



# EU4Health - Work Programme 2022

## NFP4Health Info Day

**FINANCIAL MANAGEMENT - GRANTS**

*28<sup>th</sup> April, 2022*

## Grant: direct financial contribution to an action

(Financial Regulation, 2018/1046. Title VIII – Grants)

- **Co-funding rule:** external co-financing from a source other than EC funds is required (own resources or financial contributions from third parties, project income)
- **Non-profit rule:** the grant may not have the purpose or effect of producing a profit for the beneficiary
- **Non-retroactivity rule:** only costs incurred after the starting date stipulated in the grant agreement can be co-funded
- **Non-cumulative rule:** only one grant can be awarded for a specific action carried out by a given beneficiary

## Nature of the grant

- Grant based on **actual costs** declared
- **Grant = partial reimbursement of eligible costs** that are incurred by beneficiaries and affiliated entities listed in the grant agreement **at the fixed reimbursement rate.**
  - **Standard reimbursement rate** under the EU4Health programme: **60% of eligible costs**
  - **Exceptional utility:** under certain conditions the rate is **80% of eligible costs**
- **“Maximum grant amount”** the maximum amount the Agency will pay as contribution to the action’s costs.
- **“Final grant amount”** equals to or is lower than the maximum grant amount. Established at the balance payment and based on eligible costs declared to the Agency.
- The grant is **not allocated** to any specific cost items or cost category. It is calculated over the total eligible costs of the action with the applicable reimbursement.

## Eligible costs

### General conditions - Cumulative requirements:

- **Connected with the action as described** in Annex 1 and included in the Estimated Budget (Annex 2);
- **Necessary** for the implementation of the action;
- **Reasonable and justified** - “good housekeeping”;
- Incurred **within the duration**;
- **Actually incurred by the beneficiaries / affiliated entities of the grant**;
- **Identifiable and verifiable**, in particular being **recorded in the accounting records of beneficiary / affiliated entity in accordance with accounting standards** and the beneficiary’ accounting practices.

# Budget categories

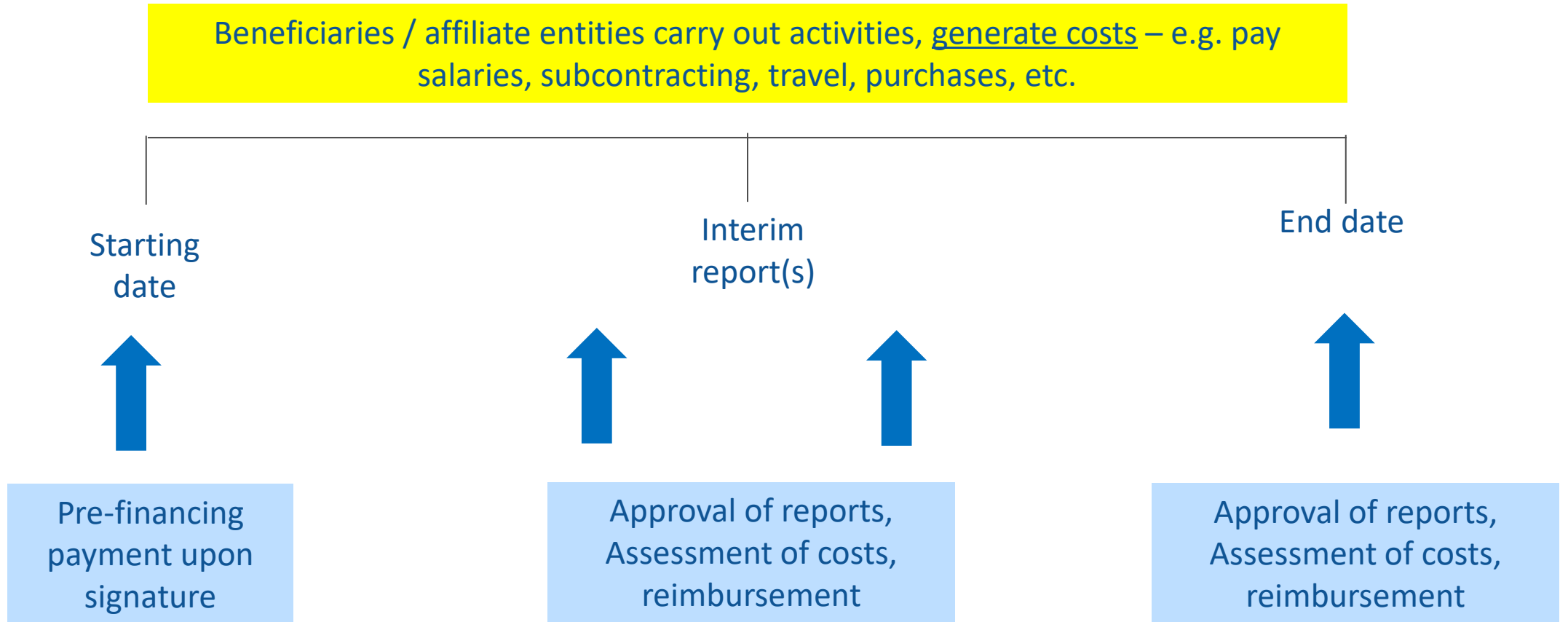
## Direct Costs

- A. **Direct personnel costs** (employees + natural persons with direct contract + seconded persons)
- B. **Subcontracting** (engagement of a 3<sup>rd</sup> party to carry out certain activities of the proposed action)
- C. **Purchase costs**
  - a. Travel, accommodation and subsistence allowances
  - b. Equipment (depreciation, renting, leasing)
  - c. Other goods and services

## Indirect Costs

- E. **Flat rate of 7% of total direct costs**

# Cash flow



## Financial capacity assessment

- Beneficiaries must demonstrate that they have necessary financial capacity to carry the burden of the grant.
- Analysis of annual accounts (balance sheet / profit & loss account) before grant signature
- If requested individual grant > 750.000,00 EUR, audit certificate on the annual accounts / declaration on validity of the accounts must also be submitted
- Actions in case of weak financial capacity:
  - Reduced / no pre-financing payment
  - Extended liability of co-beneficiaries
  - Pre-financing guarantee

# Grant management

## Starting date / Duration

- All activities to carry out, timeframe of eligible costs
- Starting date usually after grant signature, but retroactivity might be allowed – specified in the call text;
- Recommended duration: 12 – 36 months, depends on actions, recommendation on the call

## Payment scheme - recommended

- Pre-financing payment after signature of the grant – 30%
- Interim payment(s)
- Balance payment at the end of the duration

## Certificates to submit

- At submission of the interim / final report: audit certificate on the financial report submitted – supports the assessment of the financial report to establish the amount of eligible costs.



## Personal tips

**Read the grant agreement / annotated grant agreement and the guidelines**

**Involvement of Accounting, HR and Procurement of the partners**

- Accounting – all available financial information and supporting documents
- HR department – who is staff, components of salary
- Procurement / Sourcing – contract management with third parties, applicable procedures

**Consortium composition:** ensure necessary expertise, balanced allocation of tasks, engagement of each partner

**Consortium agreement on internal grant management:** reporting within the consortium, close follow-up of expenditure.

**Communication, communication!**

# Thank you



© European Union 2020

Unless otherwise noted the reuse of this presentation is authorised under the [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/) license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.

Slide xx: [element concerned](#), source: [e.g. Fotolia.com](#); Slide xx: [element concerned](#), source: [e.g. iStock.com](#)

