



**Implementation of Grants under EU4Health**  
**Frequently asked questions**

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UNIT COSTS

- 1.1. **QUESTION:** *When declaring costs for travel, accommodation and subsistence, should we use unit costs or actual costs?*

**Reply:** For grants funded under the EU4Health programme, beneficiaries and affiliated entities are required to calculate and declare their costs for travel, accommodation and subsistence in the interim and final financial statements by using the unit costs. This requirement is set out in Article 6.2.C.1 of the Grant Agreement.

The unit costs must be calculated using the method set out in Annex 2a of the Grant Agreement and in the [Commission Decision C\(2021\)35](#), as amended.

Only if a particular instance of travel, accommodation or subsistence in the action is not covered by one of the unit costs mentioned in Decision C(2021)35, the costs should be declared as costs actually incurred. In practice, this is usually the case for:

- travel between 50 and 399 km in a non-EU country
- travel between 50 and 399 km and between a Member State and a non-EU country
- land travel between 50 and 399 km in LU, CY or MT.

Further guidance can be found in the [Annotated Model Grant Agreement](#) under Article 6.2.C.1 (pages 77-81 V1.0 DRAFT– 01.04.2023).

**1.2. QUESTION: *When reporting on unit costs for travel, accommodation and subsistence, which evidence needs to be provided / kept as proof?***

**Reply:** Please refer to question n°5.1.

**1.3. QUESTION: *What if the actual costs are not in line with unit cost rates? How we should operate in practice. We should buy e.g. flight with higher costs if we do not have any choice? And they will be considered actual costs incurred during the project?***

**Reply:** The amounts reimbursed to the beneficiaries will be in line with the amounts for travel unit costs established in Decision C(2021)35, as amended and Annex 2a and not with the actual costs. No matter if the actual costs are higher or lower.

The travel unit cost to be paid is a fix amount and it depends on the distance between the place of departure and place of arrival. All unit costs are an amount to cover a return trip. However, the calculation of the distance should be done on the basis of the 1-way distance between the points. This is the one-way distance between the departure and arrival point, corresponding to the amount for the return journey -Decision C(2021)35, as amended.

Details on the amounts and the calculation are explained in Annex 2a.

All distances to be measured using either the rail or flight calculator in the following website: [https://ec.europa.eu/info/calculate-unit-costs-eligible-travel-costs\\_en](https://ec.europa.eu/info/calculate-unit-costs-eligible-travel-costs_en)

Further guidance can be found in the [Annotated Model Grant Agreement](#) under Article 6.2.C.1 (pages 77-81 V1.0 DRAFT– 01.04.2023).

**1.4. QUESTION: *How to deal with meeting meals that are paid by the meeting organiser vs. subsistence unit costs of the meeting participants***

**Reply:** Decision C(2021)35, as amended: The unit costs shall cover all eligible costs related to travel, accommodation and subsistence, as relevant. Where unit costs are used to reimburse expenditure to one or all of these categories of costs, no additional costs related to those categories may be reimbursed.

The subsistence unit cost is intended to cover meals and other incidental expenses. Since accommodation will in most cases also be paid on the basis of unit costs, there is no need to check whether breakfast was included in the cost of the hotel. If the person is entitled to a

subsistence cost, this can be paid irrespective of whether the person received a meal paid by the meeting organiser.

**1.5. QUESTION: *Can the day of arrival be counted as 1 subsistence unit (and which practical precaution must apply in order to count - e.g. travel must start before 12 a.m. for the minimum 12-hours-period?)***

**Reply:** The amount of unit costs to be declared should be calculated by rounding up or down the nearest full number of days, except for the first day where any number of hours will be rounded up to 1 full day.

**1.6. QUESTION: *Are the beneficiaries allowed to subcontract the organization of the events including the accommodation, travel and catering?***

**Reply:** Beneficiaries are allowed to subcontract the organization of the events that are action tasks as long as these costs comply with the general conditions for costs to be eligible as set out in Article 6.1(a) and the specific eligibility conditions set out in Article 6.2.B for the subcontracting costs.

If the contract for the venue of the event includes the accommodation costs for the beneficiary's staff that are paid as contract cost, the costs may be declared as actual costs under subcontracting cost category and no other costs may be declared in the accommodation budget category. On the other hand, if the contract does not include these costs, and they are paid outside the contract cost as real costs, the costs related to the accommodation must be declared as unit costs under the accommodation budget category. It is therefore important how the beneficiary pays for the accommodation costs.

If the beneficiary subcontracts the travel of the beneficiary's staff to a travel agency and the costs are paid as contract costs, those costs may be declared as actual costs under subcontracting budget category and no other costs may be declared under the travel budget category.

