

Working Group of TC Prague on Financial and Legal Management of H2020/HE Projects - FINPRA

What are the experiences of FINPRA members with the specifics of lump sum funded project proposals?

Summary of the discussion of more than 60 members of FINPRA from the meeting held on 2 November 2023 in Prague.

WHAT WORKED

FINPRA members identified the following as positives:

- The EC's trust in the applicants and the beneficiaries.
- More effective communication between project managers and researchers (resulting from the need to establish a more detailed budget linked to specific project tasks and periods).
- Increased number of pages in the project proposal template.
- Reduced administrative burden in the project implementation phase (no need to use timesheets and to calculate eligible personnel costs).
- Budget flexibility during project implementation.
- Gaining experience with the new scheme through use in the Twinning call (competitive advantage for the future).

WHAT WAS THE CHALLENGE

What problems FINPRA members encountered:

- Personnel Costs Dashboard
 - Lack of guidance on the necessity, level of detail, and location of justification for amounts exceeding the Dashboard.
 - Concern about the mechanical use of the Dashboard by evaluators (cutting the budget) instead of using it as a purely informative/indicative tool.
 - Concern about the use of the Dashboard beyond lump sum projects.
- Excel spreadsheet of the budget
 - The format for saving the Excel spreadsheet was unintuitive on the first experience.
 - Inconsistency in partner numbering when an affiliated entity is involved.
 - Unnecessarily detailed planning of researcher capacity by category and work packages.
 - Complex categorisation of staff for non-academics.
 - Unclear use and need for an explanation of other categories of personnel costs (natural persons).
 - Unclear breakdown of budget justification between Part B and the 'comments' sheet in the Excel spreadsheet.
 - Lack of instructions on how to work with units, leading to a different approach by applicants.

- Lack of instructions on how to approach the rounding, leading to a different approach by applicants.
- Unclear information on the voluntariness/obligation to complete the depreciation justification.
- Insufficient reflection of the specificities of some calls (e.g., Twinning and the 30% and 50% limits).
- An unclear number of reporting periods at the time of project proposal preparation (defined in some calls by FAQ, but not always known to beneficiaries; not prescribed in other cases)
- Control during project implementation
 - Accounting of actual costs according to the organisation's internal practice vs. lump sum amount sent by the EC.
 - Unclear control of the Researchers tab.
 - Unclear control of call specifics (e.g., Twinning and 30% and 50% limits; ERC and PI commitment)
- Preparation of consortium agreement taking into account specifics of lump sums

WHAT WE RECOMMEND The following recommendations for lump sum projects emerged from the discussion of FINPRA members:

- Communicate the number and length of reporting periods in the call (this is crucial for properly planning the number of work packages).
- Clear instructions from the EC on what to justify and what level of detail in the Excel spreadsheet in the "comments" sheet (mainly regarding personnel costs) and what in Part B.
- EC summary identifying common errors in budgeting leading to budget cuts or reduction of the score (ESR) with specific recommendations for the applicants.
- Explain to applicants, evaluators, and project officers across the EC and all agencies how the Dashboard should be used (i.e., for guidance only, not to cut budgets mechanically).
- Simplify the detail level needed for the Excel spreadsheet (e.g., not requiring a breakdown into sub-categories of staff at the work package level).
- Provide clear examples in which challenging evaluation results is/is not possible (redress).
- Possibility to justify the amount of planned (explained) costs in the case of an evaluators' request for budget cuts (which avoids lumping researchers together and penalising excellent research teams).
- Clear instructions from the EC on what will (and will not) be audited in technical reviews and audits by other bodies (such as the European Court of Auditors).
- All FAQs relevant for budgeting lump sums in one place.
- Update the Annotated Model Grant Agreement (AGA)
- Consultation with L&F and thematic national contacts (NCPs)
- At the applicant level
 - develop internal tools, e.g., lump sum contingency Excel spreadsheet
 - create internal unit costs, e.g., for travel
 - share good practices, e.g., completed Excel spreadsheets and provided justification