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FAQ - Other Direct Costs/ Subcontracting

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Q1:

Do I need an amendment in case of unforeseen subcontracting?

- **YES;**
- Programme Office should be consulted prior to submission of the periodic report, especially if tasks are of higher value;
- Some subcontracting may be accepted without an amendment, if well justified, in the technical report.

Q2:

The goods were delivered, but the supplier's invoice is missing or is in dispute, can I charge the costs?

- Costs can be charged, when they are incurred - i.e. goods or services are delivered;
- However, in order to charge the costs, underlying documents should be recorded in the statutory accounting books.

Q3:

What underlying documents do I need to justify the costs?

- Contract with the supplier;
- Purchase order;
- Supplier's invoice; delivery note/ proof of delivery, hand-over protocol;
- Debit note/ credit note;
- Proof of payment.

Q4:

What if the invoice/ underlying documents are addressed to another company (i.e. parent company), can I charge the costs?

- Costs cannot be charged.

Q5:

The invoice has been recorded, but it has not been paid yet. Can i charge it?

- Yes, providing that the payment will be executed latest in the course of next months

Q6:

What if the invoice was paid (advance payment), but the goods were not delivered yet. Can I charge the costs?

- Yes, providing that the goods will be delivered during the time when financial report is being prepared/ within the project duration

Q7:

Due to faulty delivery, half of the goods were returned to the supplier at the end of reporting period/ project. Do I need to adjust the costs?

- Yes, during the preparation of the periodic report or in an Adjustment Form C when the credit note is received later

Q8:

My accounting books are in a different currency than in EUR - how do I convert it to EUR?

- Using the rate in accordance with Art. 20.6. ;
- (!) different approach than in FP7

Q9:

Can I charge VAT?

- Yes, but only non-deductible part of the VAT;
- Deductible VAT, even if it cannot be identified, may NOT be charged to the project.

Q10:

Can I charge fees for bank transfers to the FCH project?

- No

Q11:

Which tasks cannot be subcontracted?

- Tasks to be executed exclusively by the coordinator of the project;
- i.e. role of the coordinator cannot be performed by third party, only by personnel directly hired by the coordinator;
- No subcontracting between the partners of the same GA is allowed , neither is subcontracting to its affiliates!

Q12:

My subcontractor is a friend. Is it a problem?

- As such not. But you must be in a position to prove that his/her offer represents the best price-quality ratio;
- The conflict of interests rule requires you to adopt every measure to avoid it (including family and emotional ties).

Q13:

I have named my subcontractor in the Annexes to the G.A.: is it enough?

- No because you are still deemed to have respected the best value for money

Q14:

I use the same IT provider since 20 years, with a written framework contract: is it ok?

- If you use it for you and for us, then ok. However, maybe it is time to look for better prices...

Q15:

For specialized items I need for my project, only one supplier exists. Do I need to demonstrate value for money?

- YES;
- This should be treated as an exceptional case; well explained, approved and documented at the time of the purchase.

Q16:

I use standard suppliers, but there is no framework contract, do I need to search for another 2 offers every time I place an order?

- No, providing that suppliers were selected in the beginning according to specific criteria demonstrating best value for money;
- No, in case there is a recurring review of the suppliers for price/quality/delivery/flexibility, etc;
- No, in case there is a written justification when the order is placed.

Q17:

In case when 3 offers I obtained, can I select the one which is NOT with the lowest price?

- YES, but choice of another bidder has to be very well explained and justified

Q18:

My standard supplier is another subsidiary in the same group, can I use him for purchases in the project?

- Only exceptionally (FCH2 JU should be informed);
- Only if it complies with best value for money and absence of conflict of interest principles;
- Justifications - > framework contract; normal supplier for other projects/activities, comparable offers, catalogue, etc.

Q19:

Travel costs - are there general conditions that have to be considered? (e.g. maximum prices for hotels etc.)

- Your internal travel policy / usual practice needs to be respected;
- Any exceptions need to be properly explained;
- In case of non-existing rules, a recommended benchmark is max. 150 EUR/ night, max. 120 EUR/ daily per-diems.

Q20:

Can I charge travel for kick-off meeting?

- Yes, even if the bookings are made before an official start of the project;
- However, the kick-off meeting itself needs to take place during the project timeframe.

Q21:

If I travel 1st class, is it considered a reckless expenditure?

- No, but only if first class travel is normally allowed according to your travel policy, under pre-described conditions (e.g. long journey, etc.);
- NO “upgrade” of the usual travel policy for the purpose of claiming costs in the FCH project (!).

Q22:

Can I combine private and business travel and charge the costs to FCH project?

- Yes, if it is allowed normally under according to your travel policy / usual practice;
- Only part of the costs related to business travel can be charged;
- Amount of days for private travel should not exceed allowed duration (e.g. 1-2 days);
- Price of the ticket is not higher than the one covering only days of business trip (comparable offers are recommended to be kept as an evidence).

Q23:

Is software purchase considered consumable or equipment cost in the Horizon 2020 rules?

- Discuss it first with the FCH2 JU;
- Classification should be made based on your usual accounting practice - taking into consideration monetary amount/ useful life;
- If the purchase of the SW was specifically agreed in the GA to be charged in full to the FCH project, then it should reported under “Consumables”.