In case the organization of the event includes catering for the participants, the subsistence costs may be paid to the participants entitled to a subsistence cost irrespective of whether the person received a meal that was paid for with a contract.

**1.7. QUESTION: *How to calculate the travel costs and subsistence costs in case travel for professional and private reason is combined?***

**Reply:** In case travel for professional and private reason is combined, the beneficiary may declare the travel costs as usual ( as in absence of combined travel). Travel costs are calculated as unit costs in accordance with the methodology set out in Decision (2021)35, as amended and Annex 2a.

As regards the calculation of the subsistence costs: Subsistence unit costs are for a 24-hour period and the amount of unit costs to be declared should be calculated by rounding up or down to the nearest full number of days, except for the first day where any amount of hours will be rounded up to 1 full day. The subsistence costs for the last day of travel should be calculated based on the arrival time of the return flight and for combined travel the beneficiary should consider the flight that the participant should have taken to return from the travel in the absence of the combined travel (e.g. first available flight at a reasonable time). In this case, the

beneficiary should keep record of the flight that was used for the calculation of the subsistence costs.

**1.8. QUESTION: *How can we make a detailed budget table when the unit costs are unknown at the moment when we submit the proposal?***

**Reply:** The amount of the unit costs for travel, subsistence and accommodation may be estimated by the applicants based on the number of events/workshops/meetings that are planned during the implementation of the actions, the size of the event/ number of participants and the place/ countries where those events are planned. At the level of the proposal, it is possible to use an average unit cost for estimating travel/accommodation costs (instead of calculating units per country participants) or to use the highest unit cost. It is however important to describe the type of event.

In the periodic report, the unit costs for travel, subsistence and accommodation should be calculated using the methodology required under Annex 2a of the grant agreement and should be declared per participant and per event in the appropriate budget category (i.e. travel, subsistence and accommodation). For large events, you may however declare the unit costs per event or groups of participants, but you should be able, upon request, to provide us with the detailed calculation per participant.

**1.9. QUESTION: *Could you please share any insights on the possibility of a modification of Decision C(2021)35 on unit costs for travel and subsistence? Regarding the travel and subsistence, are other revisions of the EC Decision C(2021)35 foreseen to update the unit costs for subsistence ?***

**Reply:** On 26 July 2023, the Commission adopted [an amendment to Decision C\(2021\)35](#) authorising the use of unit costs for the reimbursement of travel, accommodation and subsistence costs. The purpose of this amendment is to increase the rates for return air and rail travel above 400km by 25%. It does not apply to the other unit costs authorised in Decision C(2021)35, such as those for rail journeys below 400km, or accommodation and subsistence costs.

In parallel to this amendment, all of the unit costs set out in the 2021 Decision are the subject of a separate review which is currently underway and which may result in a further amendment to Decision C(2021)35 in the near future. This procedure relies entirely in the hands of the Commission Central Services.

**1.10. QUESTION: *For a grant agreement signed before the adoption of the revised rate, can we declare the unit costs for return air and rail travel above 400km using the revised unit costs set down by the amending Commission Decision C(2023)4928? Do we need to first request an amendment to the grant agreements?***

**Reply:** The increase rate for travel costs is to apply to all grant agreements that were ongoing on 1 January 2023, or which started after that date. This means it can be applied retrospectively to any grant agreement that had not reached its project end date on 1 January 2023, irrespective of when the travel actually took place. However, the maximum amount of the grant as specified in the signed grant agreement may not be increased.

As this is a unilateral change of the Model Grant Agreement conditions that benefits the beneficiaries, there is no need to amend the grant agreements signed.

**1.11. QUESTION:** *Regarding the recent increase in unit costs related to travels, does each partner in a consortium decide itself whether to use the new or old unit costs for its financial reporting? Or should the entire consortium instead apply the same unit costs (understanding that the total EU contribution cannot be increased)?*

**Reply:** For the grant agreements signed prior to the adoption of amending Decision, it is the choice of each beneficiary to use or not the increased rate. It is not necessary to have a coordinated approach.

**1.12. QUESTION:** *Can we declare travel costs for other persons that the employees ( e.g. patients' representatives which are part of the stakeholder forum and scientific advisory board of the project)?*

**Reply:** Travel, subsistence and accommodation costs may also be eligible for persons that participate in the action on an ad-hoc basis (e.g. attending specific meetings), if this complies with the general and specific eligibility conditions in Article 6.1 and 6.2.C, in particular being necessary for the implementation of the action, and: – their participation is foreseen in Annex 1, or – their participation is specifically justified in the periodic technical report and approved by the granting authority (simplified approval procedure). In line with the beneficiary's usual practices on travel, the beneficiary may purchase itself or reimburse these persons.

