- Incurred during the project lifetime (start date – end date)
- In line with usual accounting practices and management principles of the participant

...



# Eligibility criteria (3) (Art 6 of the GA)

...

- Connected to the action as described in Annex 1 (DoA)
- Foreseen in the estimated budget (Annex 2)
- Reasonable, necessary, justified and consistent with principles of economy and efficiency
- Identifiable and verifiable

# Non-eligible costs (Article 6.5 of the GA)

- Costs which do not fulfill the eligibility criteria
- Deductible VAT
- Costs related to return on capital
- Doubtful debts
- Currency exchange losses
- Interest owed
- Provisions for future losses or charges
- Costs incurred in relation to another project
- Excessive or reckless expenditures

# Main categories of eligible costs

- Personnel costs
- Other direct costs (equipment, travel, consumables)
- Indirect costs
- Subcontracting costs
- Receipts

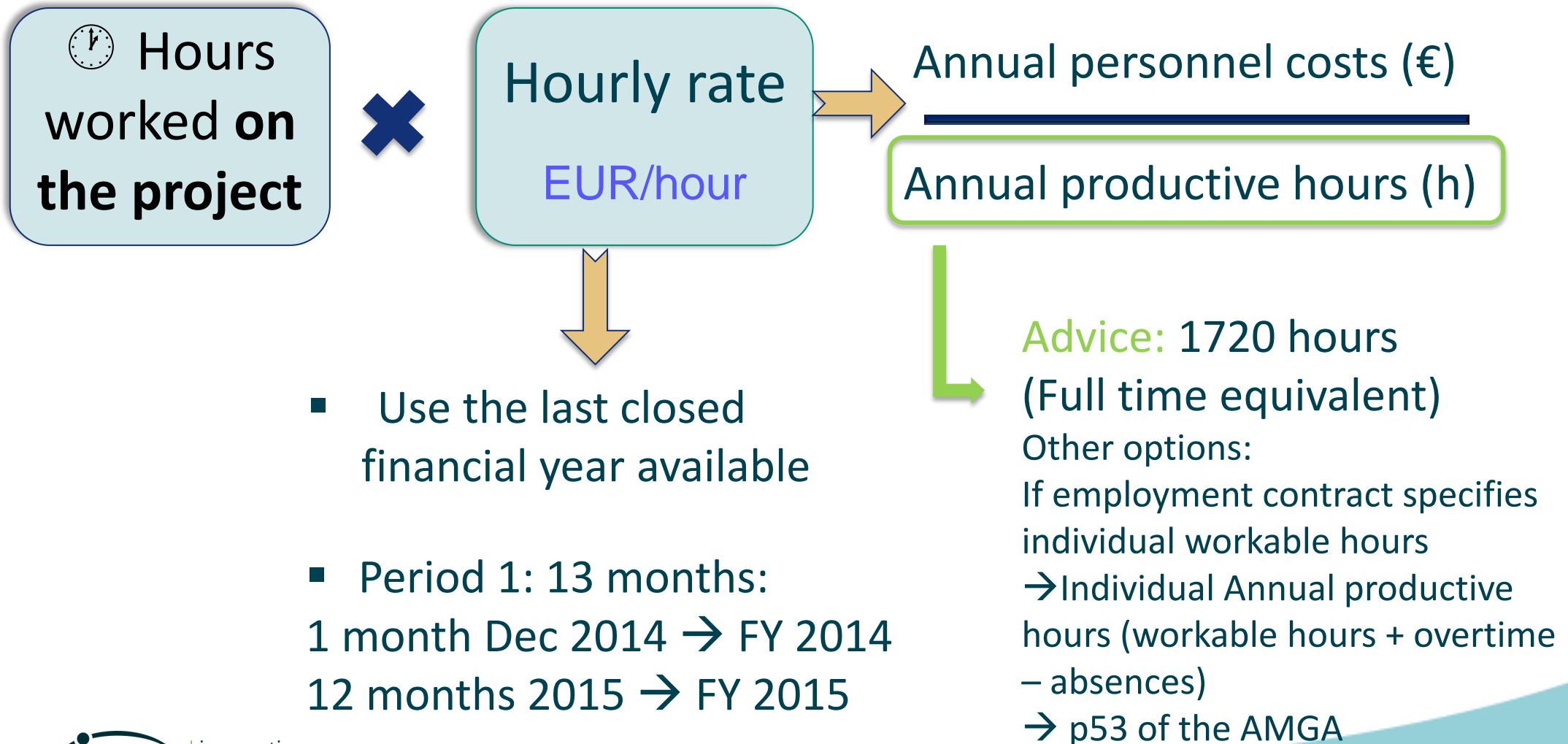
# Personnel costs (1)

