

CZ MSCA and ERC FAQs Horizon Europe

March 2023

This document is a collection of Q&As on HE/H2020 financial issues related to MSCA and ERC projects submitted to the Research Enquiry Service of the EC and REA by the CZ NCPs on behalf of Czech beneficiaries between 2021 and 2022. The document is intended to clarify problem areas but is not legally binding. In some areas, the interpretation of the rules might have changed over time. This document relates to Marie Skłodowska-Curie (MSCA) and European Research Council (ERC) projects. For FAQs related to multi-beneficiary projects reimbursed based on actual costs, please refer to the respective compilations created by the Technology Centre Prague.

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MSCA

Sick leave

I have a question concerning the sick leave in H2020 MSCA-IF. I have been contacted by the MSCA fellow who was on sick leave for one week in July.

The monthly salary of the fellow, which consists of living allowance, mobility allowance, and family allowance, is usually around 97 000 CZK. However, in July, the salary was reduced due to the sick leave (in accordance with the national law).

Since the AGA does not allow underpayments towards the researcher (the living, mobility, and family allowances must be paid fully to the researcher) and this aspect is strictly controlled by auditors, my question is following:

Does the difference between the „usual salary“ and the „salary paid during the sick leave“ need to be paid to the researcher (at the end of the reporting period/at the end of the project) regardless of the fact the researcher was not working, and his salary during the sick leave was paid in accordance with the national law?

E-mail communication REA MSCA PF Team, 14 August, 2022

Indeed, the MSCA fellow should receive the full salary (living, mobility and family). At the payment of the balance (during the final assessment), will be verify, among other things, that the fellow was paid the full salary according to the terms of the grant agreement.

Family and special leave allowances

Family allowance in HE: Under Horizon Europe, if the recruited researcher acquires family obligations during the implementation of the project, the family allowance can be requested.

Q1: Please, explain how it works in practice. When the situation arises, the host institution informs the project officer, and consequently, the GA needs to be officially amended since the maximum EU contribution increases?

Special needs allowance in HE:

Q1: Please, explain how to request it. When the situation arises, the host institution informs the project officer, and consequently, the GA needs to be officially amended since the maximum EU contribution increases?

Q2: Is it possible to include it in the budget before the project starts. E.g., if the host institution knows from the beginning that the special needs allowance will be needed, can they request it during the grant preparation phase?

Q3: Is there going to be some special template for the request?

E-mail communication REA MSCA PF Team, 8 June, 2022

*Regarding **Family allowance**, your assumptions are correct. The host institution informs the Project Officer and introduce an amendment to the grant as to update researcher's family status and change the EU contribution accordingly.*

*Regarding the **Special needs allowance in HE**, we are still awaiting the release of the guidance with more instructions (currently in draft). In any case, according to the 2021-2022 Work Program, requests for SN can be submitted at any moment during the implementation of the MSCA grant, when the need arises. The request should contain a description of the special needs, the type of support and the budget requested. Once agreed, the MSCA grant agreement will be formally amended and the requested amount for the special needs will be covered by the increase of the budget in the Management cost category. This extra amount will be paid together with the payment of the balance.*

To make a request for SN, we therefore suggest the host beneficiary to contact the Project Officer of the project in question, and they will provide them with a template for their Special Needs request, which will then be evaluated and processed by the REA.

Family allowance – change of the family status during the project (follow-up)

In the answer above, you confirmed that the maximum EU contribution might be increased if the researcher acquires family status during the project implementation. **Does it/does it not also work the other way around?** For example, is the family allowance reduced if the researchers lose their family status during the project implementation?

E-mail communication REA MSCA PF Team, 16 December, 2022

The family allowances are indeed due as long as the researcher has family obligations during the action duration. If during the implementation of the action the recruited researcher ceases to have family obligations, there is no more entitlement to the family allowance.