**1.13. QUESTION:** *Regarding the calculation of unit costs for travel: What is the departure and arrival point for the distance calculation using a flight calculator for journeys involving train/bus/car travel to/from an airport? Is it a place of employment (departure point) and a place where the activity takes place (arrival point)?*

**Reply:** The travel unit cost depends on the distance between the place of departure (place of employment- as defined in the employment contract) and place of arrival (place where the activity takes place). All unit costs are an amount to cover a return trip. However, the calculation of the distance should be done on the basis of the 1-way distance between these two points.

**1.14. QUESTION:** *May the coordinator cover travel costs of "employees" of other beneficiaries if those employees are not involved in the action and whose participation in the event is necessary?*

**Reply:** Yes, if the participation or contribution of this person is needed for the implementation of the action. In principle, each beneficiary should declare their own costs, but the consortium may agree that these costs are covered by the coordinator.

**1.15. QUESTION:** *If one of my participants for an event in Lisbon comes from Ljubljana but flies from Venice because it is a better flight option. How do I justify her travel costs starting from Ljubljana?*

**Reply:** This does not have an impact on the calculation of the unit costs for travel. The unit cost to be paid depends on the distance between the place of departure (Ljubljana) and place of arrival (Lisbon). All distances to be measured using either the rail or flight calculator in the following website: [https://ec.europa.eu/info/calculate-unit-costs-eligible-travel-costs\\_en](https://ec.europa.eu/info/calculate-unit-costs-eligible-travel-costs_en).

**1.16. QUESTION:** *Do we have to submit subsistence as well, or can we submit only travel and accommodation costs? If so, can we use the subsistence allowance to cover for accommodation surcharges (the unit cost daily rates is far inferior to what most hotels charge)?*

**Reply:** You are entitled to charge subsistence costs for persons whose travel costs are eligible. Subsistence costs must be declared as unit costs and be calculated based on the methodology provided in Annex 2a of your grant agreement and in accordance with Decision (2021)35 on unit costs, irrespective of the actual costs of the beneficiary.

## BUDGET TRANSFER AND BUDGET FLEXIBILITY

**2.1. QUESTION:** *Is there a possibility to change the budget? How we can proceed with the changes of the budget? And can we compensate overspending and/or underspending in travel for example with subsistence/accommodation amounts? Likewise if a partner work more on the action and justify more than the budget initially estimated, can this partner be reimbursed with more EC funding (not more than the corresponding %) than that initially granted if other partners justify less and the whole justification of the project is not higher than the total amount granted to the whole project?*

**Reply:** Please note that according to Article 5.5 of the grant agreement, the budget breakdown may be adjusted — without an amendment (see Article 39) — by transfers (between participants and budget categories), as long as this does not imply any **substantive or important change to the description of the action in Annex 1**.

Please note that the budget in Annex 2 is an **estimation**. The budget is therefore **in principle flexible** (with certain exceptions, see below):

- **A transfer can NOT lead to an increase of the maximum grant amount** (see Article 5.2 and data sheet (point 3))
- Be aware however that the budget table is considered by the granting authority to reflect the actual situation and will accordingly be the basis for decisions such as the calculation of amounts to be offset from (pre-financing) payments for beneficiaries that have outstanding debts to the Commission (see Article 22).

Please note that changes to the description of the action in Annex 1 always require an amendment.

The following require either an amendment or a simplified approval procedure:

- **addition of amounts for subcontracts not provided for in Annex 1**
- other changes in certain specific cost categories, if specifically provided for in Article 6.2.

As a general principle, **beneficiaries may transfer budget among themselves, between affiliated entities or between budget categories** (without requesting an amendment; see Article 39) and — at the time of reporting — declare costs that are different from the estimated budget **provided that the action remains in line with the description of the action** (if this is not the case, an amendment is needed, under the conditions of article 39). If the incurred eligible costs during the action implementation turn out to be lower than the estimated eligible costs, the difference can thus be allocated to another beneficiary or another budget category. The amount reimbursed for the other beneficiary/other budget category (to which the budget transfer is intended) may thus be higher than planned.

For further details, please refer to pages 34-35 of [Annotated Model Grant Agreement](#) (V1.0 DRAFT– 01.04.2023).

**2.2. QUESTION:** *In our Joint Action, additional National Competent Authorities will join the consortium as affiliated entities in 2023. Their estimated budget is preliminarily allocated at the beneficiary of the respective country. By acceding the Grant Agreement, the new AEs will receive their own budget tables (meaning, the budget of e.g. BEN 1 is deducted e.g. 500 euros and AE1s' budget amounts to 500 euros). As the 30 % prefinancing share was distributed at project start, how to deal with this circumstance?*

**Reply:** The addition to the grant agreement of affiliated entities during the implementation of the action requires an amendment in order to name the affiliated entities under Article 8, to set out their tasks and their budget that were originally attributed to the beneficiary. However, this amendment does not have any impact on the prefinancing already paid to the beneficiary/coordinator (prefinancing is calculated at the level of the action and paid to the coordinator/beneficiary). It is up to the beneficiary and their affiliated entities to agree on the amount of the prefinancing funds that should be transferred to the affiliated entities.