- **Standard case:** Costs for employees hired with employment Contract
- **2 Scenarios:**

Work on Project	Records	Eligible costs
<b>Exclusively</b> on Project	No timesheet needed (declaration)	Full Salary cost
<b>Partially</b> on Project	Keep timesheets	Time on Project x Hourly rate

# Personnel costs (2)

- Cost of personnel working **partially** on project



# Other direct costs (1)

## Equipment (assets)

- Depreciation Costs of Equipment, Infrastructure or other asset
  - Depreciation costs  $\leq$  purchase price
  - If equipment purchased specifically for project – Annex I
  - Only the percentage of the time used for the projects can be claimed.
  - Follow usual accounting practice in term of depreciation

➤ ***Best practice: Provide Statement that those 2 last conditions are fulfilled***

# Other direct costs (2)

## Travel costs

- Only travel costs for project meetings are eligible
- Conference/event costs eligible only if Project is presented
  - Appear in the key Dissemination activities table
- For employees only or for external experts if foreseen in Annex I
- In line with the beneficiary's usual practices on travel
- Specific: date, location, purpose for the project, person(s)

### ➤ *Best Practice:*

- *Specify date, location & purpose for each travel*
- *if not project meeting but conference, project must be presented.*

# Other direct costs (3)

## Other goods and services

- Examples: Costs for Consumables and supplies, dissemination (including open access), certificates on the financial statements, translations and publications, etc.)
- Specifically purchased for the project
- Necessary to implement the action
- Ensuring the best value for money and no conflict of interest
- Claim only once (either covered by indirect costs or by direct costs)



# Indirect costs

## For Beneficiaries

- Indirect costs = **Flat rate of 25%** of the eligible direct costs except costs of subcontracting

## For EFPIA

- **NO** Flat rate of 25%
- **Have to use their usual accounting practice for indirect costs**

## Examples:

Administrative costs, telephone and postal costs, printing costs, recruitment costs, office supplies costs, office rental costs, legal costs, etc.

# Subcontracting costs

- Carry part of the work
- Only a limited part of the action
- Contractual link between subcontractor and Beneficiary
- Ensuring the best value for money and no conflict of interest
- Task described in Annex I
- Costs foreseen in estimated Budget Annex II

Reporting of costs:

- Costs incurred and claimed by the participant (Annex 4)
- No subcontracting is allowed among participants

# Third Parties

- Legal entity that does **not sign the GA**
- 2 types:
  - **Carries out part of the work** (Annex 1 & Annex 2)
    - Linked third party: legal link with Participant
    - Costs claimed in Annex 4 **of the Third party**
  - **Makes resources available** to Participant (Annex 1 )
    - Costs claimed in Annex 4 **of the Participant**

# Receipts

- Beneficiaries have to declare receipts they have received
  - income generated by the specific action
  - financial contributions received by EFPIA or third parties
  - Generated/Confirmed
  - During lifetime of project
- The grant must not produce a profit
- IMI Contribution + Receipts  $\leq$  total eligible costs
- Profit is assessed at the level of the action, NOT at the level of the individual beneficiaries

# IMI2 vs IMI1: main differences

	IMI 2 ←	IMI 1
Reimbursement rate	100%	75% or 100%
Indirect costs	Single flat rate: 25%	20% or Actual indirect costs
Thresholds for CFS	325.000 EUR	375.000 EUR
IT Tool for submission and reporting	SOFIA, H2020 tool	SOFIA
Reporting template	Annex IV	Form C
CFS cost (reported as)	Direct cost	Subcontracting cost
VAT eligible	Non deductible	Never