Mobility and Family Allowances in the outgoing phase of MSCA PF GF

I have a question concerning the mobility and family allowance payments in MSCA-PF-GF outgoing phase. I understand that mobility and family allowances may be paid to the researchers in various ways. Any form is acceptable, provided that: a) both sides agree; it is allowed under national law AND; there is no underpayment. At the same time, REA encourages host institutions to optimize mandatory deductions and taxation, if possible. In the Czech Republic, beneficiaries usually pay mobility and family allowances in the researcher's salary (with the living allowance). This way is simple and clean and causes no administrative burden. **With the rising inflation, however, host institutions and researchers have started searching for other ways to optimize mandatory deductions more effectively.**

The list of items that can be exempt from taxation in the Czech Republic is very limited. One of the exemptions is travel and subsistence costs related to a business trip. During the **MSCA-PF-GF outgoing phase**, the Host Institution may decide on the following options: 1. the researcher can formally change the place of work (with limited entitlement to travel and subsistence costs). Czech host institutions commonly use this option during the MSCA-PF-GF outgoing phase; 2. the researcher can be seconded for a business trip (with full entitlement to travel and subsistence costs).

My question is: **Would it be acceptable for REA if the host institution decides to go for option 2) and pay mobility and family allowances as subsistence costs** (instead of making it an additional part of the salary)? The researchers would strongly prefer this option since it reduces their taxation and is

in line with the national legislation. However, it could be formally objected that a "business trip" should not be covered from the mobility allowance.

In this scenario (option 2): If the researcher needs to go for a "project" business trip (e.g., attending a conference) during the outgoing phase, the "main" business trip ends. Travel and subsistence costs associated with attending the conference are covered from institutional contributions. After the "project" business trip ends, the "main" business trip would start again. This would guarantee that the ad hoc "project" business trips would be covered from institutional contributions. Is this in line with HE rules?

Although this option might not be administratively smooth, we believe it complies with national legislation, and researchers may prefer it. That is why your opinion is crucial to us.

E-mail communication REA MSCA PF GF Team, 14 August, 2022

In fact the main principle for us it's that:

- 1) The researcher gets an employment contract with the salary as per the grant;
- 2) That the allowances the researcher has the right to, are paid also.

Having said this, we assume that what is important is that the researcher does get these amounts and they are accounted for. In which way these amounts are going to be paid to the researcher, really depends on the national legislation, the beneficiary's internal rules and the agreement reached between the two parts. We would suggest that the allowances (wherever the format they take but have to be for the amount as per the GA) are paid at the same time (calendar days) as the salary. This will be much easier in terms of accountancy and keeping track of payments and in case of any possible audit.

Project reporting in MSCA PF GF

Q1: Is it in principle possible to extend the grant duration? In the specific case I am dealing with, the researcher would use the extension to complete the activities planned in Annex 1. The host institution would be willing to finance the extension (living, mobility, and family allowances of the researcher) from unused institutional costs.

I understand that the reporting in MSCA is simplified – there are only two types of deliverables that may be reported (ethics requirements and DMP). Other deliverables (even if identified in Annex I) should not be submitted. However, in continuous reporting, the researcher must report publications, dissemination, and communication activities. Therefore, my questions are the following:

Q2: What happens if the **planned number of conferences and publications is lower** than what was planned in Annex I?

Q3: Does REA check whether the planned number of publication and communication activities was delivered and **at what point?** Can discrepancies between the plan and reality lead to consequences for the beneficiary?

Q4: Can these discrepancies be **accepted if justified** (e.g., due to the Covid, it was not possible to attend the planned number of conferences, etc.).

Q5: Publications

Can the publication be reported/accepted if the MSCA fellow is **not the main/first author?**

Can the publication be reported/accepted if the actual publication will take place **after the project ends?**

Q6: Conference attendance

Can the conference attendance be reported/accepted if **another person attended the conference and presented** the publication than the fellow himself.