**2.3. QUESTION:** *Is a budget amendment necessary if you want to change the prefinancing amount that is sent to the participants by the coordinator?*

**Reply:** The grant agreement sets out the prefinancing at the level of the action/ project and not at beneficiary-level. Like any other payments, the prefinancing is paid to the coordinator who will distribute it between beneficiaries according to their internal arrangements/consortium agreement. The Consortium is free to decide how the prefinancing is distributed between the beneficiaries. Therefore, in case there are changes regarding the distribution of the prefinancing within the consortium, these changes do not affect the provisions of the grant agreement signed and no amendment is requested.

**2.4. QUESTION:** *During the 60 days at the end of the project, can a coordinator still allocate more budget to another beneficiary if more are being used?*

**Reply:** Please refer to the budget flexibility rules which are explained under question 2.1.

Please be aware that costs related to drafting and submitting the final report are eligible even if they are incurred after the action duration. You cannot include in your report any other action activities foreseen in the Annex 1 and undertaken after the end date of the action. During the 60 days at the end of the project you cannot request an amendment to change the description of the action in order to include new activities.

**2.5. QUESTION:** *How does the flexibility of the budget apply when increasing the budget for subcontractors or adding a subcontractor not listed in the estimation, but not changing the description of action. What are the rules here?*

**Reply:** Based on the flexibility rule, it is possible to declare costs that are higher than the estimated costs for a subcontracting task that it is already foreseen in the grant agreement. You will have to justify the deviation from the estimated costs in your report.

However, if a new task needs to be subcontracted, this requires the approval of the granting authority either via an amendment in order to introduce it in the Annex 1 (see Article 39) or via a simplified approval procedure (at the reporting stage). In the latter case, the beneficiaries bear however the risk that the granting authority might not approve the new subcontract and reject the costs at interim or final payment-stage later on. Therefore, we recommend you that you discuss the need of a new subcontractor with the HADEA's project adviser in charge of your project before you incur any costs.

For further details, please refer to the budget flexibility rules which are explained under question 2.1 above.

## PERSONNEL COSTS

**3.1. QUESTION:** *Concerning time-record, where can we find timesheet templates for the Consortium?*

**Reply:** There are no time-sheet templates but please refer to the page 179 of the [Annotated Model Grant Agreement \(AGA\)](#) (V1.0 DRAFT– 01.04.2023) on 6. *Records for personnel costs – Days-equivalents worked for the action*. You will find further information on how to record personnel costs.

**3.2. QUESTION:** *Could you please explain pension provision as not ineligible? Would it be also personnel pension contribution that employer make?*

**Reply:** Please refer to Article 6.2 Specific eligibility conditions for each budget category, item A on personnel costs of your Grant Agreement:

*A.1 Costs for employees (or equivalent) are eligible as personnel costs if they fulfil the general eligibility conditions and are related to personnel working for the beneficiary under an*



*employment contract (or equivalent appointing act) and assigned to the action. They must be limited to salaries, social security contributions, taxes and other costs linked to the remuneration, if they arise from national law or the employment contract (or equivalent appointing act) and be calculated on the basis of the costs actually incurred (...).*

Likewise, please refer to pages 47 and 48 of [Annotated Model Grant Agreement \(AGA\)](#) (V1.0 DRAFT– 01.04.2023) where it is explained the eligibility conditions that the costs for employees (or equivalent) must comply with and what you may include and what you may NOT include.

**3.3. QUESTION: *With regards to personnel costs: if the organisation's standard working hours are 7,5 hours per day and some employee is contracted with a particular work schedule at 7 hours per day, how could these hours be converted within the limit of 215 days?***

**Reply:** Please refer to Article 6.2 on *specific eligibility conditions for each budget category, item A on personnel costs* of your Grant Agreement. The method for calculation is duly explained. Also, pages 49 and subsequent pages of the [Annotated Model Grant Agreement](#) ( 2.1.4 Calculation of the personnel costs) (V1.0 DRAFT– 01.04.2023). In addition, you will find a thorough explanation on how to convert the hours into day-equivalents in page 179 of the [Annotated Model Grant Agreement](#) on 6. *Records for personnel costs — Days worked for the action* (V1.0 DRAFT– 01.04.2023).