# Common mistakes in cost claims (1)

- **Dinner costs**
  - In principle **not eligible** because not necessary for the project
- **Personal computer**
  - **Not eligible** because not specific to the project
  - Should be covered by overheads

# Common mistakes in cost claims (2)

- **Training costs**
  - Normally not eligible
  - Eligible in exceptional cases only if scientifically justified and necessary for the project
- **Re-invoicing between participants**
  - No cross charging between participants
  - No subcontracting between participants
  - EFPIA company cannot invoice a Beneficiary

# Part 2

## Reporting requirements IMI 2 projects

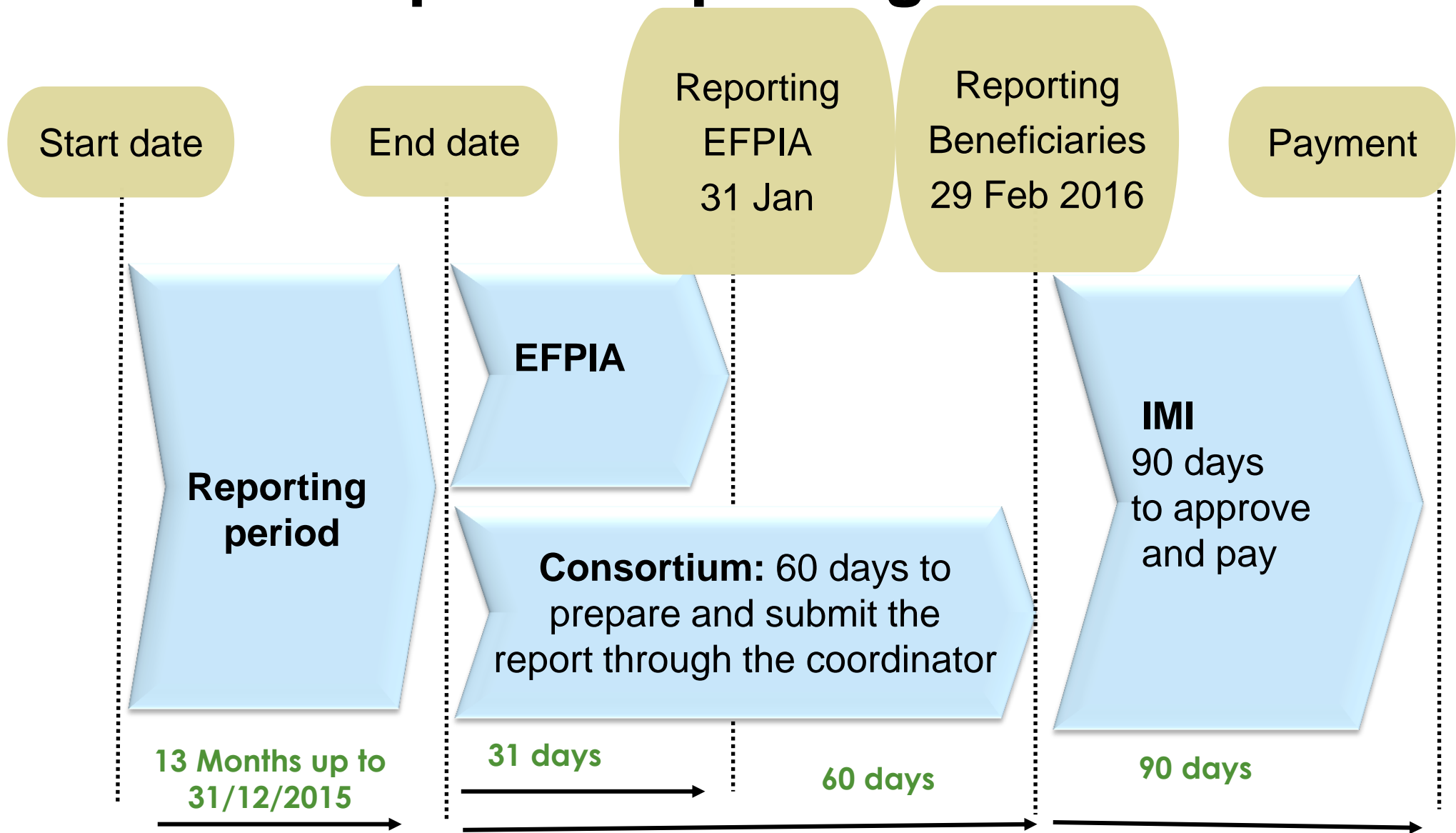
**Antoine Juliens**  
IMI Financial Manager