E-mail communication REA MSCA PF GF Team, 18 July, 2022

1) Formally the project only has a duration of 24 (or 36 as for instance for GFs and some CARs). As you well know it is based on units and the researcher has to have an employment contract for the duration of the full project. This means that extensions cannot be granted (as budget is fixed for those months). Now, there are two options:

a. one is to suspend the project for x time while the researcher is carrying on the work and is paid by the beneficiary (these are arrangements between the beneficiary and the researcher). The suspension will mean that formally the researcher is not working for the project during that time, so the end of the project will be postponed accordingly and with it the reporting periods too;

b. the researcher continues working on the project while being paid by the beneficiary after the project ends formally. This means that they will have to submit the report 60 days after the formal end date (the one appearing in the system). In principle POs can be a bit flexible in extending the deadline based on a good justification from the researcher.

2) Your assumption is correct concerning the deliverables (there is now a new one on Dissemination and Exploitation to be submitted one month before the formal end date of the project).

So, if the publications and/or conferences are lower and/or higher, this will have to be explained in the technical report, especially if there is a big difference (ie. three publications envisaged and only one submitted or six conferences planned and only two attended). The overall aim of the outreach and dissemination should be obtained and this can be with less and or more events/publications. If the growth is substantial, this should also be emphasized in the technical report;

3) This question is partially answered previously ? The discrepancy must be very well justified. If the project delivers almost nothing compared to what was envisaged, it can have consequences for the project as it will be considered a breach of contractual obligations (annex 1 is part f the contract and was written by the applicant that was funded based on that). REA/the PO check this when assessing the report after it being submitted;

4) Was answered already. COVID did affect the Dissemination and Outreach efforts, but still a lot could be done on-line;

5) Yes, of course, as co-author; as per the contract the researcher should mention any publication that is on the making and/or submitted for review in the technical report and has the obligation to update the continuous report after the project ends, following the open access rules;

6) This has to be explained and justified. Why and whom? And what was the art the researcher played in those results presented.

Underpayment of the Researcher, MSCA DN

Dear REA, I have a question concerning the underpayment of the researcher in MSCA-ITN caused by the exchange rate fluctuation. The project is still ongoing. However, the researcher no longer works for the beneficiary, and the beneficiary did not manage to pay the corrective payment (fixing the underpayment) during the researcher's employment.

Can you confirm that the corrective payment may be paid in any form (compliant with the national legislation and the usual practice of the beneficiary)? For example, in this case, the beneficiary would like to pay the **corrective payment as a stipend**. In other words, it is **not necessary to re-employ the researcher** (e.g. for 1 month) to pay the corrective payment. Correct?

E-mail communication REA MSCA PF GF Team, 4 November, 2022

Yes, we confirm that this is possible. We also do this in case the underpayment is detected after the project is closed. We always ask the beneficiary to make an additional payment to the researcher. Since the project is still ongoing, the Financial Statement at the final payment will be with the correct amount.

Paid holidays during the secondment, MSCA SE

According to the national legislation/collective agreements, researchers are entitled to 5 weeks of paid holidays, two sick days, etc. With shorter secondments, researchers are usually instructed not to use paid holidays during their secondments. However, if the secondment is longer (e.g., 12 months), researchers are entitled to use their paid holidays during their secondments. In these cases, the sending institution interrupts the secondment and starts again after the paid holidays. How to deal with these situations in the Portal? For example, should the full 12 months be declared as the days of secondment, or do the paid holidays/sick days, etc., need to be reflected somehow?

E-mail communication REA MSCA SE Team, 20 December, 2022

Following the same approach as in MSCA RISE, a secondment (same staff member, same sending organisation, same host organisation) may be split into several stays over the duration of the project. Then, sending institution may interrupt the secondment and start again after the paid holidays. Every period before and after the paid holiday will be considered a split. However, the total of all cumulated split stays shall not be less than 1 month or more than 12 months over the full project duration. Then, you should be able to encode the secondment with different splits under the Researcher Declaration in the reporting system.

Follow-up question:

In case the fellow is seconded for 12 months and under the national law has five weeks of paid holidays during that time (used at once or split as they choose): Does using this paid holiday (1 day or one week, or five weeks at once) mean the secondment is split and must be reported as split at Researcher Declaration in the reporting system?