**3.4. QUESTION: *What about the experts that works for the activities? Can a new expert not mentioned in the project be involved with person/time and travels?***

**Reply:** Experts listed as personnel costs are involved in the implementation of the action and can incur travel costs. Travel and subsistence costs may also be eligible for persons that participate in the action on an ad-hoc basis (e.g. attending specific meetings), if this complies with the general and specific eligibility conditions in Article 6.1 and 6.2.C, in particular being necessary for the implementation of the action, and their participation is foreseen in Annex 1, or their participation is specifically justified in the periodic technical report and approved by the granting authority (simplified approval procedure). In line with the beneficiary's usual practices on travel, the beneficiary may purchase itself or reimburse these persons.

Experts that are not part of the personnel cost but are subcontracted can be involved in the implementation on of the action and travel costs should be included in the subcontracting amounts. If their participation is not foreseen in Annex 1 it should specifically be justified in the periodic technical report and approved by the granting authority (simplified approval procedure).

**3.5. QUESTION: *With regards to Secondment - if the persons are seconded from a third party and it turns out that this third party is affiliated to the beneficiary, but the beneficiary was not aware of that, would the costs of the seconded people be still reported as personnel costs of the beneficiary (A3)***

**Reply:** These costs should be reported in budget category A3 Seconded persons as long as the third party is not named in the Grant Agreement as affiliated entity (i.e. Article 8 of your grant agreement).

**3.6. QUESTION:** *Also, we want to ask, could a person be employed and included in personnel costs and instead of a contract of employment, cut an invoice?*

**Reply:** Please refer to:

- Article 6.2 on Specific eligibility conditions for each budget category of your grant agreement; and
- Page 47 and subsequent pages of the [Annotated Model Grant Agreement \(AGA\)](#) (V1.0 DRAFT– 01.04.2023), heading 1. Personnel costs (A.): Types of costs — Forms — Eligibility conditions — Calculation

Where explanation to differentiate the different personnel costs are provided.

**3.7. QUESTION:** *Regarding the charging of the end-of contract indemnities in the financial report described in the annotated GA, does it apply to both employees (A1) and seconded persons (A3)?*

**Reply:** Please see the heading of the section: Specific cases (costs for employees or equivalent). It is therefore applicable **only for A.1**. Please note that this section was further detailed in the [Annotated Model Grant Agreement](#) (V1.0 DRAFT– 01.04.2023) ( see page 52).

**3.8.QUESTION:** *Regarding professional categories: I would like to know how important it is to have correctly defined professional categories and their rates in the Detailed budget*

**Reply:** Unless otherwise provided in your Grant Agreement, personnel costs are actual costs. In accordance to Article 6(1) a) (v) *they must be identifiable and verifiable, in particular recorded in the beneficiary's accounts in accordance with the accounting standards applicable in the country where the beneficiary is established and with the beneficiary's usual cost accounting practices*

Hence, it is important to have professional categories and rates since during the reporting and payment stage they will be checked against the costs declared.

**3.9. QUESTION:** *What exactly are seconded persons? How are they connected to the beneficiary (i.e. contract)?*

**Reply:** Seconded' means the temporary transfer of an employee from a third party (the employer) to the beneficiary. Seconded persons are still paid and employed by the third party, but work for the beneficiary. They are at the disposal of the beneficiary and work under its control and instructions. A secondment normally requires the seconded person to work at the beneficiary's premises, although in specific cases it may be agreed otherwise in the secondment agreement.

Please refer to section 6.2. A.2 of the [Annotated Model Grant Agreement](#) (V1.0 DRAFT–01.04.2023) ( see page 57-60).

**3.10. QUESTION: A secondment agreement can be done with a person from a country outside the EU?**

**Reply:** A secondment agreement can be concluded with a third party located in a non-EU Member State. There are restrictions as regards certain entities (e.g. entities subject to EU restrictive measures under Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty on the Functioning of the EU (TFEU) and entities covered by Commission Guidelines No 2013/C 205/05), such entities are not eligible to participate in any capacity.

**3.11. QUESTION: The project proposal and the GA detailed budget table mention monthly rates as title of the column to declare time spent for the staff costs, and the consortium estimated their monthly rates. However, the template for reporting on the funding and tender portal mentions daily rate. What is compulsory: to report monthly rates or daily rates, or both are acceptable?**

**Reply:** At the time of reporting, you have to declare personnel costs with daily rate. The daily rate must be calculated as required by Article 6. A.1 Employees of the EU4 Health Model Grant Agreement and further detailed in the [Annotated Model Grant Agreement](#) (V1.0 DRAFT–01.04.2023) in the section Article 6. A.1 Employees.

At the time of the proposal and in the estimated budget of the action as included in your grant agreement you should estimate your costs on a monthly rate.

**3.12. QUESTION: Is there a formula for calculating the daily rate for an employee? Should the daily rate used in reporting be calculated based on the last closed financial year information?**

**Reply :** For calculating a daily rate for any possible situation you have to use the following formula: {actual personnel costs during the months within the reporting period} divided by {maximum declarable day-equivalents}.