# Table of Contents

- When to report
- Who – reporting actors
- What and How to report- SOFIA tool
  - Beneficiaries reporting: 10 steps
  - EFPIA reporting
- Analysis of report
- Interim payments

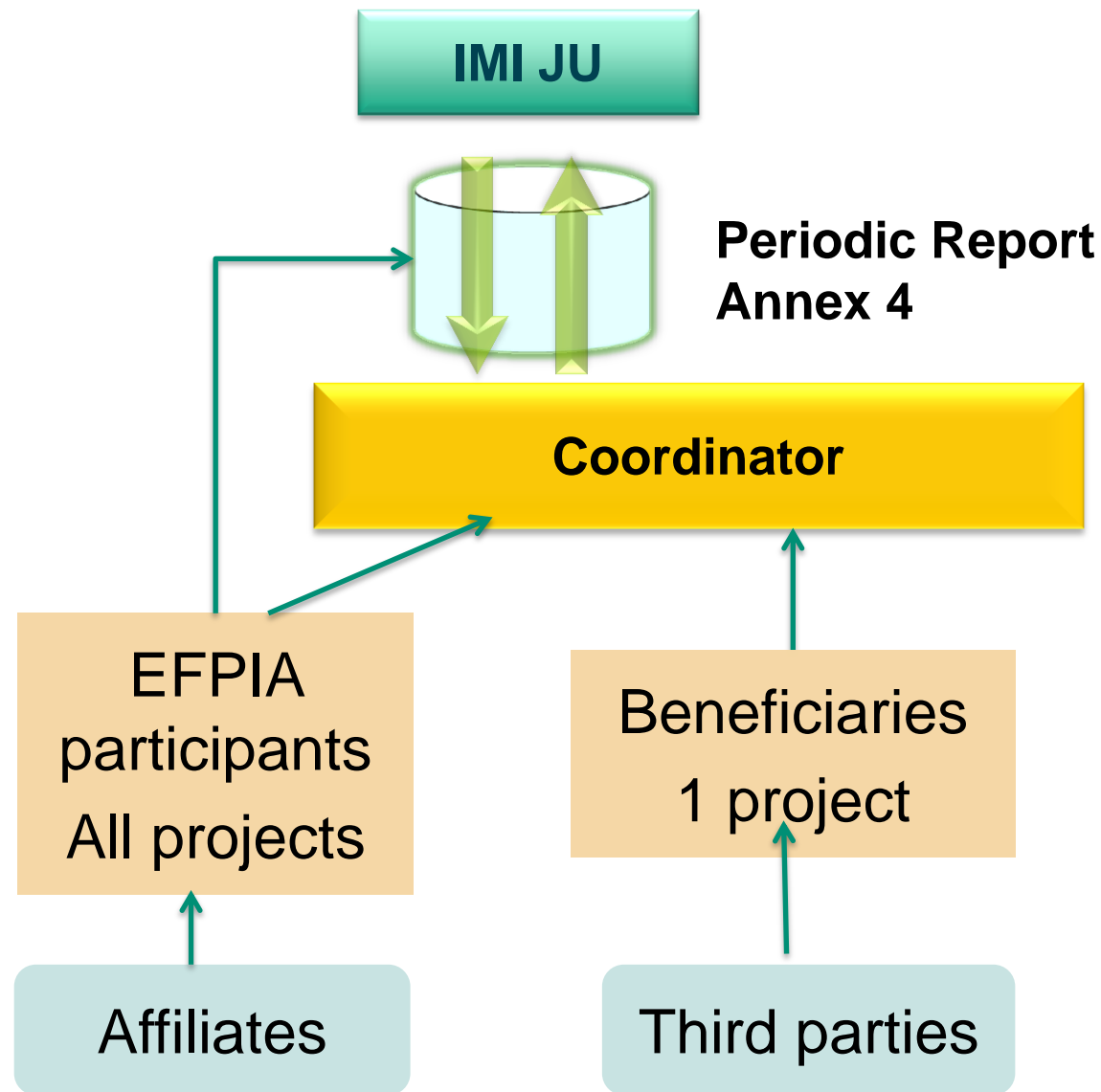
# When to report - Reporting timelines



# When - Deadlines for reporting

- EFPIA companies: by 31 January 2016
  - 1 Excel file for all IMI2 projects
  
- Beneficiaries: by 29 February 2016
  - Reporting via SOFIA tool

# Who – reporting actors



# What - Content of the periodic report (1)

1. Individual **Annex 4** (Financial statement);  
Consolidated global financial statement for the full Consortium  
- generated by the IT tool (SOFIA).
2. **Periodic report**, including “use of resources”  
(Word Document must be uploaded in SOFIA)
3. **CFS** – Certificate on financial statements, if applicable,  
Threshold : 325,000 EUR IMI contribution, at the end of the  
project.

# What to report (2)

- Beneficiaries
  - Annex 4 financial statement via SOFIA tool
  - Periodic report (use of resources)
- EFPIA companies
  - 1 Excel file for Janssen
  - Periodic report (use of resources)
- Consortium
  - Scientific report / Periodic report

# Summary

	Financial Reporting	Periodic Report	CFS