E-mail communication REA MSCA SE Team, 5 January, 2022

Bank/public holiday are accepted (no split secondment) but annual paid leaves should be split.

Additional work commitments MSCA RISE/SE

In the past, we received a RES reply (see below) confirming that the seconded researchers can have additional work commitments (next to their full-time contract) as long as the researcher is seconded full-time and the national legislation allows that.

Can you please, confirm that a seconded researcher may be seconded **full-time (1,0 FTE) in MSCA-RISE/MSCA-SE** and at the same time (in parallel) **work part-time on H2020-RIA/HE-RIA (e.g., 0,2 FTE)?**

E-mail communication REA MSCA SE Team, 4 July, 2022: We hereby confirm that when the staff is working FTE on the RISE project, the activities performed outside the regular working time are not relevant to the RISE grant.

Salary during the secondment MSCA RISE/SE

I have a question concerning MSCA RISE /MSCA SE and the MGA statement „*beneficiaries must ensure that the rights and obligations of the seconded staff remain unchanged during the secondment*” complemented in AGA by the statement “***beneficiaries must continue to pay them as before, according to their internal practices***”.

The staff members must be seconded in MSCA RISE /MSCA SE full-time. Therefore, staff members who have worked on other projects (e.g. national ones) prior to the MSCA project will cease working on these projects during the period of MSCA secondment. As the usual practice of the organization is that the staff member's salary consists of a tariff and a project bonus (paid for implemented projects), the consequence will be that the researcher's salary will be slightly reduced during the period of the MSCA secondment (as he/she will not be working on a national project for the duration of the secondment, he/she will not be paid the bonus for implementation of the national project).

This reflects the usual internal practice of the beneficiary and reflects the internal remuneration policy; therefore we assume it is in line with MSCA RISE /MSCA SE and will be accepted. Thank you for your confirmation.

E-mail communication REA MSCA SE Team, 27 February, 2023

It is in line with national practice and the contract of the staff, therefore it is acceptable.

Secondments MSCA COFUND

In the project proposal, the beneficiary may voluntarily choose to involve associated partners who provide training or secondment without the right to claim contributions. If the beneficiary states in the proposal that the secondment will be mandatory for each researcher implementing the project, is the fact that the secondment was implemented checked by the EC/audit? How and when? What happens if some researchers do not implement the secondment? Are there some consequences for the beneficiary (financial, other)?

E-mail communication REA MSCA COFUND Team, 11 November, 2022

Secondments are not checked by the audit, the audit will check that the fellows are supposed to be where they are when they are recruited (complying with the mobility rule) as well as they receive the salary indicated in annex I. Having said that, the project officer will check that the secondments (among other aspects of the training programme) are in line to what has been foreseen in annex I; there is a mid term review planned to check on the implementation of the project. Of course deviations can happen but the beneficiary must propose a credible training programme, so if the beneficiary states in the proposal that secondments will be mandatory, the institution/s in charge of hosting the secondments must be rather certain at the proposal stage that will be the case.

Audits MSCA COFUND

In the project proposal, the beneficiary indicated that the total monthly amount paid directly to researchers will be a sum of a COFUND allowance of 3980 EUR, a Mobility allowance of 200 EUR, and a Family allowance of up to 500 EUR.

Underpayments

Does the audit control whether the total amount (COFUND allowance, mobility allowance, family allowance, travel allowance) **was fully paid to the researcher**, or does the auditor only control that the COFUND allowance was paid fully to the researcher?

E-mail communication REA MSCA COFUND Team, 21 September, 2022

The auditors will check the salary amount which is stipulated in annex I and not only the minimum salary required.

Research costs and Training (RTC)

In other MSCA schemes, the institutional contributions are eligible if they are calculated as unit contributions following the method set out in Annex 2a and if the living and mobility allowances are eligible. The audit does not check the composition of institutional contributions, and rules do not say what items may/may not be covered by these contributions.

Can you confirm that this also applies to MSCA-COFUND?

E-mail communication REA MSCA COFUND Team, 21 September, 2022

We pay the COFUND allowance based on person months and that is it.