The actual personnel costs for the person are those eligible cost recorded in accordance with your usual cost accounting practice in your (statutory) accounts until the end of the reporting period for which you are calculating the daily rate. Therefore, you shouldn't calculate the daily rate based on the last closed financial year, but on the actual costs incurred during that period.

The maximum declarable day-equivalents for each reporting period are calculated as follows:  $\{(215 / 12) \text{ multiplied by the number of months [during which the person is employed] within the reporting period}\}$  multiplied by the working time factor [e.g. 1 for full-time, 0.5 for 50% part time etc.]} You will round up or down to the nearest half day-equivalent.

For further details, please refer to section Article 6. A.1 Employees of the [Annotated Model Grant Agreement](#) (V1.0 DRAFT– 01.04.2023) ( see in particular pages 49-51).

## ELIGIBILITY OF COSTS / COSTS INCURRED DURING THE PROJECT DURATION

- 4.1. QUESTION:** *If an invoice for an item received during the duration of the project, is not paid by the end of the project, but some weeks after, can it be eligible? What happens if an invoice arrives after the end of the project, within the 60 days after the end?*

**Reply:** The eligibility criteria does not ONLY depend on when the invoice has been received or paid. According to Article 6.1 (a) of your Grant Agreement on general eligibility conditions, a cost will be considered eligible if it is **incurred** within the duration of the project and activity (i.e. the generating event that triggers the costs must take place during the action duration/activity). If costs are invoiced or paid later than the end date, they are eligible only if the debt existed already during the action duration (supported by documentary evidence) and the final cost are known at the moment of the final report.

Please refer to page 38 of [Annotated Model Grant Agreement](#) (V1.0 DRAFT– 01.04.2023).

- 4.2. QUESTION:** *Can WP Leaders also declare costs for work on the final report 60 days after the end of the project or are only coordinators eligible?*

**Reply:** The only exceptions of costs which are eligible after the end date of the project are costs related to final reports and audit certificates (see Article 6.1 (a) of your Grant Agreement). This condition is not limited to the coordinator.

- 4.3. QUESTION:** *Are costs prior to the starting date eligible (buying plane tickets for the kick-off meeting that is happening during project period) or starting website development?*

**Reply:** According to Article 6.1 (a), for actual costs, costs are eligible if they are incurred in the period set out in Article 4 (with the exception of costs relating to the submission of the final periodic report, which may be incurred afterwards). Therefore, the website development is eligible only if it takes place during the duration of the action or only for the developments that took place during the duration of the action.

As regards, travel costs for the kick-off meeting — Even if the first leg of the journey takes place before the action starting date (e.g. the day before the kick-off meeting), the costs may be eligible, if the meeting is held during the action duration. The same applies for the last leg of a journey after the end of the action duration for a review or closing meeting.

Please also take into consideration that the costs have to comply with all the general eligibility conditions of Article 6.1 of the Grant agreement and with the specific eligibility conditions set up per budget category in Article 6.2 of the Grant Agreement.

## SUPPORTING DOCUMENTS AND RECORD KEEPING

- 5.1. QUESTION:** *Should we keep supporting documents and/or proofs for the co-funding? i.e., for the part that is not covered by the donor? Which records must be kept proving travel / accommodation / subsistence units? We can only think of the respective invoices that document the travel of the individual person (flights, hotel invoices).*

**Reply:** Please refer to Article 20- Record-keeping of your grant agreement and to the explanations provided in page 176 and subsequent pages of the [Annotated Model Grant Agreement](#) (V1.0 DRAFT– 01.04.2023) .

According to Article 20- Record keeping of the Grant Agreement, the beneficiaries must keep appropriate and sufficient evidence to prove the eligibility of all the costs declared, proper implementation of the action and compliance with all the other obligations under the Grant Agreement. If costs that are not supported by appropriate and sufficient evidence, they will be rejected.

‘Sufficiency’ relates to the quantity of evidence; ‘appropriateness’ relates to its quality. Evidence is considered sufficient and appropriate if it is persuasive enough for the auditors, who assess it according to generally accepted audit standards.

The evidence must be verifiable, auditable and available.

It must be correctly archived for the duration indicated in the Grant Agreement (see Data Sheet, Point 6). In general, for at least 5 years after the balance is paid (3 years for low value grants up to EUR 60 000) or longer if there are ongoing procedures (audits, investigations, litigation, etc). In this case, the evidence must be kept until they end.

The rules in the Grant Agreement do not affect national laws on keeping documents (which may require additional measures).

The beneficiaries must keep original documents (i.e. documents considered an original under national law). Digital and digitalised documents are considered originals if they are authorised by the applicable national law. The granting authority may accept non-original documents if they offer a comparable level of assurance.