Beneficiary	Annex 4 (SOFIA in 2016 Later H2020 It tool)	Use of resources	CFS when > 325.000 at end of project
EFPIA	Excel Later SOFIA or H2020 tol		CFS when > 4 million all IMI2 projects
Consortium	Periodic report		

# How to report (3)

## ■ Exchange rate

- financial statements must be drafted in euro.
- accounting established in a currency other than the euro -> EUR
  - at the average of the **daily exchange rates** published in the C series of the Official Journal of the European Union, calculated over the corresponding reporting period.
  - If no daily euro exchange rate is published in the Official Journal of the European Union for the currency in question, they must be converted at the average of the **monthly accounting rates** published on the Commission's website, calculated over the corresponding reporting period



# How to report

Proposal  
Stage1 Short  
Stage2 Full

- Proposal Submission
- Evaluation

Negotiation  
Phase

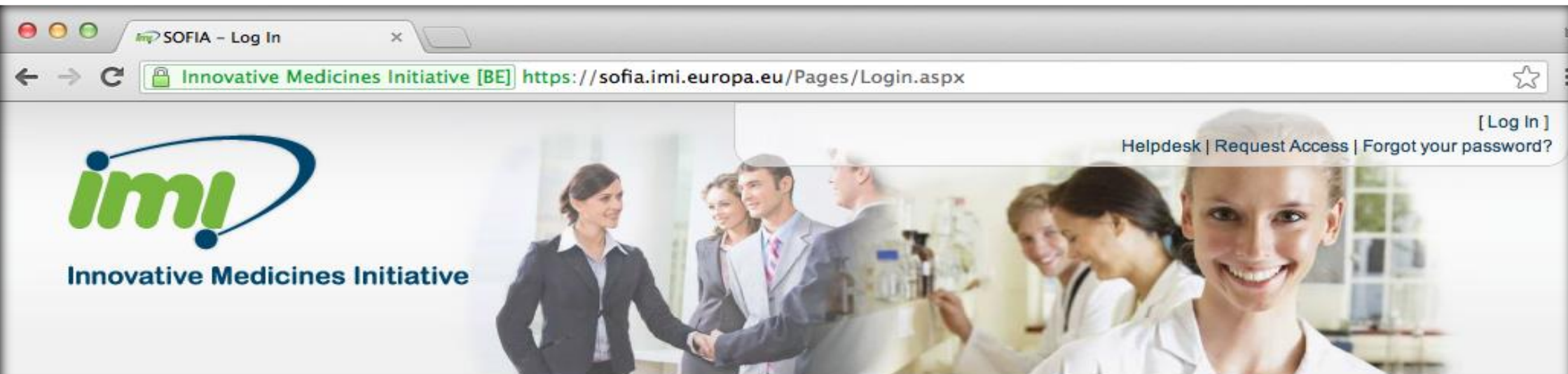
- Verification of Beneficiaries' data
- Budget
- DoW

PROJECT  
Submission

- Amendments and Version management

REPORTING

# How to login in SOFIA



## LOG IN

Please enter your e-mail and password.