Is it up to the beneficiary to decide what items may/may be covered from RTC and what rules to set for implementing partners?

E-mail communication REA MSCA COFUND Team, 21 September, 2022

Correct

Due to the specific nature of the unit cost grant, there are no EC rules for the purchases (small equipment or other) that the beneficiary must follow and auditors check. Can you confirm that?

E-mail communication REA MSCA COFUND Team, 21 September, 2022

Correct

Beneficiaries are not expected to have any unused amounts at the end of the action. **Will auditors control whether the RTC was fully used to support researchers' career development?**

E-mail communication REA MSCA COFUND Team, 21 September, 2022

No, they check if the fellows have been paid correctly and if they have received the allowances they were supposed to receive.

Budget FLEXIBILITY

There is budget flexibility regarding institutional contributions, allowing unused amounts to be spent for other action-related purposes. **Does the same also apply in MSCA COFUND? Namely for categories: Travel allowance, Research costs, and training?**

E-mail communication REA MSCA COFUND Team, 21 September, 2022

Yes, there is budget flexibility among the budget categories.

Sick leave (absences shorter than 30 days)

In Horizon 2020, if the researcher was absent for 30 consecutive days (or less), the costs incurred during this period could be charged to the action. The MSCA fellow received the full salary (living, mobility, and family allowances) despite the fact his salary paid during the sick leave might normally be lower according to the national legislation. **Does the same principle also apply to MSCA COFUND in MSCA?**

E-mail communication REA MSCA COFUND Team, 21 September, 2022

Yes

What is the "full salary" in MSCA COFUND? COFUND contribution or COFUND contribution, mobility allowance, and family allowance, which will be paid in the researchers' salary?

E-mail communication REA MSCA COFUND Team, 21 September, 2022

Yes, the salary that the fellow would normally be paid if he/she was working and if the fellow is absent for more than 30 days under HE the beneficiary can apply for a long-term leave allowance.

Operating Grants

Dear REA, I have a question concerning the operating grants and MSCA. I found the following [FAQ](#) on the FTOP. My questions are the following:

1) Does the fact the host institution receives an operating grant need to be notified to a project officer, and at what point?

- 2) Is the whole cost category (management and indirect contribution) reduced? How (ex-ante/ex-post)? How is the reduction reflected in the financial reporting?
- 3) If the operating grant only covers a part of the institution's costs, is there still a possibility to charge FULL management and indirect contribution to the MSCA project?
- 4) Could you provide more practical details concerning the operating grants and MSCA? Any real-life example would be very appreciated.

E-mail communication REA MSCA PFTeam, 28 November, 2022

1) Yes, as soon as possible.

2) In case a beneficiary already receives an operating grant financed by the EU or the Euratom budget in the same period, only management contribution can be claimed, i.e. half (50%) of the applicable management and indirect contribution, unless the beneficiary can demonstrate cost separation, i.e. that the operating grant does not cover any costs of the action (please see conditions below*).

If the operating grant is known in the grant preparation phase, the management/indirect cost category is reduced by 50% for the relevant time period. If the operating grant is known only at the reporting stage, 50% of the full management/indirect cost category will be rejected for the relevant time period of overlap.

3) Yes, as explained above, only in the case that the beneficiary can demonstrate **cost separation*** and that the operating grant does not cover any part of the costs of the MSCA action. For details, please see below.

4) Cases are rare. In the past we recall one example (under H2020) in which we had to reduce the management and overhead category of a MSCA grant by 50% during the grant preparation phase because of an operational grant in the same institution during the same time period.