**Records for actual costs:**

For actual costs the beneficiaries must:

- keep detailed records and other supporting documents to prove the eligibility of the costs declared
- use cost accounting practices and internal control procedures that make it possible to verify that the amounts declared, amounts recorded in the accounts and amounts recorded in supporting documentation match up.

The information included in the financial statements for each budget category (i.e. personnel costs, other direct costs, indirect costs) must be broken down into details and must match the amounts recorded in the accounts and in supporting documentation.

**Records for unit costs :**

For unit costs, the beneficiaries must keep detailed records and other supporting documents to prove the number of units declared.

Please be aware that is NOT necessary to keep records on the actual costs incurred. The granting authority may access the accounting records but will reject costs only if the number of units declared is incorrect. The actual costs of the work are not relevant. If the granting authority detects an irregularity or fraud in the action implementation, it may reject costs or reduce the grant (and initiate other contractual or administrative measures).

As adequate records and supporting documents for the unit costs for travel, accommodation and subsistence, we recommend that you keep as a minimum the attendance list with the participants and number of days (for each day of the event) and proof of travel documents (i.e. boarding passes).

## REPORTING AND SUBMISSION

**6.1. QUESTION: *Is reporting due 60 days after the end of the period to be reported or 60 days after the opening of the reporting procedure on the Funding & Tender portal?***

**Reply:** According to Point 4.2 on periodic reporting and payments of the Datasheet of your Grant Agreement, periodic reports are due 60 days after end of the reporting period. Reporting and Payment (REPA) workflow will automatically open in Portal on the day after the end of each reporting period and prompt the consortium to draft and submit their periodic report within 60 days from when the system opens (end of the reporting period).

For the Calculation of periods and deadlines, please refer to Article 38 of your Grant Agreement. The day during which that event occurs is not considered as falling within the period.

## IN-KIND CONTRIBUTION

**7.1. QUESTION: *If in-kind contribution is not allowed under the personnel cost category, the participation of hospitals through their foundations seem very complicated to manage.***

**Reply:** Please note that, as per the definition of in-kind contribution in your Grant Agreement, in-kind contribution are for example non-financial resources made available free of charge by third parties. In-kind contribution is allowed, but not eligible (see Article 9.2 of your Grant Agreement).

In-kind contributions refers only to the case where a third party makes available some of its resources to a beneficiary, for free (i.e. without any payment). In this case, the beneficiary itself makes no payment and there is therefore NO cost incurred by the beneficiary.

If there is any payment between the third party and the beneficiary, the beneficiary can declare the costs in the appropriate cost category:

- personnel costs for seconded persons (see Article 6.2.A.3)
- renting costs for equipment (see Article 6.2.C.2) or
- purchase costs for other goods, works and services (see Article 6.2.C.3).

The beneficiary may consider including the foundation as affiliated entity.

Please refer to page 140 of the [Annotated Model Grant Agreement](#) (V1.0 DRAFT– 01.04.2023) for further details.

## CERTIFICATE ON THE FINANCIAL STATEMENTS (CFS)

**8.1. QUESTION:** *Certificate on the financial statements (CFS) approved external auditor should be submitted also in the periodic period, or only at the final period?*

**Reply:** Please refer to Articles 21 and 24.2 Certificate on the financial statements (CFS) and Point 4.3 of Data Sheet of your Grant Agreement.

The certificate of financial statements (CFS) must be submitted when the participant (beneficiary or affiliated entity) requests an EU contribution to costs  $\geq$  EUR 325 000. A CFS must be submitted once the cumulative amount (current and previous) of requested EU contribution per beneficiary/ affiliated entity is equal or exceed the threshold of EUR 325,000.

## TYPE OF COSTS

**9.1. QUESTION:** *Could you make an example of other goods as purchase costs?*

**Reply:** The budget category 'Other goods, works and services' covers the costs for goods and services that were purchased for the action, such as:

- costs for consumables and supplies (e.g. raw materials, office supplies)
- communication and dissemination costs (e.g. translation and printing costs or graphic designer fees for printed products such as leaflets or other promotional items in relation to communication activities; conference fees; costs for speakers and interpreters)
- costs related to intellectual property rights (IPR) (e.g. costs related to protecting the results such as consulting fees or fees paid to patent offices)
- costs for certificates on financial statements (CFS)
- costs for financial guarantees (only if required by the granting authority; see Data Sheet, Point 4.2).

Please refer page 90 of the [Annotated Model Grant Agreement](#) (V1.0 DRAFT– 01.04.2023) for further details.