E-mail:

Password:

Keep me logged in

Log In

[Forgot your password?](#)

**Coordinator only (+ EFPIA)**  
**No LOGIN for Beneficiaries**

The Innovative Medicines Initiative (IMI) is Europe's largest public-private initiative aiming to speed up the development of better and safer medicines for patients.

# Reporting in 10 steps - Beneficiaries

1. SOFIA **opens** automatically **1 day after the end of reporting period** (1 January 2016)
2. The Coordinator **invites each beneficiary** to fill in Annex 4
3. The participant receives an **email with a link** to SOFIA to **fill in** the correspondent **Annex 4**

Each participant **can then forward** the email message within its organisation

# Reporting – Coordinator invites participant

imi  
Innovative Medicines Initiative

Print | Helpdesk | User Settings | Change Password

IMI\_Call\_2008\_1 Form C Submission

### FORM C SUBMISSION

Project: 115002 Reporting Period: 2 Document: Financial Statement

#	Organisation	Status	Actions
1		■	<a href="#">Edit</a> <a href="#">Invite</a>
2		■	<a href="#">View</a> <a href="#">Edit</a> <a href="#">Invite</a> <a href="#">Finalize</a> <a href="#">Delete</a>
3		■	<a href="#">View</a> <a href="#">Edit</a> <a href="#">Invite</a> <a href="#">Finalize</a> <a href="#">Delete</a>
4		■	<a href="#">View</a> <a href="#">Edit</a> <a href="#">Invite</a> <a href="#">Finalize</a> <a href="#">Delete</a>
5		■	<a href="#">View</a> <a href="#">Edit</a> <a href="#">Invite</a> <a href="#">Finalize</a> <a href="#">Delete</a>



Invitation Details	
Last Name	Smith
First Name	John
User E-Mail	John.smith@test.com
Confirm User E-Mail	John.smith@test.com
<input type="button" value="Cancel"/> <input type="button" value="Send Invitation"/>	



IMI-JU-01-2008 Periodic Report Submission

✓ Invitation sent.

PERIODIC REPORT SUBMISSION

# Reporting – participant receives email

**Mail to:** john.smith@participant.eu

**Subject:** IMI SOFIApplication: Invitation to enter Annex 4 data

**Dear Participant,**

You have been invited by CoordinatorTest to enter participant Financial Statement data for Reporting Period 1 of project "115999 – Acronym".

With the following link you will get directly (without login) to the Annex 4 where you are able to enter and save your own institution specific data:

<https://sofia.imi.europa.eu/Pages/FSSubmission.aspx?InvitationID=cd45eb92-0b80-4124-8da9-ad8a68d767f9>

Should you have any questions, please contact the Coordinator of your project.

For technical questions please e-mail our helpdesk at: [sofia@imi.europa.eu](mailto:sofia@imi.europa.eu)

**Kind regards,**  
**SOFIApplication team**

[sofia.imi.europa.eu](https://sofia.imi.europa.eu)



**Can be forwarded**  
**No Login needed**

# Reporting – Beneficiary fills in Data

IMI\_Call\_2008\_1 Form C Submission

## FORM C SUBMISSION - BENEFICIARY

### ANNEX V - FORM C FINANCIAL STATEMENT

Project nr: 115002 Funding scheme: IMI Research Project  
 Project Acronym:   
 Report Period Number: 2  
 Period from: 01/01/2011  Is this an adjustment to a previous statement? No  
 Period to: 31/12/2011   
 Legal name:  Participant Identity Code (PIC):

### 1- Declaration of eligible costs (in €)

	Research	activities (€)	Total (€)
Personnel costs		4,072.69	4,072.69
Subcontracting		0.00	0.00
Other direct costs		765.01	765.01
Sub-total direct costs		4,837.70	4,837.70
Indirect costs		967.54	967.54
<b>Total</b>		<b>5,805.24</b>	<b>5,805.24</b>
Maximum IMI JU contribution		5,805.24	5,805.24
Requested IMI JU contribution			5,805.24