***To demonstrate cost separation, please note the following conditions must be fulfilled:**

- *the operating grant may NOT cover 100% of the beneficiary's annual budget (i.e. it may not be a full operating grant)*

- *the beneficiary must use analytical accounting which allows for a cost accounting management with cost allocation keys and cost accounting codes and must apply these keys and codes to identify and separate the costs (i.e. to allocate them to either the action grant activities or the operating grant activities)*

- *the beneficiary must record:*

1. *all real costs incurred for the activities that are covered by their operating grants (i.e. personnel, general running costs and other operating costs linked to the work programme of activities) and*

2. *all real costs incurred for the activities that are covered by the action grant (including the real indirect costs linked to the action)*

- *The allocation of the costs must be done in a way that leads to a fair, objective and realistic result.*

Please note the specific guidance under Horizon Europe are still under discussion (not publish yet). We will be able to provide definitive guidance beginning of 2023.

ERC

Charging full capitalised costs to the action

I have a question concerning the ERC StG Guide for Applicants, which states that: *...an applicant can request to include in the Grant Agreement equipment, infrastructure, or other assets purchased specifically for the action (or developed as part of the action tasks) that may exceptionally be declared as FULL capitalised costs. Where needed for the viability of the action (including its financial viability), and recorded under a fixed asset account of the beneficiary...*

Q1: Do I understand correctly that applicants may request (as a part of the grant) the full purchase price of equipment in ERC grants?

Q2: Can you, please, indicate some examples of when this would be possible? Is it common/is it rare?

Q3: Should the applicants clearly state in the project proposal that they will be requesting the full price of the equipment (instead of respective depreciation costs)? Should they justify the choice in the project proposal?

Case no2072946, 18 October, 2022

The ERC Work Programme 2023 foresees the following : "Purchases of equipment, infrastructure, or other assets used for the action must be declared as depreciation costs. Moreover, an applicant can request to include in the Grant Agreement equipment, infrastructure or other assets purchased specifically for the action (or developed as part of the action tasks) that may exceptionally be declared as full capitalised costs, where needed for the viability of the action (including its financial viability), and recorded under a fixed asset account of the beneficiary in compliance with international accounting standards and the beneficiary's usual cost accounting practices".

In reply to your first question, based on the 2023 ERC Work Programme , while depreciation costs is the default option, applicants may exceptionally request in their proposal to be submitted under ERC STG call, full capitalised costs for equipment, infrastructure or other assets, purchased specifically for the action (or developed as part of the action tasks), only if justified by the nature of the action and the context of the use of the equipment or assets.

'Capitalised' costs means recorded as assets in the beneficiary's balance sheet. They may relate to:

- the full purchase costs (not only the depreciation costs for the relevant periodic report) and/or
- the full development costs (not only the depreciation costs for the relevant periodic report).

The costs must be recorded under a fixed asset account in the beneficiary's accounting records in compliance with international accounting standards and the beneficiary's usual cost accounting practices.

In reply to your second and third question, in line with the 2023 ERC Work Programme, **the full capitalised costs approach has to be exceptionally applied, where needed for the viability of the action (including the financial viability)**. Any such request must be described in detail and fully justified in the proposal under Section "C. Resources". The cost estimation should be as accurate as possible and in proportion to the actual needs. The evaluation panels will assess the estimated costs carefully against the needs of the project and may suggest modifications where they consider funding requests not properly justified.

For more information, you may consult the Horizon Europe Annotated Grant Agreement (PRE-DRAFT), pages 66 to 69 : [aga_en.pdf \(europa.eu\)](#). In particular, page 68 provides the details on how to implement the "full capitalised costs" option and clarifies that the cost must correspond to the actual costs incurred in the purchase or development, and the beneficiary has to ensure that there is no double charging of costs (in particular in case of development of equipment).

Organization of workshops and conferences

I have a question concerning budget of an ERC project, specifically the cost category Publications (incl. Open Access fees) and dissemination. Since "dissemination" is explicitly mentioned here, is it acceptable to include costs of dissemination activities such as the organization of workshops or even conferences? Or is it preferable that such costs are planned within the "Other additional direct costs"? If so, what should be included in the former category concerning dissemination costs?"

Case no 155137, 29 April, 2022

"The organization of workshops and conferences maybe be included under "**Dissemination and Publication**" costs. In case the proposal is selected for funding, and if it is necessary, the project officer will clarify with the PI how to best include costs during the preparation of the Grant Agreement."