**9.2. QUESTION:** *For ensuring transparency in choosing a subcontractor, is it possible to rely on a documented justification letter to prove the best value for cost? Or a proof of benchmarking procedure is required?*

**Reply:** Best value for money applies the general cost eligibility condition set out in Article 6.1(a)(vii) (i.e. that costs must be reasonable and comply with the principle of sound financial management) to the subcontracting context. A competitive selection of subcontractors should be the default approach since it is the safest way to ensure no conflict of interest, best value for money or lowest price through direct comparisons between offers. However, subcontracting does NOT necessarily require competitive selection procedures to be eligible.

For further details, please refer to section 6.2 B. Subcontracting of the [Annotated Model Grant Agreement](#) (V1.0 DRAFT– 01.04.2023) page 70.



**9.3. QUESTION:** *Is internal invoicing allowed, i.e. procuring specific services from another department, e.g. printing services, educational session recording, etc.? And, what are the rules?*

**Reply:** Internal invoices is not allowed under the EU4Health Programme.

## CO-FUNDING

**10.1. QUESTION:** *How can the co-financing/ part of the costs not covered by the grant be provided?*

**Reply:** The eligible costs that are not covered by the grant may be covered by one or more of the categories below:

- pre-existing funding of the beneficiaries (own resources)
- financial contribution by third parties (i.e. grant from a national or a private funding programme)
- income or revenue generated by the action (i.e. by selling results during the duration of the action). ‘Revenue’ is all income generated by the action, during its duration, for beneficiaries that are profit legal entities. For the purpose of calculating the profit, an ex-post analysis of the revenue generated by the action (by the profit legal entities) and the grant amount over the eligible costs would be necessary at the balance payment.

In addition, beneficiaries may use in-kind contributions provided by third parties (i.e. seconding personnel, contributing equipment, infrastructure or other assets, or other goods and services made available for free by third parties), if necessary to implement their action. These in-kind contributions are not counted towards the project budget (not eligible costs) as there are no costs that arise for the beneficiaries, and nothing can be charged to the action.

We would like to remind you that, for EU4Health Programme, the in-kind contributions from third parties are ineligible costs but the third parties and their in-kind contributions should be set out in Annex 1 (see Articles 6.3 and 9.2 of the model grant agreement).

**10.2. QUESTION:** *Regarding the co-funding sources needed for the project grants, are there any exceptions? Can you confirm an EU Operating Grant cannot be used as co-funding source?*

**Reply:** An EU Operating Grant cannot be used as co-funding source. In addition, please note that beneficiaries that have parallel EU action and operating grants may claim indirect costs in their action grants ONLY if they are able to demonstrate cost separation (i.e. that their operating grants do not cover any costs which are covered by their action grants).

## MISCELLANEOUS

**11.1. QUESTION:** *Are there any plans to provide an IT tool for coordinators for budget monitoring?*



**Reply:** There is not a specific tool and no specific plans to create it. Please refer to the link below for the available templates:

<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/how-to-participate/reference-documents;programCode=EU4H>

**11.2. QUESTION: *Prefinancing remains property of EU. If prefinancing is supposed to be partially paid back by one of the beneficiaries BUT this beneficiary does not comply, is the coordinator financially responsible to pay back?***

**Reply:** Pre-financing funds remain EU property until the final payment (payment of the balance), when they are cleared against the eligible costs accepted by the granting authority. At the final payment, the maximum grant amount is calculated as explained in Article 22.3.4 of your Grant Agreement. If the payments already made (prefinancing and interim payments) are higher than the final grant amount, the granting authority will have to recover the difference (negative balance) from the coordinator according to the procedure explained in Article 22.3.4 of your Grant Agreement. The consortium should agree between themselves how the funds will be recovered within the consortium (consortium agreement may cover financial responsibility in case of recoveries - see Article 7 of your Grant Agreement).

If payment is not made by the date specified in the debit note by the coordinator, the granting authority will enforce recovery in accordance with Article 22.4. Please note that in case of enforced recovery the grant agreement provides by default for limited joint and several liability of other beneficiaries, with one limitation: up to the maximum grant amount of the beneficiary refer to Point 4.4 on Recoveries of the Data Sheet and Article 22 of your Grant Agreement).

**11.3. QUESTION: *What about amendment with retroactive effects?***

**Reply:** An amendment may have retroactive effects in exceptional and duly justified cases. For purposes of legal certainty, it is essential to limit the retroactivity to cases where this is strictly necessary and justified.

Please note that an amendment must normally be requested before the end of the project (see project end date – Data Sheet- General data); in exceptional cases amendment clauses are also open after the end of the project (e.g. change of coordinator’s bank account, in order to be able to make the final payment).

For further details on the amendment procedure, please refer to Article 39 of your grant agreement and page 219 and subsequent pages of the [Annotated Model Grant Agreement](#) (V1.0 DRAFT– 01.04.2023).