# Reporting– steps 4 to 6

4. Beneficiary generates **DRAFT** Annex 4
5. Coordinator **checks and accepts** each Annex 4  
(Finalize in SOFIA)

Data are locked: Individual Beneficiary cannot change data anymore

6. 'Draft' watermark disappears: Beneficiary generates **FINAL** Annex 4

# Annex 4

🖨️ print format A4  
landscape

## MODEL ANNEX 4 FOR GENERAL MGA - MULTI-BENEFICIARY

### FINANCIAL STATEMENT FOR [BENEFICIARY [name]]/ LINKED THIRD PARTY [name]]

Eligible* costs (per budget category)											Receipts	EU contribution			Additional information								
A. Direct personnel costs		B. Direct costs of subcontracting		[C. Direct costs of fin. support]		D. Other direct costs		E. Indirect costs		[F. Costs of ... ]		Total costs	Receipts	Reimbursement rate %	Maximum EU contribution ***	Requested EU contribution	Information for indirect costs :						
A.1 Personnel	A.2 Natural persons under direct contract	A.3 Seconded persons	A.4 SME owners without salary	A.5 Beneficiaries that are natural persons without salary	A.6 Personnel for providing access to research infrastructure	D.1 Travel	D.2 Equipment	D.3 Other goods and services	D.4 Costs of large research infrastructure	[F.1 Costs of ...]**	[F.2 Costs of ...]**	Receipts of the action, to be reported in the last reporting period, according to Article 5.3.3					Costs of in-kind contributions not used on premises						
Form of costs****	Actual	Unit ①	Unit ②		Actual	Actual	Actual	Actual	Flat-rate ③	Unit ④	Unit ⑤							(j) = (a)+(b)+(c)+(d)+(e)+(f)+(g)+(h)+(i1)+(i2)	(k)	(l)	(m)	(n)	(o)
			XX EUR/hour						25%	XX EUR/unit													
	(a)	Total (b)	No hours	Total (c)	(d)	(e)	(f)	(g)	(h)=0,25x((a)+(b)+(c)+(f)+(g)+[(i1)] <sup>⑥</sup> +[(i2)] <sup>⑥</sup> )	No units	Total (i1)	Total (i2)											



# Reporting – Steps 7- 8 Beneficiary

## 7. In SOFIA:

- Prints, dates and signs Final 'Annex 4' (without watermark)
- Upload signed 'Annex 4' in SOFIA
- Upload CFS in SOFIA (if applicable)

## 8. Sends via surface mail to Coordinator

- Original signed Annex 4
- Original signed CFS, if applicable

# Reporting – Steps 9 - 10 Coordinator

## 9. In SOFIA:

- Upload signed Periodic report
- 'Submit' to IMI

## 10. Coordinator:

- Sends original to IMI



# Financial reporting (EFPIA companies)

# EFPIA companies – in kind

## What

**NEW!**

### 3 documents:

1. One single reporting/sheet for all IMI projects
2. CFS-Certificate on Financial Statements, when in kind contribution exceeds 4 million EUR (cumulatively for all projects). In any case all in kind must be certified with a CFS by 31 January 2017 (IMI mid term review)
3. Use of resources in periodic report

# Analysis of reports and payments

# Analysis of reports

*How does IMI analyse the reports ?*

- Analysis by:
  - Scientific (Project) Officer
  - Financial Officer
- Comparison to Annex I (DoA) and SOFIA, in particular deliverables, milestones, budget, subcontracting
- If Documents are missing or if the report is incomplete → the time limit is suspended (article 47)

# Interim Payments – cash flow

- Prefinancing paid at the start of the project
- Interim payments:
  - Reimbursement of accepted requested IMI contribution, after IMI acceptance.
- 90% rule (art.21.3.2)
  - Prefinancing plus the sum of the interim payments cannot exceed 90 % of the max. IMI contribution. The remaining amount will be paid with the final payment.

# Questions & answers



# After the webinar...

Please complete our **survey** – this will help us improve our webinars in the future

If you have **questions** on what you have learnt today...

- Consult the guidance documents on the IMI website

Still need some clarifications / information?

- Send the question to your project's coordinator
- Your coordinator should send the question on to the scientific and finance officers for your project
- We will send our answer to the coordinator



**Thank you**

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